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Company Press Release

Nanbao 35-2 Outlook Improves

(Beijing, November 1, 2001) - CNOOC Limited (SEHK:883, NYSE:CEO) (the "Company") announced the success of Nanbao 35-2-7, an appraisal well in Nanbao 35-2 oil field in the Southern part of Bohai Bay.

The wildcat that discovered Nanbao 35-2 was spud in 1996. The initial appraisal allowed the Company to book around 65 million barrels of recoverable oil reserve. The field is 100% owned by the Company.

Nanbao 35-2-7 is 1.4 km northeast from the initial wildcat well Nanbao 35-2-1 and reached the depth of 1,473 meters. It encountered 64 meters of net pay zone. The success is expected to increase the reserve size by roughly 25%. The well was tested to produce 432 barrels per day of 16 API crude. Appraisal well Nanbao 35-2-8 is being drilled.

Mr. Ru Ke, Senior Executive Vice President of the Company said, "the success of this well is expected to add reserves to the field and make the development more attractive."

Notes to Editors:

CNOOC LIMITED - BACKGROUND

Incorporated in Hong Kong in August 1999, the Company is the dominant producer of crude oil and natural gas offshore China. The Company is also one of the largest independent crude oil and gas exploration and production companies in the world. As of December 31, 2000, its net proved reserves were 1.8 billion barrels-of-oil equivalents and its net production totaled 239,337 BOE per day.

The Company has interests in 45 crude oil and gas properties in four major producing areas: Bohai Bay, Western South China Sea, Eastern South China Sea and East China Sea. The Company is a major oil and gas company in China with approximately 1,000 employees.

CNOOC LIMITED - RELATIONSHIP WITH ITS PARENT COMPANY

The Company is a 70.6% held subsidiary of China National Offshore Oil Corporation ("CNOOC"). The Company is the sole vehicle through which CNOOC carries out oil and gas exploration, development and production activities offshore China and internationally.

CNOOC, the parent company, is involved in the administrative, research and services functions for the PRC offshore petroleum industry as well as other mid- or down-stream petroleum projects.

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This press release contains statements that are not historical facts, including statements about beliefs and expectations of the directors of the Company. These forward-looking statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made,

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and the directors of the Company undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. You are cautioned that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, changes of the PRC's economic, political and social conditions as well as government policies.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be issued on its behalf by the undersigned, thereunto duly authorized.

CNOOC Limited

By: /s/ Cao Yunshi

Name: Cao Yunshi
Title: Company Secretary

Dated: November 1, 2001