

Announcement of 2017 Annual Equities Distribution of Offshore Oil Engineering Co., Ltd

The Board of Directors and all the directors of the Company pledge that the announcement contains no false records, misleading statements or major omissions, and bear joint and several liabilities for the authenticity, accuracy and integrity of the announcement.

Important Notes:

- Allocation proportion per share

Cash bonus of RMB 0.05 for each A share (including tax)

- Relevant date

Stock category	Equity rights registration date	Last trading day	Ex-right date (ex dividend date)	Cash bonus issuing date
A share	2018/6/4	—	2018/6/5	2018/6/5

- Differentiated dividend split: No

I. Session and Time of the Shareholders' Meeting Passing the Distribution Plan

This profit distribution plan was approved upon deliberation in 2017 Annual General Meeting of the Company on April 25, 2018.

II. Distribution Plan

1. Year of distribution: 2017
2. Distribution recipient:

Up to closing of SSE in the afternoon of equity rights registration date, all shareholders of the Company who have been registered at Shanghai Branch of China Securities Depository and Clearing Corporation Limited (hereinafter referred to as "CSDC Shanghai Branch").

3. Distribution Plan:

For this profit distribution, by taking the Company's general capital of 4,421,354,800 shares prior to the plan implementation as the base number, cash bonus of RMB 0.05 (including tax) per share is distributed, totally cash bonus of RMB 221,067,740.00 to be distributed.

III. Relevant Date

Stock category	Equity rights	Last trading day	Ex-right date (ex	Cash bonus
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	registration date		dividend date)	issuing date
A share	2018/6/4	—	2018/6/5	2018/6/5

VI. Implementation Method of Distribution

1. Implementation method

The dividends shall be distributed to shareholders who registered and handled designated transactions in member units of SSE after the closing of SSE on the equity rights registration date through the funds clearing system by entrusting CSDC Shanghai Branch. Investors who have handled the designated transaction may receive cash bonus at the securities business department designated on the dividend date. The bonus of the shareholders who have not handled the designated transaction is temporarily kept by CSDC Shanghai Branch, and will be distributed after the designated transaction is processed.

2. Self-distributing recipient

Cash bonus for shares held by CNOOC Group Limited, CNOOC Nanhai West Co., Ltd. and CNOOC Bohai Oil Production Company is directly distributed by the Company.

3. Tax deduction instructions

(1) For natural person shareholders holding shares of the Company and securities investment funds, according to relevant regulations of *Notice on Issues Concerning the Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies* (CS [2015] No.101) and *Notice on Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies* (CS [2012] No.85), individual income tax will not be deducted from dividends and bonus if the stock of company obtained from public offering and transferring market is held for more than 1 year, that is, actual cash bonus per share is RMB 0.05; individual income tax for individual shareholder and securities investment funds with holding period of less than 1 year (inclusive) will not be temporarily withheld by the Company from their dividends and bonuses, that is, actual cash bonus per share is RMB 0.05. When the shares are transferred by individual shareholder and securities investment funds, CSDC Shanghai Branch will calculate the tax payable based on holding period and invite stock custody organization, such as securities company, to deduct it from personal fund account and transfer it to CSDC Shanghai Branch who shall then transfer to the Company in 5 working days of next month. Then the Company will declare to competent tax authority for tax payment in legal reporting period of the current month. The actual tax bearing is specified as follows: dividends and bonus for individual shareholder and securities investment funds with holding period of less than 1 month (inclusive) will be all included into taxable income, with actual tax bearing of 20%; those with holding period of 1 month to 1 year (inclusive) will be included into taxable income by 50% temporarily, with actual tax bearing of 10%.

(2) For qualified foreign institutional investor (QFII) shareholders holding the Company's stock, corporate income tax will be withheld by the Company by tax rate of 10% in accordance with *Notice on Issues Concerning the Withholding of Enterprise Income Tax on Dividends, Bonuses and Interests Paid to QFII by Chinese Resident Enterprises* (GSH [2009] No.47) issued by State Administration of Taxation, viz. actual cash bonus of RMB 0.045 per share after tax. If thinking that dividends and bonuses obtained can receive treaty benefits, relevant shareholders can file an application by themselves to competent tax authority after receiving dividends and bonuses.

(3) For investors of The Stock Exchange of Hong Kong Ltd. (including both enterprises and individuals)

investing A share of the Company ("Shanghai-Hong Kong Stock Connect"), the cash bonus will be distributed to stock nominal holder's account in RMB by the Company via CSDC Shanghai Branch; and the tax will be deducted as per *Notice of Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Program* (CS [2014] No.81), with income tax withheld by tax rate of 10%, viz. actual cash bonus of RMB 0.045 per share after tax.

(4) For other institutional investors and institutional shareholders holding the shares of the Company, the Company will not withhold the enterprise income tax, and the taxpayer shall pay the income tax on its own according to the tax laws, viz. actual cash bonus of RMB 0.05 per share.

V. Relevant Consultation Methods

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The Announcement is hereby made.

Board of Directors of Offshore Oil Engineering Co., Ltd.

May 30, 2018