

Special Report

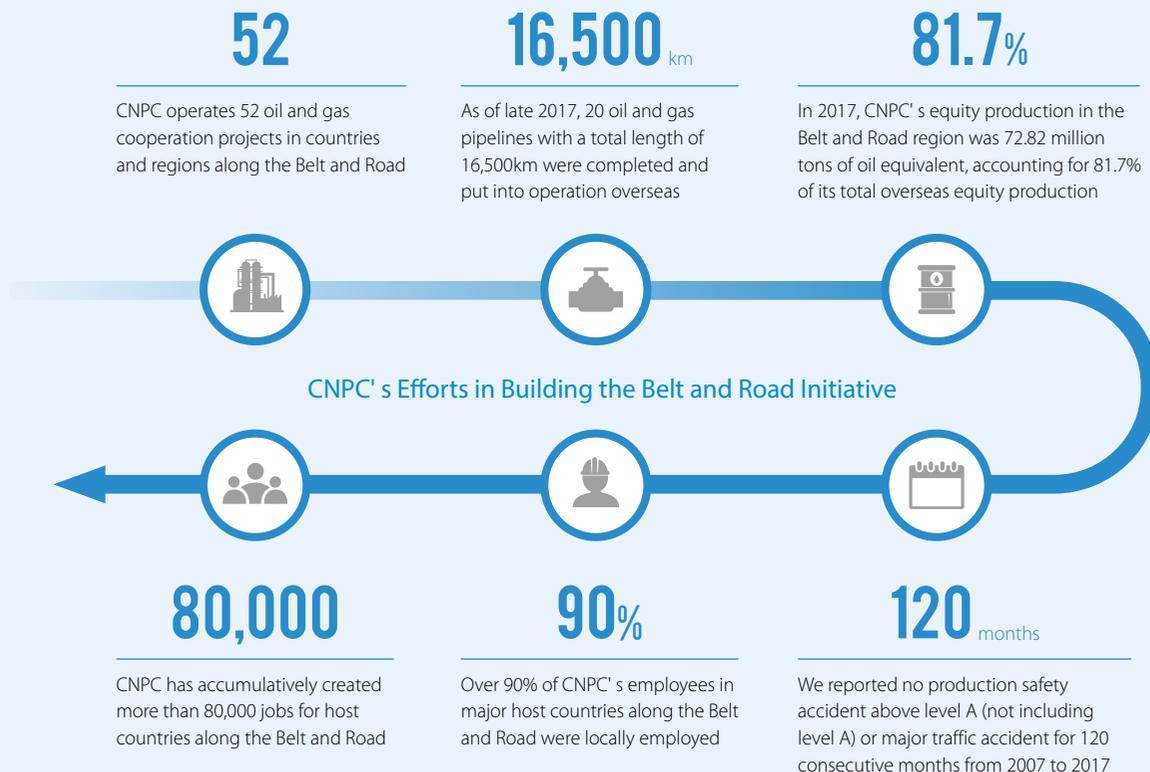
Promoting Energy Cooperation for Mutual Benefit and Win-win Development

CNPC Supporting the Belt and Road Initiative

In 1997, CNPC entered into an agreement to develop the Aktobe project in Kazakhstan, taking the first step in oil and gas cooperation under the Belt and Road Initiative. 2017 marked the 20th anniversary of CNPC's oil and gas cooperation with countries and regions along the Belt and Road. Relying on more than 20 years of experience in multinational operations, CNPC is becoming a pioneer and an important player in practicing the Belt and Road Initiative, and has enhanced mutual understanding and trust with stakeholders such as partners, host governments and community residents.

Contributing to integrated development: We operate 52 oil and gas cooperation projects in 20 countries along the Belt and Road. In 2017, our equity oil and gas production hit 72.82 million tons, playing an increasingly important role in building a sustainable international energy supply system. Over the past two decades, leveraging its unique technologies and management advantages, especially its advantages in upstream and downstream integration, CNPC has been actively participating in the development of the local oil industry and providing host countries with package solutions.





Promoting infrastructure connectivity: We accelerate the building of four major oil and gas corridors (to China's northwest, northeast, southwest and offshore respectively) and three overseas operations hubs. The operation hub in Asia has been basically completed, and our international oil and gas trade volume has been on a constant rise. In 2017, we reported 469 million tons of international trading volume, about 230 million tons of which was from the Belt and Road region. As Myanmar-China Oil and Gas Pipelines were successively put into operation, the layout of the four major oil and gas corridors has taken shape. Central Asia-China Gas Pipeline is an important energy corridor connecting many countries in Central Asia with China. Line A was completed and put into operation in December 2009, and currently the project has Line A, Line B and Line C running in parallel, extending from Turkmenistan to China through Uzbekistan and Kazakhstan. Capable of delivering 55 billion cubic meters of natural gas every year, the pipeline plays an important role in promoting the development and utilization of natural gas in Central Asian countries, improving the regional energy mix, promoting industrial restructuring, and addressing climate change.

Winning recognition for environmental protection performance: We actively responded to China's initiative of Green Belt and Road, and CNPC is one of the first Chinese companies to sign the initiative. We actively fulfilled our environmental responsibilities, made specific HSE commitments, established and implemented the HSE system, timely disclosed our environmental protection performance, accepted public supervision, and promoted common community development. As a result, we have been widely recognized by the international community, and were granted more than 30 environmental awards by countries along the Belt and Road.

Promoting economic and social development: The past two decades have witnessed CNPC's rapid development in countries and regions along the Belt and Road as well as our sincere cooperation and common development with the host countries. We made unwavering efforts in the localization of our international business, creating 80,000 jobs and training tens of thousands of technicians and management personnel for the host countries in recent years. By such means as paying taxes and fees and promoting industrial development, we actively engaged in local economic and social development. The completion of Myanmar-China Oil and Gas Pipelines has provided Myanmar with diversified oil and gas export channels, and created jobs, revenue and other economic benefits. Former Vice President of Myanmar U Nyan Tun spoke highly of the project, which not only brings mutual benefit and win-win development to the four countries that invested in the project, but also is of great significance to the long-term development of Myanmar, helping to improve the economy, industrialization and electrification of the country. In Kazakhstan, we contributed more than 70% of the tax revenues of the Aktobe region for many years, and created more than 20,000 jobs for the local people. In 2017, we won the "Special Award for Corporate Social Contribution" for our outstanding performance in Kazakhstan.