



## Chairman's Message

In recent years, oil and gas cooperation between China and host countries in Latin America has resulted in impressive accomplishments. In October 1993, China National Petroleum Corporation (CNPC) made its entry into Peru by winning an international tender, where it started international oil and gas operations. Over the past two decades, we have witnessed the steady progress of Sino-Latin American oil and gas cooperation. As a witness to this, I have visited Venezuela, Peru and Ecuador many times and established good partnership as well as friendships with local governments and the oil and gas sectors.

In the past two decades, adhering to the international cooperation principle of "*mutually beneficial cooperation for common development*", CNPC has brought China's technologies, managerial expertise, experience and capital to Latin America. With rich experience and proven technologies in oil and gas exploration and development, we have helped host countries address challenges in increasing reserves and production, enhancing recovery efficiency, and tapping ultra-heavy oil reservoirs. Our cooperation projects have yielded remarkable economic and social benefits, winning CNPC the respect and trust of local governments, oil companies and communities.

Latin America is not only one of the world's most important oil-producing regions, it is also home to the Earth's richest and most diverse Amazon rain forest ecosystem. To protect this most precious

natural treasure, we have strictly complied with and enforced local laws, regulations and international standards for environmental protection during our operations, and actively implemented a safe, green and resource-conserving development model, in an effort to minimize our environmental impact. For its outstanding performance in protecting the local rain forest, CNPC holding Andes Petroleum Ecuador Ltd. was granted the Best HSE/Sustainable Development Award from World Oil.

We strictly abide by the labor laws, regulations and policies of host countries and attach great importance to recruiting and cultivating local management, and technical and skilled workers in the oil and gas sector. At our enterprises in Latin American countries, we actively promote local hiring, giving special attention to the career development of local employees. We are pleased to note that local employees now account for more than 88% of our total staff there, who are now playing an increasingly important role in oilfield production and management.

As a responsible investor, CNPC always pays close attention to the sustainable development of the places where we operate. We maintain good communication with all local stakeholders through various means and channels. With their specific needs and requirements in mind, we strive to ensure that our social welfare activities are practical and efficient. Over the past 20 years, we have carried out a series of social welfare and charitable programs

in local communities, covering a wide range of areas including educational and medical facilities, agricultural infrastructure, disaster relief and aid, and environmental protection. Through these programs, we have not only helped improve local living conditions, but also won recognition, trust and praise from local governments and people.

The fruitful oil and gas cooperation between CNPC and our Latin American counterparts would have been impossible without the support and cooperation of local governments, oil companies, communities, our partners and NGOs. CNPC is willing to further contribute to social progress in host countries and Sino-Latin American friendship, and will remain committed to facilitating the sustainable development of Latin America's oil industry through energy cooperation.

Thank you for reading this report, and we appreciate your valuable comments.



Zhou Jiping, Chairman