Certain statements in this presentation constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, including statements regarding expected future events, business prospects or financial results. The words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify such forward-looking statements.

These statements are based on assumptions and analyses made by Nexen Energy ULC (Nexen), a wholly owned subsidiary of CNOOC Limited (the “Company”, NYSE: CEO, SEHK: 00883, TSX: CNU) in light of its or their experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Nexen or the Company believes reasonable under the circumstances. However, whether actual results and developments will meet Nexen's or the Company's expectations and predictions depends on a number of risks and uncertainties which could cause the actual results, performance and financial conditions to differ materially from the Company’s expectations, including 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 Nexen or the Company can be completed on schedule pursuant to its 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 has filed from time to time with the United States Securities and Exchange Commission, including the 2015 Annual Report on Form 20-F filed on 21 April 2016.
# Agenda

<table>
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<th>Agenda Item</th>
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</table>
Oil & Gas UK Share Fair 2016
CNOOC Global Operations

2015 PRODUCTION
1.36 MMBOE/D
Oil & Gas UK Share Fair 2016
Nexen Operations Overview
UK Operated Assets

**Buzzard**
- UK's highest producing field – largest discovery since 1990
- Located about 57 km north-east of Aberdeen
- First oil 2007

**Golden Eagle**
- Largest UK discovery since Buzzard
- Located about 70 km north-east of Aberdeen
- First oil October 2014

**STaR (Scott, Telford & Rochelle)**
- First oil 1993, additional production from Telford and Rochelle through tiebacks
- Located around 188 km north-east of Aberdeen
Oil & Gas UK Share Fair 2016
Nexen Operations Overview

SAFETY FOCUS
- 0 / 0 / 0 everyday
- Excellent HSE performance
- By Choice programme
- Safety, HRP & E-Reps
- Strong asset integrity culture

PRODUCTION
- Largest producer in the UK North Sea (2013-15)
- Operated Production: >300 KBOE/day
- 3 of the top 7 UKCS producing assets
- Long asset life > 2030
- Increasing plant reliability

VALUE CREATION
- Lifting costs – below $13/bbl
- One of the lowest cost operators in UKCS
- Strong cost management culture

A compelling vision that affirms our top quartile operator status
Oil & Gas UK Share Fair 2016
Nexen Operations Overview

**LIFE SAVING RULES**

- **SAFETY FIRST**
  I protect the safety and well-being of myself, my co-workers and the communities and environment in which I work.

- **BE THE BEST**
  I relentlessly drive to be Best in Class.

- **RESULTS MATTER**
  I contribute to defining the expected result and strive to exceed expectations.

- **DO IT RIGHT**
  I plan effectively and know when to move to action.

- **BE BOLD**
  I innovate and take informed risks to achieve superior results.

- **STEP UP**
  I hold myself and expect others to be accountable for delivering superior results.

- **VALUE FEEDBACK**
  I seek, provide and act on constructive feedback.

- **WIN TOGETHER**
  I collaborate without boundaries and align with the team to achieve superior results, and I share our successes and learnings.

**NEXEN’S RESULTS PYRAMID®**
Oil & Gas UK Share Fair 2016
Nexen Future Developments
Ireland

- License Options cover 23 blocks and part blocks, covering an area of 4,500 km².
- Seismic acquisition strategy currently being developed.
UKCS exploration
- Planned exploration wells at Craster and Glengorm.
- Various other exploration prospects within the UKCS.

Other regions
- UK currently supporting the wider Nexen business on potential prospects offshore Africa and Newfoundland.
Oil & Gas UK Share Fair 2016
Projects – Ettrick / Blackbird Decommissioning

Phase 1 – CoP and FPSO disconnect
- Scope complete

Phase 2 – Buoy and mooring removal
- 2017 execution
- Pre-qual underway
- Tenders to be issued Q4 2016
Phase 3 – Well P&A (13 wells)
- 2018/2019 execution
- Tender timeline under review

Phase 4 – Subsea infrastructure removal
- 2019/2020 execution
- Tender 2018 (or may combine with Phase 2 tender)
Buzzard Phase II – Summary

- Buzzard Phase II is currently within the Select Stage of Nexen's Stage Gate assurance process.
- During this Select Stage various concepts have been evaluated and a recommendation made for a preferred concept.
- The recommendation being taken forward towards the Define (FEED) Stage is for an Infill Drilling Campaign at Buzzard and a new Subsea Development for the Northern Area of Buzzard to further develop the Buzzard Reservoir Northern Area.
- This concept is still to receive formal approval - through Nexen’s and Co-Venturer partners Stage Gate Processes.
- Buzzard Phase II FEED tenders currently being evaluated.
- The Project’s Select to Define Gate is scheduled for Q4 2016.
Oil & Gas UK Share Fair 2016
Drilling
Scott:

- Currently drilling well ST66.
- Future infield drilling programme envisaged.
Semi Subs:

- Tenders received for provision of a semi sub to drill an HP/HT exploration well at Craster - tender evaluation ongoing.
- Strategy being developed for a 10k semi-sub for various production and exploration opportunities in the Central North Sea.
- Planning commenced for Ettrick and Blackbird P&A work in Central North Sea.
Jack Ups:

- Tenders received for provision of a HDJU to drill an HP/HT exploration well at Glengorm - tender evaluation ongoing.
- Tenders received for provision of a HDJU to drill over the Buzzard platform in either 2017 or 2018 - tender evaluation ongoing.
Tenders for Drilling Services underway/planned as follows:

**Q4 2016**
- Directional Drilling / MWD / LWD
- Drilling & Completion Fluids
- Cementing Services
- MODU Based ROV Services
- Cutting Injection and Disposal Services
- Mudlogging

**Q1 2017**
- Cased Hole Services
- Conductor Pipe and associated services
- Well Testing Services
- Downhole Wellbore Clean Up Services
- Wireline (Open Hole)
- Coring Services
## Operations and Maintenance

<table>
<thead>
<tr>
<th>Operations &amp; Maintenance</th>
<th>Q3 2016</th>
<th>Ian Anderson</th>
<th>01224 371406</th>
<th><a href="mailto:ian.anderson@nexencnooclltd.com">ian.anderson@nexencnooclltd.com</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of Leak Testing Services</td>
<td></td>
<td>Calder Scott</td>
<td>01224 371121</td>
<td><a href="mailto:calder.scott@nexencnooclltd.com">calder.scott@nexencnooclltd.com</a></td>
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<tr>
<td>Provision of Lifeboat, Liferaft and Sky-Scape Systems Maintenance Services</td>
<td></td>
<td>Norman Milton</td>
<td>01224 371512</td>
<td><a href="mailto:norman.milton@nexencnooclltd.com">norman.milton@nexencnooclltd.com</a></td>
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</table>

## Subsurface

<table>
<thead>
<tr>
<th>Subsurface</th>
<th>Q3 2016</th>
<th>Keith Blair</th>
<th>01895 555168</th>
<th><a href="mailto:keith.blair@nexencnooclltd.com">keith.blair@nexencnooclltd.com</a></th>
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<tbody>
<tr>
<td>The Provision of Geochemical Consultancy Services and Geochemical Interpretation Software</td>
<td></td>
<td>Maria Louca</td>
<td>01895 555134</td>
<td><a href="mailto:maria.louca@nexencnooclltd.com">maria.louca@nexencnooclltd.com</a></td>
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<td>Site Survey Master Services Agreement</td>
<td>Q4 2016</td>
<td>Nicky Jervis</td>
<td>01895 555438</td>
<td><a href="mailto:nicky.jervis@nexencnooclltd.com">nicky.jervis@nexencnooclltd.com</a></td>
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</table>
# Oil & Gas UK Share Fair 2016
General Tender Requirements

## Drilling & Completions

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Quarter</th>
<th>Contact Name</th>
<th>Contact Number</th>
<th>Email</th>
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<tbody>
<tr>
<td>Provision of Directional Drilling, Measurement while Drilling and Logging while Drilling</td>
<td>Q3 2016</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
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<tr>
<td>Provision of Drilling and Completion Fluids</td>
<td>Q3 2016</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
</tr>
<tr>
<td>Provision of Cementing Services</td>
<td>Q3 2016</td>
<td>Angus Greenhorn</td>
<td>01224 371481</td>
<td><a href="mailto:angus.greenhorn@nexencnooocltd.com">angus.greenhorn@nexencnooocltd.com</a></td>
</tr>
<tr>
<td>Provision and operation of Drilling Unit(s)</td>
<td>Q3/Q4 2016</td>
<td>Lynne Bremner</td>
<td>01224 371447</td>
<td><a href="mailto:lynne.bremner@nexencnooocltd.com">lynne.bremner@nexencnooocltd.com</a></td>
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<tr>
<td>Provision of Rig Based ROV Services</td>
<td>Q4 2016</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
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<tr>
<td>Provision of Cutting Injection, Disposal and Slops Management</td>
<td>Q4 2016</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
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<tr>
<td>Provision of Mudlogging Services</td>
<td>Q3 2016</td>
<td>Angus Greenhorn</td>
<td>01224 371481</td>
<td><a href="mailto:angus.greenhorn@nexencnooocltd.com">angus.greenhorn@nexencnooocltd.com</a></td>
</tr>
<tr>
<td>Provision of Cased Hole Services</td>
<td>Q1 2017</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
</tr>
<tr>
<td>Provision of Conductor Pipe and Associated Services</td>
<td>Q1 2017</td>
<td>Angus Greenhorn</td>
<td>01224 371481</td>
<td><a href="mailto:angus.greenhorn@nexencnooocltd.com">angus.greenhorn@nexencnooocltd.com</a></td>
</tr>
<tr>
<td>Provision of Well Testing Services</td>
<td>Q1 2017</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
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<tr>
<td>Provision of Downhole Wellbore Clean Up</td>
<td>Q1 2017</td>
<td>Angus Greenhorn</td>
<td>01224 371481</td>
<td><a href="mailto:angus.greenhorn@nexencnooocltd.com">angus.greenhorn@nexencnooocltd.com</a></td>
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<tr>
<td>Provision of Wireline (Open Hole) Services</td>
<td>Q1 2017</td>
<td>Chris Irvine</td>
<td>01224 371261</td>
<td><a href="mailto:chris.irvine@nexencnooocltd.com">chris.irvine@nexencnooocltd.com</a></td>
</tr>
<tr>
<td>Provision of Coring Services</td>
<td>Q1 2017</td>
<td>Angus Greenhorn</td>
<td>01224 371481</td>
<td><a href="mailto:angus.greenhorn@nexencnooocltd.com">angus.greenhorn@nexencnooocltd.com</a></td>
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## Logistics

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<tr>
<th>Service Description</th>
<th>Quarter</th>
<th>Name</th>
<th>Contact Number</th>
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<tbody>
<tr>
<td>Provision of a term ERRV (to commence January 2017)</td>
<td>Q3 2016</td>
<td>Elaine Skene</td>
<td>01224 371162</td>
<td>elaine.skene@nexencnooc ltd.com</td>
</tr>
<tr>
<td>Provision of ERRV (single well c. 140 days, to commence May 2017)</td>
<td>Q1 2017</td>
<td>Elaine Skene</td>
<td>01224 371162</td>
<td>elaine.skene@nexencnooc ltd.com</td>
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<tr>
<td>Provision of ERRV (single well c. 140 days, to commence July 2017)</td>
<td>Q1 2017</td>
<td>Elaine Skene</td>
<td>01224 371162</td>
<td>elaine.skene@nexencnooc ltd.com</td>
</tr>
<tr>
<td>Provision of a PSV (single well c. 140 days, to commence May 2017)</td>
<td>Q1 2017</td>
<td>Elaine Skene</td>
<td>01224 371162</td>
<td>elaine.skene@nexencnooc ltd.com</td>
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<tr>
<td>Provision of a PSV (single well c. 140 days, to commence July 2017)</td>
<td>Q1 2017</td>
<td>Elaine Skene</td>
<td>01224 371162</td>
<td>elaine.skene@nexencnooc ltd.com</td>
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## Technical Services

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<tr>
<td>Provision of ROVSV Inspection Services</td>
<td>Q4 2016</td>
<td>Euan Duncan</td>
<td>01224 371737</td>
<td>euan.duncan@nexencnooc ltd.com</td>
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</tbody>
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Oil & Gas UK Share Fair 2016
Specific Nexen Challenges

- Globally competitive environment
- Cost management
- Efficiency – NPT, well interventions, TARs, unplanned shutdowns
- Increased number of QA/QC issues
- Innovation to change established ways of working
- Suppliers working collaboratively – new working models
- Maximise opportunities for sustainability
- Obligations to UK regulators
General

- Maximise Economic Recovery initiatives across all assets
- Lower cost/fast track satellite development options
- Cost reduction *sustainability*

Operations & Maintenance

- Use of mobile technology to drive superior results - CMMS mobile
- Non-intrusive inspection techniques
- Optimised repair options (ie aligned to anticipated asset life)
- Informed service personnel – Results driven aligned to Business needs
- Access solutions
- Gas Compressor reliability

Technical Services

- Intelligent pigging services
Oil & Gas UK Share Fair 2016
Contracts & Procurement in Nexen
Industry Engagement

Nexen is a user of FPAL, including FPAL Verify:
- Nexen uses FPAL as its ‘vendor database’ to identify potential suppliers
- Nexen actively promotes two way FPAL Feedback

Nexen is an participant in several Oil & Gas UK Initiatives, including:
- Active member of the Supply Chain Forum
- Participant in the Logic Standard Contracts Workgroup
- Participant in the OGUK Tender Efficiency Workgroup
- Nexen is an active supporter of Share Fair

Nexen actively supports the Supply Chain Code of Practice (SCCoP):
- Member of the Supply Chain Code of Practice review group
- Attained ‘gold standard’ compliance with SCCoP for three consecutive years
**Nexen Expectations**

- Require best ‘value’ in all agreements – Value is a combination of commercial terms/responsiveness/reliability/performance/relationship
- Emphasis on superior HSE and QA/QC performance, Technical Capability and Competence Management
- Preference for long term contracts, typically three to five years plus extension options
- Ensure that KPI’s and Business Review Meetings are in place for all key suppliers - Supply Chain Performance has a direct impact on Nexen Business Performance and will therefore directly impact success
- Integrity is critical and we expect our suppliers to comply with our requirements with respect to integrity
- Require its personnel and its suppliers to uphold the principles of the Nexen Cultural Beliefs at all times
<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
<th>Position</th>
</tr>
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<tbody>
<tr>
<td>Granville Clutterbuck</td>
<td>01224 371749</td>
<td>Granville.Clutterbuck@nexencnooc ltd.com</td>
<td>Supply Chain Manager</td>
</tr>
<tr>
<td>Duncan Fail</td>
<td>01224 371040</td>
<td>Duncan.Fail@nexencnooc ltd.com</td>
<td>Contracts &amp; Procurement Manager</td>
</tr>
<tr>
<td>Lynne Bremner</td>
<td>01224 371447</td>
<td>Lynne.Bremner@nexencnooc ltd.com</td>
<td>Team Lead - Contracts (D&amp;C / Business Delivery)</td>
</tr>
<tr>
<td>Charlene Leppard</td>
<td>01224 371130</td>
<td>Charlene.Leppard@nexencnooc ltd.com</td>
<td>Team Lead – Contracts (O&amp;M / Technical Services)</td>
</tr>
<tr>
<td>Nicky Jervis</td>
<td>01895 555438</td>
<td>Nicky.Jervis@nexencnooc ltd.com</td>
<td>Team Lead – Contracts (Subsurface and Business Services)</td>
</tr>
<tr>
<td>Kevin Brown</td>
<td>01224 371176</td>
<td>Kevin.Brown@nexencnooc ltd.com</td>
<td>Procurement Team Lead</td>
</tr>
</tbody>
</table>
See photos of our operations, how we invest in our communities and how we are a responsible energy developer.

Nexen is hiring!

Learn about Nexen, the communities we invest in and what makes us an employer of choice.

Follow us on Twitter!

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YouTube is a Google Brand Feature which is a trademark or distinctive brand feature of Google Inc.
Questions?
Working towards full compliance with the Supply Chain Code of Practice to...

- Improve overall performance
- Eliminate unnecessary costs
- Add value and boost competitiveness

In support of the Code, our preferred suppliers are registered with FPAL. For more information or to register your company go to www.achilles.com
In addition, we are signed up to Pilot Forward Workplan

An information sharing website to provide up to date details on business opportunities for the Supply Chain

Visit the FPAL website to see our information on-line: www.achilles.com/eu/FPAL/

- click on ‘Forward Workplan’