

# CHINA'S LARGEST FPSO GOES INTO PRODUCTION

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BEIJING - ConocoPhillips China Inc (COPC), a subsidiary of ConocoPhillips [NYSE: COP] announced first production from Hai Yang Shi You 117-China's largest Floating, Production, Storage and Offloading (FPSO) vessel at the Penglai 19-3 Oilfield which is under joint development by COPC and CNOOC Ltd.

"This is a significant milestone for both ConocoPhillips and our co-venturer, CNOOC Ltd., towards the full production from this large oil field," said Georg Storaker, president of ConocoPhillips China. "This achievement demonstrates cooperation between CNOOC Ltd. and ConocoPhillips in developing energy resources offshore China."

Also called Bo Hai Peng Bo, the FPSO is among the largest of such vessels built anywhere in the world with its hull's dimension of 323m x 63m x 32.5m. The FPSO's design processing capacity is 190,000 barrels oil per day (BOPD) and design storage capacity is two million barrels (MM BBL).

Located in Block 11-05 in China's Bohai Bay, the Peng Lai 19-3 discovery was made in May 1999. Production from wellhead platform A of Phase I began in December 2002. Phase II of the Project is currently under development. This phase includes the installation of five additional drilling and production platforms, one central utilities platform and the Bo Hai Peng Bo FPSO. The FPSO is one of the major facilities in the overall development program for Phase II of the PL 19-3 and PL 25-6 oilfields.

In December 1994, COPC and CNOOC Ltd. signed a petroleum contract granting COPC the right to explore Block 11/05. COPC is the operator of the PL 19-3 oilfield and has 49 percent working interest while CNOOC Ltd. has 51 percent working interest.