CNOOC LTD
Form 6-K
August 24, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

For the month of August 2016

Commission File Number 1-14966

CNOOC Limited

(Translation of registrant's name into English)

65th Floor

Bank of China Tower

One Garden Road

Central, Hong Kong

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable

Signature

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

CNOOC Limited

By:	/s/ Jiewen Li
Name:	Jiewen Li
Title:	Joint Company Secretary

Dated: August 24, 2016

EXHIBIT INDEX

Exhibit No.	Description
99.1	Announcement of 2016 Interim Results (Unaudited)
99.2	Press Release entitled “Cost Control Measures Achieve Remarkable Results Steady Progress in All Businesses in 1H 2016”

Exhibit 99.1

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 00883)

Announcement of 2016 Interim Results (Unaudited)

FINANCIAL AND BUSINESS SUMMARY

	First half of 2016	% change over First half of 2015
Net production of oil and gas*	241.5 million BOE	0.6%
Oil and gas sales	RMB55.08 billion	(28.5%)
Consolidated net (loss)/profit	RMB(7.74) billion	(152.5%)
Basic (loss)/earnings per share	RMB(0.17)	(152.5%)
Diluted (loss)/earnings per share	RMB(0.17)	(152.5%)
Interim dividend (tax inclusive)	HK$0.12 per share	(52.0%)

* Including our interest in equity-accounted investees, which is approximately 9.1 million BOE.

CHAIRMAN’s STATEMENT

Dear Shareholders,

In the first half of 2016, the US economy recovered mildly, the foundation for economic recovery in the euro zone has yet to be consolidated, the overall economy in China remained stable, international oil prices continued to hover at a low level. Faced with the challenges brought about by the external environment, our entire company has raised its level of awareness, introduced innovative work methods and made great efforts in cost control and efficiency enhancement.

In early 2014, in view of the rising production cost, the Company launched the “Year of Quality and Efficiency" program and has since continued to promote activities for this program. Over the past two years, the program has achieved significant results, and the production cost has been under effective control. In the first half of this year, the Company adopted measures mainly along the following aspects:

First, we continued to strengthen management and explore the potential for cost control and efficiency enhancement. Our efforts mainly included: further refining the basic management of major investment decisions, optimizing the process of decision-making and improving the quality of such decisions; streamlining cost management and designing special programs to improve key areas such as procurement and capital management; controlling cost based on optimization of the overall development plan (ODP) and project design; and accelerating the construction of the "intelligent oilfields" to achieve oil and gas production automation, synergies between operations and management collaborative and information sharing across the board.

1

Second, we focused on technological innovation to further drive cost down and enhance efficiency. We strengthened seismic exploration technologies and geological study in order to achieve our goal of discovering high-quality mid-to-large-sized oil and gas fields. We endeavored to make technology breakthroughs in heavy oil and low-porosity low-permeability oilfields development in order to make the undeveloped resources economic.

Third, we paid much attention to risk prevention in order to keep the base line for cost control and efficiency enhancement. Faced with the impacts from the oil price plunge, the Company was highly concerned about cash flow risks and developed appropriate strategies to cope with the worst-case scenario. Meanwhile, the Company took strict measures to maintain outstanding records of safety and environmental protection. We have further strengthened the foundation for safety operation. Efforts were made to eliminate or remedy hidden problems and potential risks in order to prevent the occurrence of accidents.

Benefitting from the effective measures of cost control and efficiency enhancement, the Company achieved remarkable results in cost saving in the first half of the year. Major cost indicators dropped significantly. Compared to the same period last year, all-in cost per BOE significantly decreased 15.5% year on year to US$34.86, among which operating expenses per BOE decreased significantly by 22.7%. However, due to the prolonged low oil prices, oil and gas sales revenue was RMB55.08 billion, representing a decline of 28.5% year on year. Net loss was RMB7.74 billion.

In the first half of the year, the Company's exploration and development business progressed steadily. In the area of exploration, there were six new discoveries and 26 successfully appraised wells, of which six new discoveries and 20 successfully appraised wells were made offshore China. Six successfully appraised wells were made overseas. Engineering construction projects also progressed smoothly. Of the four new projects scheduled for this year, two projects already came on stream, namely, Kenli 10-4 oilfield and Panyu 11-5 oilfield. Net oil and gas production remained stable, reaching 241.5 million BOE, with a steady growth of 2.4% in offshore China.

In view of the Company’s financial position, the Board of Directors has declared an interim dividend of HK$0.12 per share (tax inclusive) for the first half of 2016.

Looking ahead to the second half of the year, uncertainties still remain in both the international and domestic macro environment. Further recovery of international oil prices faces headwinds. We will remain determined and keep up the hard work to diligently promote the "Year of Quality and Efficiency" program in order to achieve our annual operational targets.

We will continue our oil and gas exploration and development with high quality and high efficiency. In the area of exploration, we will continue to focus on the exploration of mid-to-large-sized oil and gas fields and strive to achieve breakthroughs. For development and production, we will shift further to return-driven, focus on in-depth study of geology and reservoirs, optimize development plans so that the development projects and infill drillings can proceed in an orderly manner. At the same time, we will put special emphasis on major projects in order to ensure that new oil and gas fields commence production on time.

Apart from exploration and development, we will continue to focus on cost control and efficiency enhancement. Our priorities include: implementing refined management in order to control costs; optimizing investment management, strengthening the process control of investment projects, and improving the performance review system; effectively guarding against operational risks; and exploring long-term mechanism for cost control and efficiency enhancement.

2

We will continue to strengthen health, safety and environmental protection to ensure the sustainable development of the Company. First, we will establish a safety production responsibility system and strengthen safety performance evaluation. Second, we will deepen our efforts in safety and environmental risk management in order to effectively guard against accidents. And third, we will strengthen the basic management of production safety and make the management system more informatised and modernised.

Dear shareholders, faced with a complex and volatile external environment, we will carefully benchmark ourselves with and learn from others, maintain a positive attitude, and strive to achieve first-class international competiveness. We will make the Company stronger, better, and bigger and create greater value for our shareholders.

Yang Hua

Chairman and Chief Executive Officer

Hong Kong, 24 August 2016

INTERIM RESULTS

The board of directors (the “Board”) of CNOOC Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT

OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016

(All amounts expressed in millions of Renminbi, except per share data)

	Notes	Six months ended 30 June **2016** **(Unaudited)**	2015 (Unaudited)
REVENUE			
Oil and gas sales	2	55,083	77,034
Marketing revenues	2	10,058	11,410
Other income		1,691	1,145
		66,832	89,589
EXPENSES			
Operating expenses		(11,257)	(13,593)
Taxes other than income tax	4 (ii)	(3,683)	(5,532)
Exploration expenses		(3,419)	(4,481)
Depreciation, depletion and amortisation		(35,129)	(36,757)
Special oil gain levy		—	(59)
Impairment and provision	6	(10,359)	(1,385)
Crude oil and product purchases		(9,463)	(10,565)
Selling and administrative expenses		(2,812)	(2,544)
Others		(1,506)	(999)
		(77,628)	(75,915)
(LOSS)/PROFIT FROM OPERATING ACTIVITIES		(10,796)	13,674
Interest income		387	503
Finance costs	3	(3,175)	(2,849)
Exchange losses, net		(308)	(185)
Investment income		2,005	1,219
Share of profits of associates		79	179

Share of profit of a joint venture		150	212
Non-operating income, net		11	66
(LOSS)/PROFIT BEFORE TAX		(11,647)	12,819
Income tax credit	4(i)	3,912	1,914
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		(7,735)	14,733
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign operations		3,123	(123)
Share of other comprehensive expense of associates		(119)	(22)
Other items that will not be reclassified to profit or loss:			
Fair value change on equity investments designated as at fair value through other comprehensive income		(794)	31
Others		(2)	9
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF TAX		2,208	(105)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		(5,527)	14,628
(LOSS)/EARNINGS PER SHARE FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic (RMB Yuan)	5	(0.17)	0.33
Diluted (RMB Yuan)	5	(0.17)	0.33

Details of the interim dividends declared for the period are disclosed in note 11.

4

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2016

(All amounts expressed in millions of Renminbi)

	Notes	30 June **2016** **(Unaudited)**	31 December 2015 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	6	432,644	454,141
Intangible assets		16,366	16,423
Investments in associates		4,357	4,324
Investment in a joint venture		24,751	24,089
Equity investments		3,764	3,771
Deferred tax assets		20,261	13,575
Other non-current assets		6,694	7,828
Total non-current assets		508,837	524,151
CURRENT ASSETS			
Inventories and supplies		10,010	9,263
Trade receivables	7	23,167	21,829
Derivative financial assets		353	7
Equity investments		14	14
Other financial assets		56,185	71,806
Other current assets		6,178	7,415
Time deposits with maturity over three months		15,030	18,010
Cash and cash equivalents		28,026	11,867
Total current assets		138,963	140,211
CURRENT LIABILITIES			
Loans and borrowings	9	34,060	33,585
Trade and accrued payables	8	26,882	32,614
Derivative financial liabilities		389	—
Other payables and accrued liabilities		21,496	13,534
Taxes payable		7,984	4,647
Total current liabilities		90,811	84,380
NET CURRENT ASSETS		48,152	55,831
TOTAL ASSETS LESS CURRENT LIABILITIES		556,989	579,982

NON-CURRENT LIABILITIES			
Loans and borrowings	9	124,927	131,060
Provision for dismantlement		50,642	49,503
Deferred tax liabilities		8,737	11,627
Other non-current liabilities		1,709	1,751
Total non-current liabilities		186,015	193,941
NET ASSETS		370,974	386,041
EQUITY			
Equity attributable to owners of the parent			
Issued capital	10	43,081	43,081
Reserves		327,893	342,960
TOTAL EQUITY		370,974	386,041

5

NOTES

30 JUNE 2016

(All amounts expressed in millions of Renminbi, unless otherwise stated)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 and Hong Kong Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

The financial information relating to the year ended 31 December 2015 that is included in this announcement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015. The adoption of new International Financial Reporting Standards/Hong Kong Financial Reporting Standards and amendments to International Financial Reporting Standards/Hong Kong Financial Reporting Standards for the current interim period commenced from 1 January 2016 does not have any material impact on the accounting policy adopted, interim financial position or performance of the Group.

As disclosed in the Group's 2015 annual financial statements, the Group has applied International Financial Reporting Standard/Hong Kong Financial Reporting Standard 9 (2009) *Financial Instruments* during the year ended 31 December 2015. For the preparation of the interim condensed consolidated financial statements for the six months ended 30 June 2016, certain comparative amounts whave been presented in accordance with the basis adopted for the 2015 annual financial statements.

6

2. OIL AND GAS SALES AND MARKETING REVENUES

Oil and gas sales represent the invoiced value of sales of oil and gas attributable to the interests of the Group, net of royalties, value-added tax (“VAT”), obligations to governments and other mineral interest owners. Revenue from the sale of oil and gas is recognised when the significant risks and rewards of ownership have been transferred, which is when title passes to the customer. Revenue from the production of oil and gas in which the Group has a joint interest with other producers is recognised based on the Group’s working interest and the terms of the relevant production sharing contracts. Differences between production sold and the Group’s share of production are not significant.

Marketing revenues principally represent the sales of oil and gas purchased from the foreign partners under the production sharing contracts and revenues from the trading of oil and gas through the Company’s subsidiaries. The cost of the oil and gas sold is included in “Crude oil and product purchases” in the interim condensed consolidated statement of profit or loss and other comprehensive income.

3. FINANCE COSTS

Accretion expenses of approximately RMB1,076 million (six months ended 30 June 2015: approximately RMB1,254 million) relating to the provision for dismantlement liabilities have been recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2016.

4. TAX

(i) Income tax

The Company and its subsidiaries are subject to, on an entity basis, income taxes on profits arising in or derived from the tax jurisdictions in which the entities of the Group are domiciled and operate. The Company is subject to profits tax at a rate of 16.5% (2015: 16.5%) on profits arising in or derived from Hong Kong.

The Company is regarded as a Chinese Resident Enterprise (as defined in the “Enterprise Income Tax Law of the People’s Republic of China”) by the State Administration of Taxation of the PRC. As a result, the Company is subject to the PRC corporate income tax at the rate of 25% starting from 1 January 2008. The corporate income tax which is subjected in Hong Kong is qualified as a foreign tax credit to offset the PRC corporate income tax starting from 1 January 2008.

4. TAX (continued)

(i) Income tax (continued)

The Company's subsidiary in Mainland China, CNOOC China Limited ("CNOOC China"), is a wholly-owned foreign enterprise. It is subject to corporate income tax at the rate of 25% under the prevailing tax rules and regulations. CNOOC Deepwater Development Limited, a wholly-owned subsidiary of CNOOC China, is subject to corporate income tax at the rate of 15% for the three years ending 31 December 2017, after being assessed as a high and new technology enterprise.

Subsidiaries of the Group domiciled outside the PRC are subject to income tax at rates ranging from 10% to

56% (2015: 10% to 56%). On 26 March 2015, the U.K. government decreased the combined income tax rate on North Sea oil and gas activities from 62% to 50% with effect from 1 January 2015.

(ii) Other taxes

The Company's PRC subsidiaries pay the following other taxes and dues:

- Production tax at the rate of 5% on production under production sharing contracts;