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## BUSINESS

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### *Undertakings*

CNOOC has undertaken to us that:

- we will enjoy the exclusive right to exercise all of CNOOC's commercial and operational rights under the PRC laws and regulations relating to the exploration, development, production and sales of the PRC offshore oil and natural gas,
- it will transfer to us all of its rights and obligations under any new production sharing contracts and geophysical exploration operations, except those relating to its administrative functions,
- neither it nor any of its associates will engage or be interested, directly or indirectly, in oil and natural gas exploration, development, production and sales in or outside the PRC,
- we will be able to participate jointly with CNOOC in negotiating new production sharing contracts and to set out our views to CNOOC on the proposed terms of new production sharing contracts,
- we will have unlimited and unrestricted access to all data, records, samples and other original data owned by CNOOC relating to oil and natural gas resources,
- we will have an option, for which no consideration will be payable by us to CNOOC, to make any investment in liquefied natural gas projects in which CNOOC has invested or proposes to invest, and CNOOC will at its own expense help us to procure all necessary government approvals needed for our participation in these projects, and
- we will have an option, for which no consideration will be payable by us to CNOOC, to participate in other business related to natural gas in which CNOOC has invested or proposes to invest, and CNOOC will at its own expense procure all necessary government approvals needed for our participation in such business.

If we do not exercise the option to participate in a liquefied natural gas project, such decision will be subject to the review of the independent non-executive Directors. We will make an announcement of our decision and the views of the independent non-executive Directors, and include in our annual report the decision and the views of the independent non-executive Directors. The terms of this option require us, if we exercise the option, to reimburse CNOOC for any contribution CNOOC has made with respect to the facility, together with interest thereon calculated at the prevailing market interest rate.

The undertakings from CNOOC will cease to have any effect:

- if we become a wholly owned subsidiary of CNOOC,
- if our securities cease to be listed on any stock exchange or automated trading system, or
- 12 months after CNOOC or any other PRC government controlled entity ceases to be our controlling shareholder.