



SUSTAINABILITY AT CNOOC INTERNATIONAL

2019 CANADIAN REPORT

ABOUT CNOOC INTERNATIONAL



CNOOC INTERNATIONAL >>

We are the international division of CNOOC Limited. Our portfolio is made up of assets in some of the world's most significant basins in Asia, Africa, the Americas, Europe and the Middle East. In Canada, for more than 40 years, we are proud to responsibly develop and produce energy using technology, innovation and collaboration to grow Canadian oil and gas production and help supply the energy that fuels people's lives.

CNOOC LIMITED >>

CNOOC Limited is the largest producer of offshore crude oil and natural gas in China and one of the largest independent oil and gas exploration and production companies in the world. With operations in more than 20 countries, in 2019 CNOOC Limited's

net production was 506.5 million barrels of oil equivalent (1.39 million barrels of oil equivalent per day).

WINNING TOGETHER WITH OUR PEOPLE >>

We value innovative ideas and diverse perspectives and take pride on winning together as one team. Our employees strive to collaborate "without boundaries" which is fundamental to the way we work, helping us align on the best solutions to the most complex challenges. "Win Together" is one of our eight cultural beliefs that works in combination to guide how our employees get the job done safely, in order to achieve outstanding results. Our people nurture this unique culture by living it everyday, sharing stories and experiences to reinforce the behaviours that drive high-performance.

ONE BRAND, ONE TEAM >>

In 2019, CNOOC International successfully completed the integration of Nexen Energy into our international division. We are now aligned as one global team and brand. Our Canadian operations remain under the management of CNOOC International's North American Regional Office. While our name and logo have changed, our commitment to safe, sustainable growth and building thriving communities in the areas where we operate remains the same. We are one team united by mutual values and a shared vision of sustainably delivering energy for all.

CULTURAL BELIEFS



BE BOLD



BE THE BEST



DO IT RIGHT



RESULTS MATTER



SAFETY FIRST



STEP UP



VALUE FEEDBACK



WIN TOGETHER

CNOOC INTERNATIONAL STRIVES TO BE THE PACESETTER IN HIGH-QUALITY DEVELOPMENT OF THE UPSTREAM OIL AND GAS SECTOR. ACROSS ALL OUR OPERATIONS, WE CULTIVATE FIRST-CLASS TALENTS AND DELIVER TOP QUARTILE PERFORMANCE BY SAFELY AND SUSTAINABLY DEVELOPING OUR INTERNATIONAL PORTFOLIO.

XIA QINGLONG, CHAIRMAN OF CNOOC INTERNATIONAL

OUR CORE VALUE IS SAFETY

The success of every activity we undertake at CNOOC International is measured on our ability to execute our work safely. Everyday, our employees and contractors remain focused on ensuring we operate without incident or harm to people, communities and the environment. Safety is foundational to the way we work.

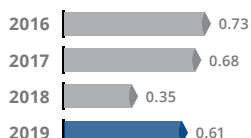
CANADA-WIDE SAFETY PERFORMANCE (COMBINED EMPLOYEE AND CONTRACTOR) >>

LOST TIME INJURY FREQUENCY (LTIF)¹



¹ Lost Time Injury Frequency is a measure of safety performance calculated as the number of lost time injuries and fatalities recorded for every 200,000 hours worked.

TOTAL RECORDABLE INJURY FREQUENCY (TRIF)²



² Total Recordable Injury Frequency represents the total number of modified work cases, medical treatment cases, lost time injuries and fatalities for every 200,000 hours worked.

TAKING ACTION TO CONTINUOUSLY IMPROVE OUR SAFETY PERFORMANCE >>

As a result of the increase in safety incidents in 2019, we took action to enhance our Safety First culture. We focused specifically on increasing supervision, re-emphasizing the criticality of conducting hazard assessments and improving contractor management. These actions areas aimed at driving continuous improvement were reinforced through multiple Safety Stand Downs, CEO-led feedback sessions with frontline workers and employee/contractor townhalls.

LIVING OUR LIFE SAVING RULES >>

CNOOC International's Life Saving Rules (LSRs) are designed to keep people safe. They are an industry best practice which ensure our workforce stays focused on preventing serious injury or fatality, minimizing our impact on the environment, and reinforcing regulatory compliance.

To keep the LSRs and our Safety First culture top of mind, in 2019, each member of our North American Leadership Team championed an LSR. As part of the campaign, leaders and their teams stepped up to conduct lunch and learns, share stories and safety moments to continue to raise awareness and prevent safety incidents from occurring.

The leadership commitment included the creation of a highly-utilized internal website that accumulated over 700 pieces of safety moments, content and tips with an average

of 300 views per piece. We also held our annual North American HSE Conference with the theme of Leading Safely Together. "These initiatives and our other HSE programs reinforce our Safety First culture that is sustained through collaboration, constant vigilance and our commitment to continuously improving our safety performance," says Jiejun Chen, VP, HSE, North America.

SIGNING-OFF ON SAFETY >>

At CNOOC International we walk the talk. On an annual basis, every employee is asked by our North American CEO, Quinn Wilson, to take personal accountability for ensuring that safety remains our top priority. To reinforce this expectation, all employees are asked to sign-off annually on our Employee Work Safety Commitment. This activity demonstrates our agreement and commitment to understand and abide by our Life Saving Rules and to always evoke CNOOC International's Stop Work Authority if unsafe activities are observed.

LIFE SAVING RULES



ENERGY ISOLATION



DRIVE SAFELY



WORKING AT HEIGHTS



CONFINED SPACE ENTRY



SAFE LIFTING OPERATIONS



CONDUCT HAZARD ASSESSMENT



PERMIT TO WORK



ALCOHOL & DRUG FREE



WE NEVER COMPROMISE ON PUTTING SAFETY FIRST. WITH THE FULL SUPPORT OF LEADERSHIP, EVERY EMPLOYEE, CONTRACTOR AND VISITOR WHO STEPS ONTO OUR WORK SITES OR OFFICES IS AUTHORIZED TO EVOKE CNOOC INTERNATIONAL'S STOP WORK AUTHORITY AND STOP ANY AND ALL WORK THAT IS UNSAFE. SIMPLY PUT, WE DO IT SAFELY, OR NOT AT ALL.

QUINN WILSON, CEO, NORTH AMERICA & SVP



CNOOC INTERNATIONAL'S CANADIAN BUSINESSES

OIL SANDS – A KEY PART OF OUR GLOBAL PORTFOLIO >>

CNOOC International has an interest in more than 300,000 acres in Northern Alberta's Athabasca region, with billions of barrels of contingent recoverable oil sands resources. Our Long Lake oil sands facility, located just south of Fort McMurray, began producing in 2008 and is a steam-assisted gravity drainage (SAGD) only operation, with a production capacity of 72,000 boe/d.

ENHANCING WELL PERFORMANCE >>

In 2019, we received approval to proceed with Phase 3 of the Long Lake Infills project, which focuses on sustaining and growing our production output at Long Lake. Consistent with the first two phases of infills, we continued to achieve top quartile performance, with first oil on Phase 3 drilled six weeks ahead of schedule with zero safety incidents and 15% under budget. Once completed, at peak production this phase of the program is expected to produce an additional 4,500 barrels of bitumen per day. This success contributed to 2019 being our strongest ever year at our Long Lake facility in terms of higher production volumes, lower steam-to-oil ratio and positive cashflow.

"The Infills Projects continues to impress us," says David Scarpino, Sr. Manager – Operated Oil Sands, Resource, Development & Technology. "The team is maintaining our momentum of delivering safe, profitable barrels and since the inception of the Infills program in 2017, we continue to reach new milestones. Every successful project that is on (or under) budget with zero safety events positions us well for future projects."

GROWING OUR SAGD OPERATIONS >>

At our Long Lake Southwest expansion project, we achieved another important milestone, successfully completing all sanctioned drilling in 2019. A total of 32 SAGD well pairs were drilled ahead of schedule, with zero safety incidents and below planned costs. Approved by CNOOC Limited in 2018, this project is expected to add 26,000 barrels of oil equivalent per day from the three well pads to be tied-in to the existing Long Lake facility.

"The team has continued to work extremely hard to safely and successfully complete this year long drilling program ahead of schedule," Daniel Chen, Sr. Program Manager,

Engineering & Construction. "This milestone will support us in adding safe, profitable barrels to Long Lake's operations."

Production from Long Lake Southwest requires less steam and natural gas on a per-barrel basis, equating to less energy used overall. These advancements are expected to achieve a 20 per cent reduction in greenhouse gas emissions intensity from current levels by 2025.

STRATEGIC OIL SANDS INTERESTS AND FUTURE GROWTH PLANS >>

CNOOC International also has interests in several other oil sands projects, including:

- A 25 per cent working interest in Hangingstone, a SAGD joint-venture project operated by Japan Canada Oil Sands (JACOS).
- A 7.23 per cent working interest in Syncrude's oil sands mining and upgrading facility.
- A 9.47 per cent equity interest in MEG Energy.

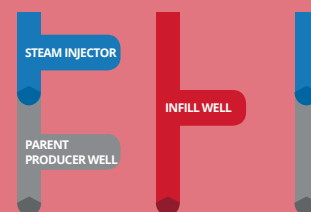
We are strategically positioned for future in-situ oil sands development including a stand-alone SAGD development in the Kinosis area of Long Lake which is expected to deliver approximately 20,000 barrels of bitumen per day at peak production rates. This includes the development of two replacement pipelines for the transportation of produced emulsion and boiler feed water.

Upon receipt of regulatory approval late in 2018, in 2019 the project team progressed detailed engineering and procurement for the replacement pipelines, as well as completing installation of nine of twelve major trenchless crossings (areas where the pipeline crosses a road, railway, waterbody or other pipeline). All 12 crossings were completed in early 2020.

INSIDE STORY ON INFILLS >>

In SAGD, an injector and producer well (well pairs) are drilled to produce bitumen. The injector well sends high-pressure steam into the reservoir and heats up the bitumen which allows the bitumen to flow towards the producer well using gravity. Over time, trapped pockets of heated mobilized bitumen get stuck between the well pairs. By drilling a single horizontal producer well in between well pairs (an infill well), we can produce large amounts of incremental bitumen with minimal additional steam. A lower steam-to-oil ratio means lower greenhouse gas emissions intensity and lower costs per barrel of bitumen!

SAGD INFILL WELLS



Source: RSEG



Long Lake Oil Sands SAGD well pad 12

CUMULATIVE EFFECTS OF COVID-19 ON OUR OIL SANDS BUSINESS >>

With the onset of the global pandemic and the impact to commodity prices, in 2020 we have made strategic decisions to ensure we are managing our capital wisely. As a result, we have deferred key projects within our Oil Sands business including ongoing construction on the K1A pipeline and our Long Lake Southwest expansion project. We continue to assess the appropriate timing to restart these major projects which remain critical to CNOOC International and its ongoing success as a responsible developer of oil sands resource.

SUCCESSFULLY ENGAGING WITH STAKEHOLDERS IN NEWFOUNDLAND & LABRADOR >>

In December of 2019, we received Federal government approval of our Environmental Assessment (EA) Application for exploration drilling within our two licenses in the Flemish Pass Basin, offshore Newfoundland. With the acquisition of 100% working interest of Exploration Licenses 1144 and 1150, this approval marked a significant step forward since establishing an office in St. John's in 2017.

During the roughly 1,000-day application process, the team engaged over 100 stakeholder groups. This included consultations with 42 Indigenous groups, commercial fishing groups, extensive face-to-face meetings and eight public town halls. With this major milestone achieved, the team is now focused on satisfying all the conditions of the EA approval.

The company planned to spud its first exploration well within EL 1144 in early Q2 2020, however, drilling has since been deferred as a result of impacts from the COVID-19 global pandemic. We are committed to executing our exploration program in the Flemish Pass and are working with governments, regulatory bodies and suppliers to confirm drilling plans for 2021.



St. John's Harbour in Newfoundland

SHALE GAS ABANDONEMENT & RECLAMATION >>

As a responsible operator, we must make business decisions that ensure our long-term economic viability. Given market conditions, in January 2019, CNOOC International and our partner Inpex Gas of British Columbia made the decision to proceed with abandonment of our Northeast British Columbia shale gas assets, while retaining mineral rights and surface leases.

Our key focus in 2019 was the execution of Phase 1A of the project for the Dilly Creek area. This included zonal well abandonment which was successfully completed for all 78 wells including 53 high-risk wells. Phase 1B was also initiated in 2019 with the Etsho plant demolition and the clean-up of all surface equipment and above ground piping.

Work throughout 2019 was completed successfully, on schedule, on budget and Lost-Time-Injury (LTI) free, adding to our successful safety record of zero LTIs for approximately six years for our Shale Gas Operations. As we continue to progress abandonment and reclamation activities, our top priorities remain ensuring the safety of our workforce and regulatory compliance, while minimizing impacts on local communities and the environment.

BEFORE: Tsea Gas Plant, October 2017



AFTER: Tsea Gas Plant, May 2020



BALZAC POWER STATION >>

CNOOC International operates the Balzac Power Station, a natural gas fired combined cycle power station that generates 120 megawatts of power to the Alberta electricity grid. The neighbouring gas processing plant was decommissioned in 2011 and the Balzac Abandonment and Reclamation project continues with the remediation of the gas plant site as well as the field well and junction sites.

3000 DAYS AND COUNTING!

On December 12, 2019 the Balzac Power Station (BPS) team reached an important milestone, achieving 3,000 days without a recordable injury. That's over eight years! The BPS has also been Lost Time Incident (LTI) free since the facility's commissioning in 2001.

SODERGLÉN WIND FARM >>

CNOOC International is also a 50 per cent non-operating partner in the 70.5-megawatt Soderglén Wind Farm in Southern Alberta. In 2019, this 47-turbine farm produced a total of 209,000 megawatt hours for the year. We use carbon credits associated with its clean power generation to help meet our greenhouse gas compliance obligations for our Alberta-based operations.



WHAT'S IN A MEGAWATT?

A megawatt is a unit for measuring power that is equivalent to one million watts. One megawatt is equivalent to the energy produced by approximately 10 automobile engines. A megawatt hour (Mwh) is equal to 1,000 kilowatts of electricity used continuously for one hour. It's about equivalent to the amount of electricity used by 330 homes during one hour.

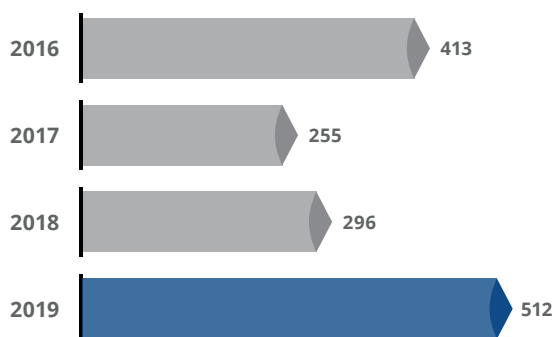


CNOOC International is a 50% non-operating partner in the Soderglén Wind Farm.

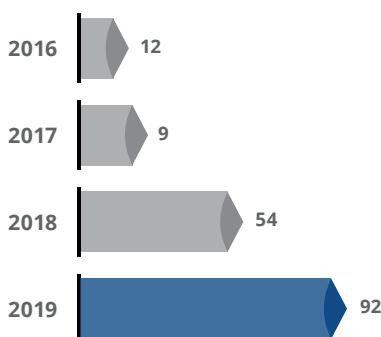
ECONOMIC CONTRIBUTION >>

CNOOC International's Canadian-based economic contributions are as follows:

CAPITAL EXPENDITURE (CAD \$MILLIONS)



TOTAL ROYALTIES' AND INCOME TAXES FOR CANADIAN OPERATIONS (CAD \$MILLIONS)



Translated from USD; therefore, this number is an estimate and not an exact figure

INVESTING IN HIGH-QUALITY, LOWER EMISSION RESERVES >>

Our Capital Expenditures in 2019 were significantly higher than the previous year due to growth projects at our Oil Sands Operations. This included the Long Lake Southwest expansion project which demonstrates our commitment to responsibly developing high quality, lower green house gas emission Canadian reserves.



ENVIRONMENT

ADDRESSING CLIMATE CHANGE >>

As a responsible energy developer, CNOOC International seeks to reduce our impact on air, water, land and ecosystems.

We support a range of actions to ensure ongoing improvements to the greenhouse gas (GHG) emissions performance of our Canadian assets. This includes accounting for potential GHG emissions at the design stage of new facilities and managing these emissions through the facilities' lifecycle. CNOOC International limits GHG emissions from our operations in the following ways:

- Prudent Design – Incorporating GHG considerations into project design and assessing expected compliance obligations as part of investment decisions. These decisions are yielding results as demonstrated by our best-ever steam-to-oil ratio performance at Long Lake in 2019. These technical advancements support our efforts to reduce overall GHG emissions intensity.
- Efficient Operations – Prioritizing reliable and efficient operations for our assets, which limit wasted energy and unnecessary GHG emissions.
- Research and Development (R&D) – Supporting internal R&D and leveraging new technologies offer longer-term opportunities for GHG reductions.

- Carbon Offsets – Participating in carbon markets with assets that generate renewable energy credits (these are also used to meet part of our annual GHG compliance obligations).

We also work with policymakers and stakeholders to help establish policy frameworks that encourage investment and innovation, enabling ongoing improvements in GHG performance. For example, through investments and targeted efforts to improve production at our Long Lake oil sands facility, CNOOC International has reduced the energy required to extract each barrel of bitumen by approximately 40 per cent since 2010.



Environmental Engineer changes out a filter at a passive air station

These improvements, along with structural changes at the facility, have led to a significant reduction in the GHG intensity of Long Lake's bitumen production. We expect that our ongoing investments in the facility will yield further improvements to environmental performance.

CANADA-WIDE GREENHOUSE GAS EMISSIONS >>

Carbon Dioxide (CO₂) Equivalent Emissions¹ (million tonnes)

2016	1.70
2017	2.00
2018	2.10
2019	1.90

Emissions per cubic metre (t CO₂/m³ OE)

2016	0.74
2017	0.58
2018	0.58
2019	0.52

¹ Emissions include direct emissions from operations plus indirect emissions from electric power consumption.

DOING MORE WITH LESS!

Our technical understanding of our reservoir and SAGD technology is paying dividends from a GHG reduction standpoint. Over a three-year period, we have reduced our emissions by almost 1/3 per cubic metre achieving our lowest levels in 2019. This success occurred in a year where we saw our best-ever production volumes at Long Lake.



MINIMIZING ENVIRONMENTAL IMPACTS

PROTECTING MARINE HABITATS >>

In 2019, we conducted a visual seabed survey in offshore Newfoundland at the site of Pelles A-71 – the location where we planned to spud our first exploration well. The study revealed a cluster of five sea pen



Cluster of sea pen coral

corals near the proposed well location, and as a result, the wellsite was moved by 30 metres in order to significantly reduce any impacts drilling operations could have on marine life. The survey results showed that with this location adjustment, no other corals or environmentally sensitive features were within 100 metres of the revised wellsite.

REDUCE, REUSE, RECYCLE IN NORTHEAST BC >>

As part of our shale gas abandonment efforts in 2019, much of the material generated through Phase 1B of the project was sold to other oilfield sites for reuse or was recycled. Our focus on minimizing the amount of material that needed to be removed and disposed of in local landfills was praised

by inspectors from the provincial Oil and Gas commission and demonstrates our commitment to minimizing environmental impacts where we work.

WORKING TO LEAVE IT THE WAY WE FOUND >>

The Balzac Abandonment & Remediation/Reclamation (BAR) project continues to progress successfully from a safety and environmental standpoint. In 2019, over 30% of the field sites were remediated and 20 acres of land were reclaimed. This achievement adds up to a total of 130 acres of land that has been cleaned up and returned to its previous or new land use in the Balzac area since 2013. To date, the program has achieved 1505 days without an LTI.



WATER MANAGEMENT

INNOVATIVE PARTNERSHIP TO REDUCE WATER CONSUMPTION >>

The Water Technology Development Centre (WTDC) is a collaborative project of oil sands industry partners that tests water treatment technologies. The project's aim is to improve the sustainability performance of thermal in-situ oil sands projects including a reduction in water consumption and green house gas emissions.

Convened under Canada's Oil Sands Innovation Alliance (COSIA), CNOOC International joins Suncor (operator), Canadian Natural Resources and Husky Energy in this innovative partnership. The facility, attached to Suncor's Firebag SAGD asset, began operation in August 2019 and offers real-time testing conditions with process fluids that have the same chemical characteristics of a commercial SAGD operation. This project is also expected to accelerate the evaluation process for new technologies which will enhance skill sets of partners and offer information that could benefit our industry as a whole.

ENVIRONMENTAL REGULATORY OR PERMIT VIOLATIONS >>

Geographical Region	2016	2017	2018	2019
Canadian Operations Total	7	69	53	13
Shale Gas & Oil	2	5	1	1
Oil Sands	5	64	52	12

The indicator definition includes any event-related violation of legislation (act/regulation/directive) or permit issued related to air, land or water management or environmental protection.

WORKING TOWARDS ZERO SPILLS >>

Events	2016	2017	2018	2019
Canadian Operations Total	13	5	10	12
Shale Gas & Oil	0	0	0	0
Oil Sands	13	5	10	12

Volume Released (m ³)	2016	2017	2018	2019
Canadian Operations Total	135	38	380	834
Shale Gas & Oil	0	0	0	0
Oil Sands	135	38	380	834

Volumes include liquid and solid reportable releases.

Volumes were higher in 2019 primarily due to a rupture in a feedwater line at the Long Lake facility which was immediately detected and repaired. This leakage occurred within a tank farm which is surrounded by a secondary containment area to further safeguard against negative environmental impacts.





OPERATING WITH INTEGRITY & ENSURING COMPLIANCE

Everywhere we operate, our commitment to integrity stays the same. Our culture of integrity and compliance is strong, and we have robust processes in place to protect the interests of our people, our business and our shared future. Annually all employees, contractors and Board members are required to review our Integrity Guide and acknowledge their commitment by signing off on our Statement of Compliance. The results of this process, which is reported to our Board of Directors, ensures:

- Our workforce understands our culture and the expectations placed on them which protects both individuals and the company.
- Our company standards are understood and complied with.
- We are meeting necessary legal requirements.

Our workforce understands our commitment to “Speak Up” which is the process of how to raise concerns about actual or potential violations of our Integrity Guide or other company standards.



TESTING OUR RESPONSES >>

Once every three years, at our Long Lake oil sands facility, we hold a Major Emergency Response exercise to meet regulatory requirements under the Alberta Energy Regulator’s Directive 071. Unlike tabletop exercises, this full-scale exercise – which took place on September 24, 2019 – tested all levels of our organization’s emergency response from field-based teams to the executive leadership team. Knowing we can never be too prepared, we also completed two emergency response tabletop exercises throughout 2019. Lessons learned from these activities ensure continuous improvement and enhance our Safety First Culture.



INVOLVED IN OUR COMMUNITIES

CNOOC International operates according to three pillars that guide how we support the communities where we live, work and operate. They are:

- Building thriving and safe communities by prioritizing and providing care to individuals and families who need it most.
- Advancing education including basic literacy, ready-to-work programs and initiatives that enhance STEM (science, technology, engineering and mathematics) learning.
- Building capacity and establishing strong partnerships with Indigenous communities directly impacted by our operations.

In 2019, CNOOC International contributed approximately \$1.1 million to support communities where we operate in Canada.

RENOVATING WITH THE UNITED WAY >>

In 2019, CNOOC International's Long Lake leadership team came together to support United Way's Day of Caring Initiative by refurbishing an emergency dorm room at the Fort McMurray Salvation Army. The space, renamed the "CNOOC Dorm", offers a safe haven for up to eight individuals who need a place to regain stability. CNOOC International not only donated about \$3000 in paint supplies, lighting and other décor, the team also rolled up their sleeves on two separate occasions to complete the renovation. After approximately 200 hours of hard work, the dorm was successfully transformed into an hospitable living space.



Members of the Long Lake Leadership Team at work on the CNOOC Dorm

CNOOC INTERNATIONAL SCHOLARSHIP – BILL WOODWARD SCHOOL >>

CNOOC International continues to advance education through our \$1 million scholarship program which supports students graduating from the Bill Woodward School in Anzac, located only a few minutes away from our Long Lake facility.

The scholarships provide financial support to high school graduates to pursue post-secondary education and skills training through university degrees, college diplomas, certificate programs at vocational schools and apprenticeships. Since 2013, CNOOC International has awarded scholarships to 11 students, totalling \$80,750.

CALGARY FOOD BANK – MARQUEE SPONSOR OF FOOD LINK PROGRAM >>

Since 1996, we have provided over \$662,000 in funding to the Calgary Food Bank. In 2018, CNOOC International became the lead sponsor of the Food Link Program, investing \$65,000 and in 2019 we made an additional contribution of more than \$12,000 as well as supporting the agency through a summer student secondment. This program provides food to thousands of Calgarians each week through over 150 charitable organizations that are working towards poverty prevention and harm reduction for children, adults and seniors.

EMPOWERING YOUNG WOMEN IN STEM >>

For over 20 years, CNOOC International has partnered with Operation Minerva to mentor young female students about careers in science, technology, engineering, and math (STEM). With the goal of increasing female representation in STEM fields, 11 grade-eight students were hosted at our Calgary office in 2019 to participate in a day of interactive learning facilitated by our employees. The students explored different aspects of our business including geology, geophysics, reservoir engineering, operations and facilities, HSE and environmental sciences. A favourite activity was learning how to drill wells in a slab cake filled with cherry jam. Operation Minerva – a city-wide initiative – provides an opportunity for connection between students and women in STEM workplaces.



DIFFERENT BACKGROUND, SAME HOME

"WHEN I JOINED THE CNOOC LONG LAKE TEAM AS GENERAL MANAGER IN 2018, THE FIRST THING I NOTICED WAS THE SENSE OF COMMUNITY. EVERYONE HAS A DIFFERENT BACKGROUND, BUT TO ALL OF US, THIS SMALL AREA IN NORTHERN ALBERTA IS HOME. OUR RELATIONSHIP WITH THE COMMUNITY IS VITAL TO ENSURING OUR SUCCESS."

BAOSHAN LU, GENERAL MANAGER, OIL SANDS





REACHING OUT IN CANADA

GIVING >>

In 2019, CNOOC International contributed over \$772,000 to charitable, non-profit and community organizations in Canada.

MATCHING >>

CNOOC International matched approximately \$320,000 in employee and contractor contributions to charitable and non-profit organizations in 2019. We support employees and contractors by matching

their contributions to registered charitable or non-profit organizations, up to a maximum of \$20,000 per individual per year.

HELPING >>

Our Helping Program provided grants in 2019 of \$49,000 to support employees' volunteer contributions in the community, such as:

- Volunteer grants for charitable/non-profit organizations and amateur sport

organizations for employees who volunteer their personal time.

- Team volunteer events for employees during working hours with charitable/non-profit organizations.
- Up to two paid volunteer days per year for employees to volunteer during working hours with a charitable/non-profit organization

“OUR COMMUNITY INVESTMENT PROGRAM HELPS STRENGTHEN THE COMMUNITIES WHERE WE LIVE AND WORK. WE PRIORITIZE MEANINGFUL DONATIONS AND SPONSORSHIPS THAT WILL PROVIDE LONG-TERM, SUSTAINABLE RESULTS THAT POSITIVELY IMPACT OUR COMMUNITIES.

ROBBIE ARMFIELD, SENIOR MANAGER, CORPORATE AFFAIRS

SUPPORTING INDIGENOUS COMMUNITIES

Long-term engagement with Canada's Indigenous communities is an essential component of CNOOC International's commitment to responsible energy development. For us, relationship-building begins by engaging early and frequently to identify and understand the interests and views of Indigenous groups.

CNOOC International has a Standard for Engaging with Indigenous Peoples which guides the development of these relationships and ensures that consistent practices and high standards are being applied. This standard focuses on:

- Engagement and consultation
- Business development and capacity building
- Indigenous employment and community investment

GROWING AND SUSTAINING LOCAL ECONOMIC VITALITY >>

CNOOC International strives to create meaningful opportunities for long-term participation in our operations including in our Oil Sands business. Leveraging local capacity and expertise, many Indigenous businesses help us provide safe, cost effective and reliable services. These businesses also benefit our communities through revenue, employment opportunities and community development.

While we have made significant strides in including Indigenous businesses in our

operations, we recognize there is always more work to be done. We continue to work closely with our supply chain teams to ensure continuous Indigenous inclusion and engagement throughout the contract life cycle.

HELPING OUT >>

To further support the growth and development of the students at the Bill Woodward School, CNOOC International is working together with Syncrude, ConocoPhillips and Inner Diesel Ltd. to pilot a locally developed land-based learning course. This course is being developed by the school and includes support from Elders and Actua (a charity that engages youth about key areas of STEM (science, technology, engineering and mathematics)). The courses focuses on teaching students skills on trapping, surviving on the land, fishing and preserving bodies of water.

PRESERVING INDIGENOUS TRADITIONS >>

CNOOC International proudly sponsors a Traditional Teachings course to educate local youth at the Bill Woodward School in Anzac, Alberta on Indigenous ways of life. The land-based learning classes are offered in partnership with the Northland School division and the Willow Lake Metis Association to ensure Indigenous knowledge is well preserved for future generations. Students – who gain high school credits through the program – learn skills such as animal tracking, fire building and historic uses of traditional plants as food or medicine.

BUILDING MUTUALLY BENEFICIAL LOCAL RELATIONSHIPS >>

Long Lake and the Long Lake Southwest expansion project falls under the Traditional Lands of the Fort McMurray First Nation (FN), the Chipewyan Prairie Dene FN, and the Heart Lake FN. Indigenous groups have Treaty rights over the land which are protected under the Canadian Constitution. Consistent and transparent consultations with impacted groups are a critical component of our stakeholder engagement strategy to foster support for future growth. We take this responsibility seriously as building strong relationships in the communities where we operate is a critical component to long-term, mutually beneficial success. As part of that, we seek to provide long-term benefits to communities including revenue flow-back to local Indigenous businesses like Christina River Enterprises (CRE).

"Working at CNOOC International's Long Lake Southwest project has benefited Christina River Enterprises by creating employment opportunities, capacity building and the ability to invest in new equipment," says Bernie Ness, Business Development Manager, CRE.



Long Lake workshop on the importance of community and indigenous engagement for our business.



SUSTAINABILITY REPORTING: LEARN MORE

This publication highlights some of the sustainability initiatives underway at CNOOC International's Canadian operations. More detailed information is available at www.cnoocinternational.com/sustainability. CNOOC Limited also publishes a corporate social responsibility report which can be found at www.cnooclimited.com/csrreport/en/index.html.

OPPORTUNITIES AT CNOOC INTERNATIONAL >>

A career at CNOOC International is an opportunity to contribute to a team that values diversity and integrity and strives to be the best. It's also about working toward a common goal: creating value through safe and environmentally responsible energy development. This creates value for all stakeholders, including our owners, Canadian governments, local communities and all Canadians. To learn more, visit CNOOC International Careers at www.cnoocinternational.com/careers.

FORWARD LOOKING STATEMENTS >>

This report may contain "forward-looking statements" including statements regarding expected future events, business prospectus or financial results. These statements are based on assumptions and analyses made by CNOOC International, a wholly owned subsidiary of CNOOC Limited (the "Company"), in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that CNOOC International or the Company believes are appropriate under the circumstances. However, whether actual results and developments will meet the expectations and predictions of CNOOC International or the Company depends on a number of risks and uncertainties which could cause the actual results, performance and financial condition to differ materially from the CNOOC International's or the Company's expectations, including but not limited to those associated with fluctuations in crude oil and natural gas prices, the exploration or development activities, the capital expenditure requirements, the business strategy, whether the transactions entered into by the Group can complete on schedule pursuant to their terms and timetable or at all, the highly competitive nature of the oil and natural gas industries, the foreign operations, environmental liabilities and compliance requirements, and economic and political conditions in the People's Republic of China. For a description of these and other risks and uncertainties, please see the documents the Company files from time to time with the United States Securities and Exchange Commission, including their most recent Annual Report on Form 20-F and current reports on Form 6-K.

All financial information in Canadian dollars.

June 2020

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