

INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased or otherwise acquired the American Depositary Shares (“ADSs”) of CNOOC Limited (“CNOOC” or the “Company”) between January 27, 2011 and September 16, 2011, inclusive (the “Class Period”), against CNOOC and certain of its officers and/or directors for violations of the Securities Exchange Act of 1934 (“1934 Act”). These claims are asserted against CNOOC and certain of its officers and/or directors who made materially false and misleading statements during the Class Period in press releases, analyst conference calls, and filings with the Securities and Exchange Commission (“SEC”).

2. CNOOC, along with its subsidiaries, is a producer of offshore crude oil and natural gas and an independent oil and gas exploration and production company. CNOOC is China’s biggest offshore state oil company. The Company co-owns the Penglai 19-3 (“PL19-3”) oilfield in northern Bohai Bay with ConocoPhillips China Inc. (“ConocoPhillips”) as its operator. The PL19-3 is an oilfield operated under a production sharing contract.

3. During the Class Period, defendants issued materially false and misleading statements regarding the Company’s business and financial results. Specifically, defendants failed to disclose operational problems at CNOOC’s PL19-3 oilfield. As a result of defendants’ false statements, CNOOC’s ADSs traded at artificially inflated prices during the Class Period, reaching a high of US\$270.64 per ADS on April 4, 2011.

4. On June 4, 2011, an oil spill occurred at the PL 19-3 oilfield in Bohai Bay. A second spill occurred at the PL 19-3 on June 17, 2011. CNOOC and ConocoPhillips failed to disclose the spills when they occurred. Nonetheless, despite CNOOC’s attempts to conceal the news, news of the spills began to leak into the market. On July 5, 2011, the State Oceanic Administration, China’s coastal regulator, officially acknowledged the spills had occurred. Thereafter, CNOOC downplayed

the extent of the damage done by the oil spills and the impact it would have on CNOOC's operations.

5. On September 2, 2011, the State Oceanic Administration announced that it had ordered CNOOC and ConocoPhillips to immediately suspend all oil production at the PL 19-3 oilfield after failing to meet the August 31, 2011 deadline the agency had given to seal the leaks at the PL 19-3 and clean up after the oil spills. The authorities did not provide an indication as to when production would resume in Bohai Bay.

6. On September 4, 2011, CNOOC issued a press release confirming the suspension.

7. On September 6, 2011, it was announced that CNOOC and ConocoPhillips would establish a Bohai Bay fund to address the environmental impact of the oil spills.

8. On this news, CNOOC's ADSs declined US\$9.39 per ADS on September 6, 2011, a one-day decline of nearly 5% on high trading volume. Thereafter, as news of the true extent of the severity of the oil spills emerged, CNOOC's ADSs continued to decline.

9. Then, on September 18, 2011, it was announced that CNOOC and ConocoPhillips would establish a second Bohai Bay fund to address the environmental impact of the oil spills.

10. On this news, CNOOC's ADSs declined US\$6.85 per ADS on September 19, 2011, a one-day decline of nearly 4% on high trading volume.

11. The true facts, which were known by the defendants but concealed from the investing public during the Class Period, were as follows:

(a) The Company was not in compliance with environmental laws and regulations.

(b) As news of the oil spills emerged, the Company concealed the extent and severity of the oil spills.

(c) As news of the oil spills emerged, the Company downplayed its responsibility to effect the cleanup of the oil spills as it portrayed itself as being the “non-operator” of the oilfield. Nonetheless, the Company hindered the cleanup by requiring the operator of the oilfield to use a CNOOC-affiliated company for the cleanup.

(d) The Company improperly accounted for its contingent liabilities in violation of Generally Accepted Accounting Principles (“GAAP”).

(e) Based on the foregoing, defendants lacked a reasonable basis for their positive statements about the Company’s operations and its expected oil production.

12. As a result of defendants’ false statements, CNOOC ADSs traded at artificially inflated levels during the Class Period. However, after the above revelations seeped into the market, the Company’s ADSs were hammered by massive sales, sending them down over 37% from their Class Period high.

JURISDICTION AND VENUE

13. Jurisdiction is conferred by §27 of the 1934 Act. The claims asserted herein arise under §§10(b) and 20(a) of the 1934 Act, 15 U.S.C. §§78j(b) and 78t(a), and SEC Rule 10b-5, 17 C.F.R. §240.10b-5.

14. Venue is proper in this District pursuant to §27 of the 1934 Act. Many of the false and misleading statements were made into or issued from this District. CNOOC’s shares for purposes of its ADSs are deposited with a financial institution based in New York, New York. For purposes of service of process, a copy of all legal notices sent to CNOOC should be furnished to a law firm in New York, New York. CNOOC’s ADSs trade on the NYSE. CNOOC is headquartered in Hong Kong.

15. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to,

the mails, interstate telephone communications and the facilities of the national securities markets. CNOOC ADSs trade in an efficient market on the New York Stock Exchange (“NYSE”).

PARTIES

16. Plaintiff Sam Sinay purchased the ADSs of CNOOC during the Class Period as set forth in the certification attached hereto and was damaged as the result of defendants’ wrongdoing as alleged in this complaint.

17. Defendant CNOOC is a producer of offshore crude oil and natural gas and an independent oil and gas exploration and production company and is owned by the Chinese government.

18. Defendant Yang Hua (“Yang”) was, at all relevant times, the Company’s Chief Executive Officer (“CEO”) and Executive Vice Chairman of the Board. Yang was appointed President of CNOOC on August 31, 2011. Yang resigned as CEO in November 2011 and was redesignated as Non-Executive Vice Chairman of the Company.

19. Defendant Zhong Hua (“Zhong”) is, and at all relevant times was, the Company’s Chief Financial Officer (“CFO”).

20. The defendants named above in ¶¶18-19 are referred to herein as the “Individual Defendants.”

21. The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of CNOOC’s quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. They were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions with the Company, and their access to material non-public information available to them but not to the public, the

Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein.

FRAUDULENT SCHEME AND COURSE OF BUSINESS

22. Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about CNOOC. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of CNOOC ADSs was a success, as it: (i) deceived the investing public regarding CNOOC's prospects and business; (ii) artificially inflated the price of CNOOC ADSs; and (iii) caused plaintiff and other members of the Class to purchase CNOOC ADSs at inflated prices.

BACKGROUND

23. CNOOC, together with its subsidiaries, is a producer of offshore crude oil and natural gas and an independent oil and gas exploration and production company. The Company is engaged in the exploration, development, production and sale of oil and natural gas. It operates in three segments: independent operations, production sharing contracts or other joint arrangements, and trading business. The Company has four producing areas in offshore China, which include the Bohai Bay, Western South China Sea, Eastern South China Sea and East China Sea. Overseas it has oil and gas assets in Indonesia, Australia, Nigeria, Argentina, the United States and other countries. CNOOC is government owned and the largest oil producer of offshore crude oil and natural gas and one of the largest independent oil and gas exploration and production companies in the world. CNOOC is headquartered in Hong Kong.

24. CNOOC prides itself on being a socially responsible company. According to its website:

As an energy company with a strong sense of corporate responsibility, we believe that our primary social responsibility is to supply clean, reliable and stable energy for society and to meet reasonable energy needs through exploring natural resources in a safe, efficient and environmental [sic] friendly way.

As a Chinese company, we have been standing firmly with international energy giants and contributing to the resolution of global energy issue, with particularly close attention paid to the country's energy needs.

At CNOOC Limited, we believe that fulfilling our corporate social responsibility (CSR) goals requires more than acknowledgement, belief and thought from senior management to individual employees; we believe it is a concept that should be integrated into our management system and organizational culture.

In recognition of the worldwide trend of placing emphasis on CSR, we actively explore the overlapping goals between social responsibility and our business development strategy. As we strive to consistently improve the performance of the Company's management and operations, we are seeking ways to leverage social responsibility to facilitate the development of both the Company and society.

Therefore, we have primarily focused on further integrating CSR into our management system and increasing employee participation in our CSR initiatives. We have taken concrete actions on social responsibility that combine the Company's economic, environmental and social responsibility with development needs. CSR initiatives have been reflected on the Company's business goals and development model.

DEFENDANTS' FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

25. On January 27, 2011, CNOOC issued a press release entitled "2011: CNOOC Limited Welcomes a Year of Steady Growth." The Company announced that it set its targeted total net production for 2011 at 355-365 million barrels of oil equivalent ("BOE"). The release further stated in part:

"In the new year, we will maintain a robust capital expenditure plan and implement exploration and development activities as scheduled. Meanwhile, we will continue to execute stringent cost control and prudent financial policy to further improve the overall performance of the Company," Mr. Zhong Hua, CFO of the Company commented.

Mr. Yang Hua, the Vice Chairman and CEO of the Company said, "In the past five years, we have greatly enhanced our corporate value through sticking to our established strategies and delivering the production growth rate of 7-11% from 2006

to 2010. The Company will see a year of steady growth in 2011, laying a more solid base for our future development in the next five years.”

26. On March 23, 2011, CNOOC issued a press release announcing financial results for its fourth quarter and full year 2010. The Company reported its net production reach 328.8 million BOE. This represented a 44% increase year over year – the highest production growth in the Company’s history. The release stated in part:

Mr. Yang Hua, CEO of the Company commented, “In 2010, CNOOC Limited recorded exciting results in production growth, reserve replacement and net profit, demonstrating the Company’s outstanding operational and management capabilities. Although in the year, the pressure on cost inflation was still one of the steep challenges faced by the entire industry, we were able to maintain a competitive cost structure among the global peers by implementing stringent cost control measures.”

27. On April 4, 2011, CNOOC ADSs closed at US\$270.64 per ADS – their Class Period high.

28. On April 27, 2011, CNOOC issued a press release announcing its first quarter 2011 financial results. The Company reported a total net production of 85.2 million BOE for the first quarter of 2011. The release stated in part:

Mr. Yang Hua, Chief Executive Officer of the Company commented, “We have recorded excellent first quarter results driven by our efficient operation and higher realized oil prices. Meanwhile, we have made great progress in overseas development, which will provide a strong support for our reserve and production growth in the future.”

29. On June 4, 2011, an oil spill occurred at the PL 19-3 oilfield in Bohai Bay. A second spill occurred at the PL 19-3 oilfield on June 17, 2011. Nonetheless, despite CNOOC’s attempts to conceal the news, news of the spills began to leak into the market. On July 5, 2011, the State Oceanic Administration, China’s coastal regulator, officially acknowledged the spills had occurred. Thereafter, CNOOC downplayed the extent of the damage done by the oil spills and the impact it would have on CNOOC’s operations.

30. On July 6, 2011, CNOOC issued a press release entitled “PL19-3 Oil Spills Basically Under Control.” The release stated in part:

CNOOC Limited (the “Company”) announced today that the oil spills occurred in PengLai (“PL”) 19-3 oil field have already been basically under control. The State Oceanic Administration of People’s Republic of China (“SOA”) made relevant announcement on July 5.

PL19-3 field, located in Bohai Bay, is an oil field under Production Sharing Contract with ConocoPhillips China Inc (“COPC”). COPC is the Operator and responsible for the daily operations.

According to the report of COPC, a seepage of oil from the seabed was found near the Platform B in early June. It is the first of its kind occurred [sic] in China and the cause is still subject to further study and analysis. It was also observed in mid June that one well being drilled in Platform C occurred [sic] a small-scale influx, resulting in another oil spill.

After the incidents occurred, COPC immediately activated response procedures, closed part of the water injection wells, and suspended drilling operations of the field. COPC also deployed necessary equipment and personnel for oil recovery and area clean-up. As the partner, the Company has actively assisted COPC with its activities to minimize the impact.

According to the statement of SOA, the above incidents have certain impact on the marine environment surrounding PL19-3 oilfield, resulting in about 840 square kilometers of seawater worse than Grade IV.

Through those measures taken by the Operator such as reducing pressure in Platform B and implementing a cementing procedure in Platform C, the above incidents were well controlled on June 19 and 21 respectively. As of July 4, there is no obvious oil slick on the sea surface. Only [a] very small amount of oil sheen can be observed occasionally near Platform B and C.

The relevant regulatory agencies have notified COPC to promptly clean up and support investigation of the responsibilities for the oil spill. SOA will continue to urge COPC to closely monitor the status of the leaking point, and will also supervise COPC taking effective measures to minimize the impact on marine environment.

As the non-operator, the Company will continue [to] urge and assist COPC to fulfill SOA’s requirements.

31. On July 13, 2011, CNOOC issued a press release entitled “Platform B and C of Penglai 19-3 Oilfield Suspend Production.” The release stated in part:

CNOOC Limited (the “Company”) announced today that ConocoPhillips China Inc (“COPC”), the Operator of Penglai 19-3 field informed the Company that the State Oceanic Administration of People’s Republic of China (“SOA”) has required COPC to suspend the production of Platform B and C of the field until the risk of oil spill is eliminated.

According to the latest report from COPC, a thin sheen has been observed recently near Platform B and amounts of bubbles have been occasionally generated from the oil-based mud that remains on the sea floor near Platform C. Clean up work by COPC continues, including diving operations to remove any residual oil-based mud on the sea floor at Platform C. Meanwhile, COPC continues to closely monitor the original seep location of Platform B.

As the non-operator, the Company will continue to urge and assist COPC to complete the clean-up work as quickly as possible, and to reduce the impact of the oil spill incidents on [the] marine environment according to SOA’s requirement.

32. On July 15, 2011, CNOOC issued a press release entitled “COPC Announced the Amount of Fluid Spilled from Penglai 19-3 Oilfield,” which stated in part:

CNOOC Limited (the “Company”) announced, according to the latest statement by ConocoPhillips China Inc (“COPC”), the Operator of Penglai 19-3 field, the current estimate of the aggregate amount of fluid spilled from the two incidents is approximately 1,500 barrels (240 cubic meters) of oil and oil-based drilling fluids.

According to COPC, it is working with independent experts to validate the total spill quantity.

As the non-operator, the Company will continue to urge and assist COPC to complete the clean-up work as quickly as possible, and to reduce the impact of the oil spill incidents on [the] marine environment according to the requirement of the State Oceanic Administration of People’s Republic of China.

33. On August 12, 2011, CNOOC issued a press release entitled “COPC Updates on Bohai Bay Clean-Up.” The release stated in part:

CNOOC Limited (the “Company”) announced that, according to the latest statement by ConocoPhillips China Inc (COPC), the Operator of Penglai 19-3 oil field, more oil-based drilling mud (OBM) on the sea floor was identified. This addition brings the revised volume of OBM on the seabed to 400 cubic meters (2,500 barrels). The volume of oil released to the sea surface remains at 114 cubic meters (717 barrels). The total volume of fluids spilled from the incident amounts to 514 cubic meters (3,217 barrels) of oil and OBM and exceeds 240 cubic meters (1,500 barrels) as originally estimated by the Operator.

After the incident occurred, COPC has deployed substantial resources for oil recovery and cleanup work. According to COPC, its response personnel has recovered 269 cubic meters (1,700 barrels) of OBM from the seabed near the Penglai 19-3 C platform, and approximately 70 cubic meters (440 barrels) of oil/water mix from the sea surface to date.

As the non-operator, the Company has also fully utilized its resources and personnel to assist COPC on shoreline protection activities with 111 people walking approximately 3,289 kilometers of shoreline and 19 vehicles patrolled approximately 48,645 kilometers of shoreline along the Bohai Bay area by 11 August.

In order to meet the requirements set by the State Oceanic Administration, the Company will continue to urge and assist COPC to stop the leaks and complete the cleanup work by the end of August, so as to minimize the impact of the oil spill incident on the marine environment.

34. On August 24, 2011, CNOOC issued a press release announcing its second quarter results. The Company reported a total net production of 168.7 million BOE for the first half of 2011.

The release stated in part:

The Company has kept a good track record on health, safety and environmental protection (HSE) since [it was] established more than a decade ago. However, the oil spill incident of Penglai 19-3, an oilfield operated under production sharing contract in Bohai Bay, posed HSE challenges to the Company. This incident has made certain impact on the marine environment. Being a responsible energy company, we will continue to urge and assist ConocoPhillips China Inc., the operator of the Penglai 19-3 oilfield, to complete the cleanup work in a timely manner and to minimize the impact on the marine environment.

In addition, due to the combination of the progress of acquisition project and the impact from the oil spill incident, we reset the Company's annual production target at 331-341 million BOE.

Mr. Wang Yilin, Chairman of the Company said, "The outstanding results for the first half of 2011 demonstrated our operating and management capabilities. At the same time, we faced a challenge posed by the oil spill incident [that] occurred at Penglai 19-3 oilfield and we felt deeply sorry about it. The Company has already started performing inspection on the major facilities, equipments and production operations of all our oilfields, and reinforcing our risk management measures, to avoid similar incidents happening in the future."

Mr. Yang Hua, Chief Executive Officer of the Company commented, "Since the beginning of the year, the Company has increased its investments in unconventional energy through the acquisition of shale oil and gas and oil sands projects, building an important resource base for the future. Year 2011 is a year of

steady growth for the Company. In the second half of the year, the Company will continue to progress steadily to lay a solid foundation for the Company's long term development."

In the first half of the year, the Company's basic earnings per share reached RMB0.88. In order to share our outstanding results with shareholders, the board has declared an interim dividend of HK\$ 0.25 per share (tax inclusive).

35. On August 25, 2011, *The Guardian* reported in an article entitled "ConocoPhillips warned that Chinese partner could hinder oil spill clean-up" that ConocoPhillips' executives had complained four years prior to the PL 19-3 oil spills that CNOOC could hamper its ability to effectively deal with an oil spill in China. In a diplomatic cable dated April 24, 2007, sent from ConocoPhillips to Daniel Sullivan, the United States Assistant Secretary of State for Economic, Energy and Business Affairs,¹ ConocoPhillips executives questioned whether CNOOC prioritized its business interests at the expense of using the best-available methods in responding to an environmental crisis. According to the cable, ConocoPhillips had contracted with a U.S.-based emergency environmental clean-up service that could deploy clean-up teams anywhere in the world within 24 hours. Unfortunately, ConocoPhillips was prohibited from using this service in China as CNOOC mandated ConocoPhillips use a CNOOC-affiliated company instead. ConocoPhillips warned that CNOOC's restrictions limited ConocoPhillips' ability to deal with an environmental disaster in China.

36. On September 2, 2011, the State Oceanic Administration announced that it had ordered CNOOC and ConocoPhillips to immediately suspend all oil production at the PL 19-3 oilfield after failing to meet the August 31, 2011 deadline the agency had given to seal the leaks at

¹ A copy of the diplomatic cable was disclosed by Wikileaks

the PL 19-3 oilfield and clean up after the oil spills. The authorities did not provide an indication as to when production would resume in Bohai Bay.

37. On September 4, 2011, CNOOC issued a press release confirming the suspension.

38. On September 6, 2011, it was announced that CNOOC and ConocoPhillips would establish a Bohai Bay fund to address the environmental impact of the oil spills.

39. On this news, CNOOC's ADSs declined US\$9.39 per ADS on September 6, 2011, a one-day decline of nearly 5% on high trading volume. Thereafter, as news of the true extent of the severity of the oil spills emerged, CNOOC's ADSs continued to decline.

40. Then, on September 18, 2011, it was announced that CNOOC and ConocoPhillips would establish a second Bohai Bay fund to address the environmental impact of the oil spills.

41. On this news, CNOOC's ADSs declined US\$6.85 per ADS on September 19, 2011, a one-day decline of nearly 4% on high trading volume. The true facts, which were known by the defendants but concealed from the investing public during the Class Period, were as follows:

(a) The Company was not in compliance with environmental laws and regulations.

(b) As news of the oil spills emerged, the Company concealed the extent and severity of the oil spills.

(c) As news of the oil spills emerged, the Company downplayed its responsibility to effect the cleanup of the oil spills as it portrayed itself as being the "non-operator" of the oilfield. Nonetheless, the Company hindered the cleanup by requiring the operator of the oilfield to use a CNOOC-affiliated company for the cleanup.

(d) The Company improperly accounted for its contingent liabilities in violation of GAAP.

(e) Based on the foregoing, defendants lacked a reasonable basis for their positive statements about the Company's operations and its expected oil production.

42. As a result of defendants' false statements, CNOOC ADSs traded at artificially inflated levels during the Class Period. However, after the above revelations seeped into the market, the Company's ADSs were hammered by massive sales, sending them down over 37% from their Class Period high.

LOSS CAUSATION

43. During the Class Period, as detailed herein, the defendants made false and misleading statements and engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of CNOOC ADSs and operated as a fraud or deceit on Class Period purchasers of CNOOC ADSs by misrepresenting the Company's business and prospects. Later, when the defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the price of CNOOC ADSs fell precipitously, as the prior artificial inflation came out of the price over time. As a result of their purchases of CNOOC ADSs during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

NO SAFE HARBOR

44. CNOOC's verbal "Safe Harbor" warnings accompanying its oral forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability.

45. The defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer of CNOOC who knew that the FLS was false. None of the historic or present tense statements made by defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as they were not stated

to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

CLASS ACTION ALLEGATIONS

46. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise acquired CNOOC ADSs during the Class Period (the “Class”). Excluded from the Class are defendants and their families, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

47. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. CNOOC has over 44 billion shares of common stock outstanding, owned by hundreds if not thousands of persons.

48. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

- (a) whether the 1934 Act was violated by defendants;
- (b) whether defendants omitted and/or misrepresented material facts;
- (c) whether defendants’ statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- (d) whether defendants knew or deliberately disregarded that their statements were false and misleading;
- (e) whether the price of CNOOC ADSs was artificially inflated; and

(f) the extent of damage sustained by Class members and the appropriate measure of damages.

49. Plaintiff's claims are typical of those of the Class because plaintiff and the Class sustained damages from defendants' wrongful conduct.

50. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

51. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

COUNT I

For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

52. Plaintiff incorporates ¶¶1-51 by reference.

53. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

54. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- (a) employed devices, schemes and artifices to defraud;
- (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of CNOOC ADSs during the Class Period.

55. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for CNOOC ADSs. Plaintiff and the Class would not have purchased CNOOC ADSs at the prices they paid, or at all, if they had been aware that the market price had been artificially and falsely inflated by defendants' misleading statements.

COUNT II

For Violation of §20(a) of the 1934 Act Against All Defendants

56. Plaintiff incorporates ¶¶1-55 by reference.

57. The Individual Defendants acted as controlling persons of CNOOC within the meaning of §20(a) of the 1934 Act. By virtue of their positions with the Company, and ownership of CNOOC stock, the Individual Defendants had the power and authority to cause CNOOC to engage in the wrongful conduct complained of herein. CNOOC controlled the Individual Defendants and all of its employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment as follows:

- A. Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;
- B. Awarding plaintiff and the members of the Class damages, including interest;
- C. Awarding plaintiff's reasonable costs and attorneys' fees; and
- D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: February __, 2012

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