



RESPONSIBLE ENERGY DEVELOPMENT

ABOUT NEXEN: IN CANADA

A CLOSER LOOK AT OUR CANADIAN OPERATIONS

ABOUT NEXEN

Nexen's shale gas operations in northeast British Columbia.

WHERE WE OPERATE, WHAT WE PRODUCE, HOW WE MEASURE UP

Canada is a nation with abundant natural resources and a strong record of reliable, responsible energy development. For more than 40 years, Nexen has been part of that success story, using technology, innovation and collaboration to grow Canadian oil and gas production and help supply the energy that fuels people's lives.

Nexen is a significant player in the Canadian oil sands and the country's emerging shale gas industry. We are also active in conventional oil and gas, power generation and energy marketing. In 2013, Nexen's Canadian-based operations produced 65,100 barrels of oil equivalent per day (boe/d) before royalties.

Our Canadian-based team of over 2,000 employees are committed to producing energy safely, reliably and with a shared commitment to excellence. For us, sustainable energy development is about engaging stakeholders, managing our

environmental footprint and sharing the benefits of resource development with the communities where we operate.

“ NEXEN IS A STRONG, DIVERSE COMPANY WITH ATTRACTIVE GROWTH PROSPECTS, A LARGE RESOURCE AND RESERVE BASE, HIGH POTENTIAL EXPLORATION PROSPECTS, AND HIGH QUALITY TALENTED EMPLOYEES CAPABLE OF EXTRACTING THE VALUE OF THESE ASSETS. ”

LI FANRONG
CEO, CNOOC LIMITED

NEXEN >>

The Nexen group of companies are wholly-owned subsidiaries of CNOOC Limited. We are strategically focused on three businesses – conventional oil and gas, oil sands and shale oil and gas. In addition to our Canadian businesses, Nexen operates in many of the world's most significant basins, including the UK North Sea, offshore West Africa and the Gulf of Mexico.

CNOOC LIMITED >>

CNOOC Limited is China's largest producer of offshore crude oil and natural gas and one of the largest independent oil and gas exploration companies in the world, with operations in more than 20 countries. In 2013, CNOOC Limited produced an average of 1.13 million boe/d.

OVERVIEW: NEXEN'S CANADIAN BUSINESSES

Nexen's Canadian-based and Canadian-managed operations encompass the following:

OIL SANDS >>

Nexen was an early entrant in Canada's oil sands and today has an interest in more than 300,000 acres in the Athabasca region of northern Alberta, with billions of barrels of contingent recoverable oil sands resources.

Our Long Lake oil sands facility uses steam assisted gravity drainage (SAGD) to produce bitumen, which is then upgraded into Premium Synthetic Crude oil. We are continuing to accelerate our oil sands production by investing in expansion projects like Kinosis, an extension of our Long Lake SAGD project, located 12 kilometres south of the Long Lake facility. Bitumen from Kinosis will be upgraded at Long Lake. Nexen also has a 25% non-operating working interest in the Hangingstone SAGD project being developed by Japan Canada Oil Sands, and CNOOC Limited has an equity interest in MEG Energy, a Canadian oil sands developer. Nexen holds a 7.23% interest in Syncrude Canada's oil sands mining and upgrading facility.

Nexen is strategically positioned for future in-situ oil sands development, with land holdings in a number of Athabasca prospect areas including operated leases at Leismer and Cottonwood and non-operated leases at Meadow Creek, Corner and Chard.

SHALE GAS >>

Nexen was also an early entrant in Canada's emerging shale gas industry. Starting in 2006, we began acquiring large blocks of acreage in the Horn River, Cordova and Liard basins of northeast British Columbia. Combined with our joint venture partners, we hold approximately 300,000 acres of high quality land in the region – making this asset a very exciting prospect for delivering affordable, clean burning fuel.

CONVENTIONAL GAS & COALBED METHANE >>

Nexen's Canadian conventional natural gas production is generated through assets in southern Alberta and Saskatchewan as well as coalbed methane facilities in central Alberta.

ELECTRICITY >>

From 1961 to 2011, Nexen operated a sour gas processing plant located northeast of Calgary, Alberta in the town of Balzac. In 2011, the Balzac gas plant was decommissioned due to declining production in the surrounding gas field and urban encroachment. The stand-alone power plant remains operational, supplying enough electricity to power 100,000 homes.

Nexen is also a 50% partner in the 70.5 megawatt Soderglen Wind Farm in southern Alberta and we own 100% of the carbon credits associated with its production. Credits are used to help meet our greenhouse gas compliance in our Alberta-based operations.



MARKETING >>

Nexen's marketing team trades and markets proprietary and third-party crude oil, natural gas, natural gas liquids and electrical power. Our team obtains competitive pricing for Nexen's products and optimizes physical assets and contracts.

YUKON >>

Nexen also manages an equity interest in Northern Cross (Yukon) Ltd., which owns oil and natural gas blocks in the Yukon and is evaluating both conventional and unconventional resource prospects.

“NEXEN IS NOW IN ITS SECOND YEAR AS A WHOLLY-OWNED SUBSIDIARY OF CNOOC LIMITED. BY SHARING EXPERTISE, WE ARE IN A BETTER POSITION THAN EVER TO REALIZE NEXEN'S CENTRAL PURPOSE — CREATING VALUE BY RESPONSIBLY SUPPLYING THE ENERGY THAT FUELS PEOPLE'S LIVES.”

FANG ZHI
CEO, NEXEN

OUR CALGARY OFFICE

Our Calgary-based team of 1,300 manages and supports operations in a number of locations—including the U.S., UK, Yemen, offshore West Africa and Colombia—and oversees our exploration business, which operates in various regions around the world.

A world map with blue dots indicating global operations in North America, Europe, Africa, and Asia.

OUR CANADIAN OPERATIONS: DRIVING ECONOMIC GROWTH

In Canada, Nexen is well positioned to grow in key resource sectors – including oil sands and shale gas, delivering economic and social benefits for decades to come.

OIL SANDS >>

Canada is home to the world's third-largest hydrocarbon basin. As much as 1.7 trillion barrels of oil is estimated to be contained in the oil sands, of which an estimated 169 billion barrels can be recovered using today's technology. Oil sands development generates about 112,000 jobs across Canada, a number expected to increase to more than 500,000 over the next 25 years.

OIL SANDS GROWTH PROJECTS >>

LONG LAKE:

We're investing capital to improve both operational reliability and environmental performance. With the ongoing addition of high-quality wells, we're steadily increasing bitumen production and making progress towards our goal of operating our upgrader at full capacity.

KINOSIS:

Nexen is pursuing stand-alone SAGD development at our Kinosis lease, about 12 kilometres south of Long Lake. Initiatives are underway to reduce the

costs of development and production, to ensure these projects remain competitive with other opportunities.



Nexen process operator working at our Long Lake SAGD oil sands facility in northeastern Alberta.

HANGINGSTONE:

Production from this joint venture SAGD project, located about 50 kilometres southwest of Fort McMurray, is expected to begin in the second half of 2016. Our joint venture partner, JACOS, is the operator of this facility.

SAGD RECOVERY PROCESS

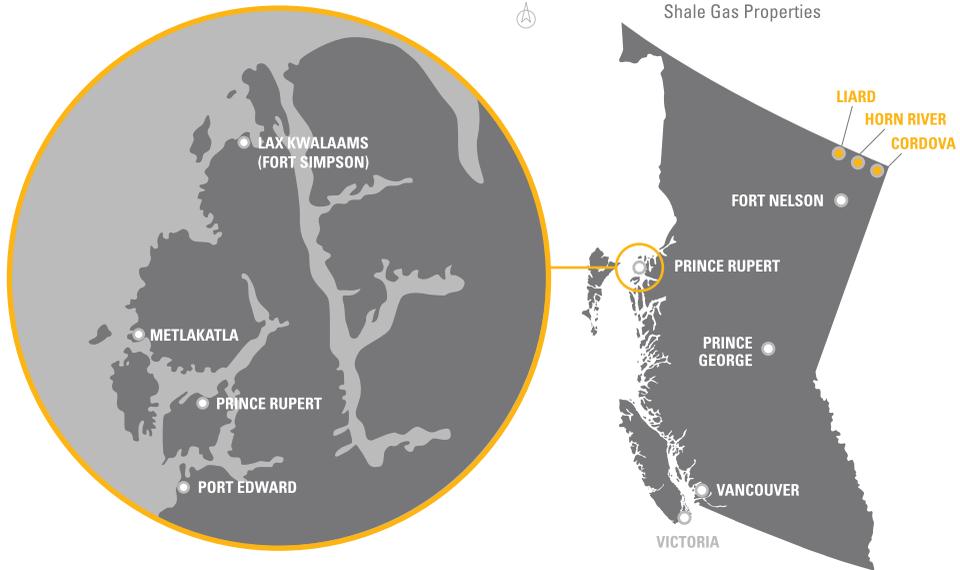
SAGD is the most common in-situ oil sands recovery process, enabling industry to access 80% of the total oil sands resource. In-situ means "in place," and this approach allows access to oil sands deposits that are too deep to be reached through mining. In-situ development disturbs less land and uses less fresh water than oil sands mining.



SHALE GAS >>

The advancement of drilling and fracturing technology has accelerated the cost-effective recovery of shale gas. With a focus on operational excellence, Nexen has built a reputation as a leader in shale gas development that has brought about international joint venture opportunities with INPEX Gas British Columbia Ltd. (IGBC) for shale gas development in northeast British Columbia. Natural gas from our joint venture lands are expected to be the primary source for the proposed Aurora Liquefied Natural Gas (LNG) terminal on the coast of British Columbia.

NEXEN'S LNG STRATEGY >>



World trade in LNG has grown dramatically over the last 15 years. Much of this increase is due to the expected growth in power generation using affordable, cleaner burning natural gas.

With a focus on safety, environmental responsibility, technical feasibility and costs, Aurora LNG is studying the viability of building and operating an LNG terminal on the coast of British Columbia. Our vision is to market and deliver clean-burning natural gas from shale gas assets in northeast British Columbia to growing Asia-Pacific markets where natural gas will assist Asia-Pacific countries in reducing their dependence on coal and nuclear energy.

The proposed LNG terminal will go through a comprehensive regulatory review process that will meet provincial and federal requirements. Project economics also need to be considered before a final investment decision is made.



Nexen geologist works at our shale gas operations in northeast B.C.

ABOUT AURORA >>

Aurora LNG is a joint venture between Nexen and INPEX CORPORATION. Aurora LNG brings a wealth of proven experience, expertise and well-established relationships in all components of the LNG value chain including: upstream natural gas production; liquefaction; transportation; regasification; marketing; and, distribution of natural gas to end users.

To help maximize potential employment and other economic benefits flowing from the Aurora LNG project, we've created a website (www.nexencnooltd.com/LNGregistry) to provide potential vendors and service providers with a place to register their interest. The website also tracks potential vendors who are based in B.C.; we intend to place a priority on contracting with local service providers.

DID YOU KNOW? >>

The most efficient way to transport natural gas by sea to markets around the world is to convert natural gas from its gaseous form to a liquid. An LNG facility takes natural gas, purifies it and cools it to -162 degrees Celsius. Cooling natural gas to a liquid reduces volume by 600 times – similar to reducing the volume of a beach ball to the volume of a ping-pong ball.



600X

VOLUME REDUCED BY COOLING NATURAL GAS TO A LIQUID



Nexen process operator at our shale gas operations in northeast B.C.

ECONOMIC CONTRIBUTION

In 2013, Nexen's Canadian-based operations accounted for:

CAPITAL EXPENDITURE >>
(CAD \$BILLIONS)



TOTAL ROYALTIES¹ AND INCOME TAXES FOR CANADIAN OPERATIONS >>
(CAD \$MILLIONS)



¹ Royalties are cash payments.

A LOCAL FIRST PRINCIPLE GUIDES OUR INVESTMENTS

We believe in sharing the economic benefits of development with the people closest to our operations. It's a win-win for us and neighbouring communities – that's because Nexen benefits from the proximity of local suppliers and working with people who know the local culture, community and environment the best. In turn, communities benefit from direct and indirect employment and the diversification of the local economy that our company generates.

CAREER OPPORTUNITIES AT NEXEN – A GREAT PLACE TO WORK



A career at Nexen is an opportunity to work for one of Alberta's top employers. It's about contributing to a team that values diversity and integrity and strives to be the best. It's also about working towards 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.

SAFETY FIRST: A CORE VALUE

Safety is a core value at Nexen and the success of every activity we undertake is measured on our ability to conduct our work safely each and every day.

Our employees and contractors strive to ensure oil and gas production occurs without incident or harm to people, communities and the environment every day. We are committed to improving our performance across the company to become best in class in everything we do.

Best in class companies are ones where safety is embraced by everyone, all the time. We have improvements to make in this area and initiatives are underway

to strengthen and improve our safety performance. Our Executive Leadership Team is fully committed to supporting a safe workplace by providing employees and contractors with clear expectations about:

- safety awareness;
- consistent work practices;
- proactive hazard identification;
- rigorous risk mitigation, especially for non-routine work;
- recognition and support for safety performance; and
- ongoing safety training and resources.

In 2013, Nexen achieved its best ever occupational safety performance.

STAND UP FOR SAFETY >>

Within our industry, many companies pause from their work to stand down for safety, to show their commitment to improving practices and discussing hazards in their workplaces. At Nexen, we believe everyone has a responsibility to stand up and take action to ensure a safe working environment for all.

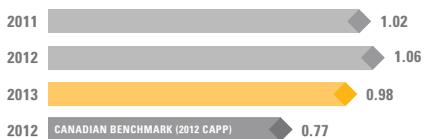
As a result of our commitment to improve in everything we do, Nexen held our first, company-wide, Stand Up for Safety on February 12, 2014 to initiate a discussion about slips, trips and falls. At Nexen, slips, trips and falls contribute to 15% of incidents. And remarkably, almost all are entirely preventable. The awareness campaign included a video, a workplace safety checklist and a tip sheet.

Nexen's Gas and Power Marketing group is embracing safety awareness. After the Stand Up for Safety staff members conducted an inspection of their work spaces for unsafe conditions, and are challenging co-workers to take safety seriously, on the job, and at home.

CANADA-WIDE SAFETY PERFORMANCE >>

(COMBINED EMPLOYEE AND CONTRACTOR)

TOTAL RECORDABLE INJURY FREQUENCY (TRIF)*



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

LOST TIME INJURY FREQUENCY (LTIF)*



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



Nexen process operator works at our Long Lake SAGD oil sands facility in northeastern Alberta.



Quinn Wilson, Vice President, Human Resources & Corporate Services, held a Stand Up for Safety Meeting in Calgary and handed out ice treads to further prevent slips, trips and falls.

ENVIRONMENT

BALZAC: RECLAIMING AN ICONIC GAS PLANT >>

After 50 years of operation, a combination of declining production in the surrounding gas field and urban encroachment led to the decommissioning the Balzac gas plant. During those five decades of operation, Nexen built strong relationships with our Balzac neighbours. We listened to and engaged our stakeholders and were willing to act on the feedback we received in order to operate the facility safely and with community support. Since the plant's closure in 2011, we continue to work closely with the surrounding communities and regulators to implement a best in class decommissioning, reclamation and remediation plan. The site is operated as a Responsible Care® company. Consistent with this the safety of employees, contractors and the public remains a top priority.

The decommissioning phase, which included the safe removal of all asbestos, is complete. The demolition phase involves the removal of all structures and equipment, including the two red-and-white stacks that have been a familiar landmark north of Calgary for decades.

To date, we've removed and avoided landfilling 52,000 tonnes of sulphur by securing contracts to remove the material to composting facilities. We also avoided the downhole disposal of 300,000 litres of glycol through recycling measures.

The final stage is remediation and reclamation. The end land use for the plant site has yet to be determined.

LOOKING FOR MORE INFO?

Nexen posts data relating to air quality, water use, spills, habitat and waste management at

WWW.NEXENCOCLTD.COM/RESPONSIBLEDEVELOPMENT

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

MANAGING GREENHOUSE GAS EMISSIONS

Climate change is a global issue requiring global solutions from energy producers, governments and consumers. At Nexen, we recognize the management of greenhouse gas (GHG) emissions is an important policy and business issue. That's why we fund alternative energy, engage in public policy discussions on climate change and invest in technologies and innovation to improve the overall efficiency of our operations and further reduce our emissions intensity.

One recent project undertaken by Nexen was the installation of vacuum insulated tubing on several injector wells at Long Lake. Better insulation resulted in higher steam quality delivered to the reservoir and more efficient steam usage, leading to lower fuel use and fewer emissions per barrel of oil produced.

Nexen and other oil sands companies are also working together through Canada's Oil Sands Innovation Alliance (COSIA) by investing in ways to reduce energy use and associated GHG emissions through the development of innovative technologies for oil sands in-situ and mining operations.

CANADA-WIDE GREENHOUSE GAS EMISSIONS >>

	2011	2012	2013
CO ₂ Equivalent Emissions ¹ (million tonnes)	3.66	4.05	4.60
Emissions per cubic metre (tCO ₂ /m ³ OE)	1.11	1.12	1.01

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

* Detailed information about the action Nexen is taking to combat climate change as well as detailed information about company-wide GHG levels, can be found at www.nexencoocld.com/responsibledevelopment.



The Balzac Gas Plant facility located northeast of Calgary's city limits is currently being remediated and reclaimed.

RESPONSIBLE WATER MANAGEMENT

As Nexen continues to explore and develop shale gas lands in Horn River and neighbouring basins, we're taking proactive steps to protect regional water quality and quantity.

The Horn River basin in northeast B.C. is estimated to contain trillions of cubic feet of shale gas. It also contains 42 distinct watersheds. As Nexen continues to explore and develop shale gas lands in Horn River and neighbouring basins, we're taking proactive steps to protect regional water quality and quantity. One way we're doing this is through an intensive, multi-million dollar monitoring network that gives us a site specific understanding of the natural range of variability (including water flow and baseline water quality) observed in the lakes and rivers near our existing and potential production sites.

Another part of Nexen's water management approach in northeast B.C. is to draw and store water during periods of high water flow, such as spring snowmelt runoff (or spring surges). The water is then stored for use in well development operations (e.g., hydraulic fracturing) during the late summer and fall, which are typically periods of lower water availability. Temporary water storage sites known as borrow pits, which are sometimes created during the construction of well pads, access roads and plant sites, help support this strategy by providing accessible sources of stored water for our operations.

This big picture approach to water management is enabling Nexen to balance the region's natural flow patterns with water use of our shale gas operations. We're also upholding our commitment to transparency by providing regulators with weekly water monitoring and withdrawal reports as well as raw hydrometric data.



CARIBOU HABITAT RESTORATION >>

In partnership with other members of COSIA, Nexen is leading Alberta's largest woodland caribou habitat restoration program. Working within the Algar caribou range south of Fort McMurray, Alberta, the objective is to restore caribou habitat by reforesting abandoned industrial sites and disturbed areas. To date, 150 kilometres of cutlines have been reforested and monitoring is ongoing to measure the effectiveness of the reforestation work.

ENVIRONMENTAL REGULATORY OR PERMIT VIOLATIONS REDUCED BY HALF >>

In 2013, we reduced the number of Environmental Regulatory or Permit Violations by almost 50% to 99 from 193 in 2012. The reduction is largely due to operational improvements at our Long Lake oil sands facility.

	2011	2012	2013 ¹
Canadian Gas & Operational Services and Technology	13	1	1
Marketing	1	0	0
Oil Sands	417	191	98
Total	431	192	99

¹ The indicator definition was revised in 2013. The revised definition includes any violation of legislation (act/regulation/directive) or permit issued related to air, land or water management or environmental protection. Under the former indicator name (Environmental Exceedances) non-compliances with legislation were not included.

WORKING TOWARDS ZERO SPILLS >>

Nexen continues to focus on reducing the number of spills in our operations. While we reduced the number of spills in our Canadian operations in 2013, the total spill volume increased. Through historical trending and weekly event analysis, we are identifying common causes of events and using that information to help reduce the number and volume of spills. Improving our environmental performance remains a key objective for 2014 and beyond.

Number of Spills

	2011	2012	2013
Canadian Gas & Operations Services and Technology	21	15	15
Oil Sands	22	29	20
Total	43	44	35

Volume Released (m³)

	2011	2012	2013
Canadian Gas & Operations Services and Technology	76	30	49
Oil Sands	106	417	548
Total	182	447	597



Representatives from Keyano College, Nexen and other oil sands companies gather for the ribbon cutting of the new Oilsands Power and Process Engineering Laboratory at Keyano College in Fort McMurray, Alberta.

NEXEN: INVOLVED IN OUR COMMUNITY

At Nexen, giving back to the communities where we live and work is deeply rooted in our values. Investing in communities is not just the way we do business; it's a point of pride for employees and contractors.

In 2013, our ReachOut community investment program, which helps support charitable organizations and employee volunteering, contributed a total of \$14.8 million in grants and donations, with a significant portion of that investment, 76%, being used to support non-profit organizations in Canada.

GIVING, MATCHING AND HELPING >>

Here are some of the notable contributions Nexen and CNOOC Limited made in Canada in 2013:

CALGARY – HELPING BUILD THE LIBRARY OF THE FUTURE

We provided a \$1.5 million donation to the Calgary Public Library, the largest ever in its 101-year history. The donation will be used to help build the Library of the Future, slated to open in 2018.

VANCOUVER – SHARING A PIECE OF CHINA'S PAST WITH CANADIANS

CNOOC Limited is supporting the Forbidden City exhibit at the Vancouver Art Gallery with a \$1 million donation. From October 2014 to January 2015, nearly 150 treasured objects selected from the collections of Beijing's

Palace Museum will be showcased in an exhibit called *Forbidden City: Inside the Courts of China's Emperors*.

FORT McMURRAY – SUPPORTING RECREATION AND EDUCATION

Nexen provided \$510,000 to support MacDonald Island Park in Fort McMurray, Alberta. This funding ensures Mac Island continues to be a world-class venue for major events and exhibitions as well as a state-of-the-art recreational facility. In addition, we provided \$750,000 over three years to support the Oilsands Power and Process Engineering Laboratory at Keyano College. The lab features steam turbine generators, high pressure boilers and turbine steam condensers that are used in actual oil sands facilities, providing students with a hands-on learning experience.

ANZAC – HELPING BUILD A COMMUNITY CENTRE

We committed \$500,000 to build the new Nexen Anzac Community Centre, which is located near our Long Lake oil sands operations. The new facility will include an arena, fitness centre, meeting rooms and a field house.

FORT NELSON – RAISING AWARENESS ABOUT LITERACY

Nexen and joint venture partner INPEX Gas British Columbia Ltd. donated \$100,000 over three years to the Fort Nelson Community Literacy Society – a charitable organization that provides literacy services including life skills, workplace essential skills and computer skills. The funding will go towards enhancing the Adult Learning Centre.

BENCHMARKING OUR COMMUNITY INVESTMENT

Nexen is a member of the London Benchmarking Group (LBG) Canada, a network of companies seeking to maximize the value of community investment, employee volunteering and employee giving programs – for communities, for employees, for the business.

“WITH THE VOLUNTEER SUPPORT WE’VE RECEIVED FROM NEXEN AND OTHERS IN THE COMMUNITY, WE WERE ABLE TO SEE A WAY FORWARD. IT’S OVERWHELMING WHAT YOU CAN ACCOMPLISH WITH SO MANY HELPING HANDS.”

DEB PROVIAS
GENERAL MANAGER OF RESERVOIR ENGINEERING, WHOSE CALGARY HOME WAS DAMAGED BY FLOODING

INVESTING IN THE ENVIRONMENT >>

Nexen has committed \$875,000 over four years to enable the Nature Conservancy of Canada to grow and enhance their Conservation Volunteers program in Alberta and British Columbia. The Nature Conservancy of Canada is the country’s leading land conservation organization.

HELPING HANDS >>

Sometimes a helping hand is just as important as monetary support. Nexen employees receive two paid days off annually to volunteer; they can also qualify for a grant for volunteering 40 hours of personal time to charitable or non-profit organizations.

In 2013, our employees continued to make a difference to the communities where they work and live by giving generously of their time and talents during working hours. Whether it was providing a fresh coat of paint at Hull Services, a Calgary agency that delivers mental health services for children and families, or seconding Nexen summer student employees to organizations like Hospice Calgary and the Shock Trauma Air Rescue Service Foundation (STARS), our employees demonstrate the value they bring as neighbours and community partners.

ALBERTA FLOOD RELIEF >>

Many regions in Alberta experienced hardship due to the severe flooding in June 2013. With tens of thousands of people evacuated from their homes, it was a tense and challenging time. Nexen responded with many sources of support, including financial assistance and sheer volunteer power.

In total, Nexen held 30 volunteer events and contributed over 1,900 employee hours to support flood recovery and relief.

In addition to the gift of time, the Nexen team also reached generously

into their pockets. Following the announcement of a \$250,000 donation to the Red Cross, Nexen contributed an additional \$44,000 to other charitable organizations impacted by the floods and those providing relief services.

SUPPORTING ABORIGINAL COMMUNITIES

The Aboriginal Scholarship program provides several awards each year of \$2,000 to Aboriginal students pursuing studies related to the oil and gas industry. In 2013, Nexen awarded \$26,000 in scholarships to Aboriginal students.

The Indigenous Leadership & Management program at the Banff Centre is a leadership development program designed for community leaders. Nexen provides tuition support of \$75,000 per year for Chief and Council as well as community leaders to attend. To date, Nexen has supported 22 participants in five programs.

Nexen also sponsors the Indspire Soaring Career Conference with a \$75,000 per year donation. Three Career Conferences are held annually in major cities across Canada drawing approximately 1,200 students from surrounding communities to explore career opportunities in an energetic and interactive way.



Nexen employees lend a hand during the Calgary flood in June 2013.

UNITED WAY >>

United Way campaigns are the single largest beneficiary of funding on an annual basis through Nexen’s community investment program. Together, Nexen and our employees raised over \$1.6 million in 2013 for community-based United Way campaigns in Calgary and Fort McMurray. This contribution was recognized in 2014 when Nexen was honoured by United Way of Calgary with the Award of Excellence (over 500 employees), recognizing our outstanding fundraising campaigns over the past three years.

SUPPORTING EDUCATION >>

At Nexen, we believe supporting educational advancement is good for our business and the communities where we operate. In 2013, we contributed a total of \$1.2 million towards post-secondary scholarships in Canada. One such initiative is the Oil Sands Scholarship Program, which supports high school graduates living near our Long Lake operations who are pursuing education and skills training through universities, colleges, vocational schools and apprenticeships.

MATCHING EMPLOYEE CONTRIBUTIONS >>

Nexen supports employees’ contributions to charitable and non-profit organizations by matching employee contributions to registered charitable or non-profit organizations up to a maximum of \$20,000 per individual. In 2013, Nexen matched \$1.6 million in donations in Canada.

MATCHING EMPLOYEE DONATIONS UP TO



\$20,000 / PERSON



SUSTAINABILITY REPORTING: LEARN MORE

This publication highlights some of the sustainability initiatives underway at Nexen's Canadian operations. More detailed information is available at www.nexencnooltd.com/responsibledevelopment. CNOOC Limited also publishes a corporate social responsibility report which can be found at <http://www.cnooltd.com/encnooltd/shzr/shzrbg/>.

TSX LISTING >>

CNOOC Limited's listing on the Toronto Stock Exchange (TSX) on September 18, 2013 is a milestone that will benefit CNOOC Limited and the Canadian economy. The TSX listing makes CNOOC Limited more accessible to a wide range of investors.

FORWARD LOOKING STATEMENTS >>

This report includes "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 2013 Annual Report on Form 20-F filed on April 17, 2014.

Consequently, all of the forward-looking statements made in this report are qualified by these cautionary statements. The Company cannot assure that the results or developments anticipated will be realized or, even if substantially realized, that they will have the expected effect on the Company, its business or operations.

All financial information in Canadian dollars.

August 2014

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FOLLOW US ON SOCIAL MEDIA >>

Learn about Nexen, the communities we invest in and what makes us an employer of choice. See photos of our operations, how we invest in communities and how we are a responsible energy developer.

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