



## Year in Brief

Operating income



2,016.8

Billion RMB yuan

Total profit



82.5

Billion RMB yuan

In 2015, CNPC maintained safe and smooth production and achieved hard-won business performance by adjusting operational strategies and cutting cost in response to market conditions featuring declining global oil prices, oversupply of refined products and a sharp slowdown in gas demand growth in China. We registered a full-year operating income of RMB 2,016.8 billion and total profit of RMB 82.5 billion, maintaining a positive free cash flow and healthy financial status.

Domestic oil and gas exploration witnessed progress in the fine prospecting of favorable zones and strata, optimization of preliminary exploration and risk exploration targets, and intensified geological evaluation in key target areas. We identified five oil blocks each with over 100Mt reserves in Changqing and Xinjiang oilfields; and seven natural gas blocks each with over 100bcm reserves in Sulige, Sichuan and Tarim. New progress was made in tight oil exploration at four blocks in Changqing and Daqing oilfields. Moreover, proven shale gas reserves totaling 163.5 billion cubic meters were reported in Changning, Weiyuan and Huangjinba in Sichuan Basin. In 2015, 728.17 million tons of oil in place and 570.2 billion cubic meters of gas in place were added, exceeding 1 billion tons of oil equivalent in total for the ninth consecutive year.

The natural decline in domestic oil and gas output was effectively controlled by optimizing production program, discontinuing marginal projects, drilling more horizontal wells and releasing the potential of mature blocks. We produced 111.43 million tons of crude oil and 95.48 billion cubic meters of natural gas throughout the year. In particular, Changqing and Daqing oilfields maintained an output of more than 50 million tons and 40 million tons of oil equivalent respectively. The production capacity of 11bcm/a at Longwangmiao gas field in Moxi of Southwest Oil and Gas Field was completed and put into operation. Two shale gas demonstration projects, at Changning-Weiyuan in Sichuan and Zhaotong in Yunnan, registered an average daily output of 100kcm per well. The Baode CBM Field in Shanxi Province, the largest middle-to-low coal rank CBM field in China, was completed and put into production. The operating cost of per barrel oil equivalent was brought down by decreasing the budget for risk exploration, shutting down unprofitable facilities and improving energy efficiency. International cooperative projects in domestic upstream were operated smoothly.

In 2015, we optimized production process and adjusted our product mix in the refining and chemicals sector, allocating resources and workload to installations with higher profits. With strict cost control, 21 major technical and economic indicators were better in comparison with 2014. In particular, the total energy consumption of refineries and the fuel and electricity consumption of ethylene units kept declining. Domestically, our crude runs and refined products output were 151.32 million tons and 103.69 million tons, respectively. The production of jet fuel grew by more than 15%. We increased the production of high value-added chemicals and strengthened end user



We actively adjusted to the “New Normal” of Chinese economy, and continued to implement our strategies for resources, market, internationalization and innovation through a series of initiatives, such as focusing on oil and gas operations, restructuring business portfolio, improving profitability, controlling risks, and pushing ahead with costs and expenditure reduction, in a bid to make headway towards the goal of building CNPC into a major integrated international energy company.



marketing. We sold 25.22 million tons of chemicals, among which profitable products sales increased by 10%. With faster progress in 10 oil products upgrading projects, we supplied National V motor gasoline and diesel to 11 eastern provinces and autonomous regions and other key markets. Major facilities of Yunnan Petrochemical were basically completed.

We enhanced marketing and export of refined products and sold 116.25 million tons of refined products in the domestic market. Operations at our service stations were improved by integrating sales of refined products, pre-paid cards, non-fuel products and lubes, optimizing service at convenience stores, pioneering a new mode of “Internet + Marketing”, and promoting the 6S management.

Despite of the loose gas supply in China, our natural gas business achieved satisfactory profitability by optimizing the allocation of self-produced gas, imported pipeline gas and LNG, tapping the storage potential of pipelines and focusing on markets along newly-built pipelines and profitable markets in the eastern coastal region. In 2015, we marketed 122.66 billion cubic meters of natural gas, representing an increase of 2.7% year-on-year. Construction of oil and gas pipelines proceeded to meet market needs. A number of key oil and gas pipeline projects and supporting facilities became operational, including the Mohe-Daqing Crude Pipeline delivery boosting project and the Shandong Gas Pipeline Network project. Construction of the eastern section of the Third West-East Gas Pipeline and Jinzhou-Zhengzhou Refined Products Pipeline pressed forward steadily.

In 2015, our overseas oil and gas operations witnessed safe, smooth and effective growth. In exploration, 98.86 million tons of oil equivalent were added to our recoverable reserves, thanks to the discovery of two 100bcm gas zones in the Right Bank of Amu Darya in Turkmenistan, a 100Mt oil play in Sufyan sag of Block 6 in Sudan, and high-yield buried hill reservoirs at Block H in Chad. Differentiated production adjustment program contributed to the output of 138.26 million tons of oil equivalent, of which CNPC's share was 72.03 million tons, up 10.5% year-on-year. Our overseas JV refineries processed 43.92 million tons of crude. International trading business saw improvement in both scale and operating quality, thanks to the reorganizing of oil and gas import and a 50% year-on-year increase in exports of refined products. Throughout the year, we recorded a trade volume of 430 million tons, valuing USD 168.7 billion.

In 2015, our win-win international cooperation continued to expand. Joint projects were accelerated in countries in the Belt and Road Initiative. These included an agreement signed with Gazprom for joint construction of the eastern route of the Russia-China Gas Pipeline, and cooperation agreements with Mubadala Petroleum and Mozambique ENHL, etc. In addition, we inked a strategic cooperation agreement with BP and a MOU with GE, in oil and gas development, carbon emission reduction and environmentally friendly technologies.

Crude production  
(Domestic)



111.43  
mmt

Natural gas production  
(Domestic)



95.48  
bcm

Crude runs (Domestic)



151.32  
mmt

Refined products sales  
(Domestic)



116.25  
mmt

Our oilfield services and equipment manufacturing sectors delivered positive results, thanks to our integrated business portfolio and overseas market development, despite the significantly shrinking market resulting from the declining oil price. Oilfield services continued to push forward general contracting mode and factory drilling. While ensuring the progress and quality of domestic E&P projects, we increased our presence in the international market. In the engineering and construction sector, projects were more strictly controlled from design and procurement to construction and supervision. BOT and EPC + Financing business modes were explored to expand overseas markets. As to equipment manufacturing, we seek for capacity exports and enhanced product marketing. Our finance business was integrated with industrial operations to control its risk and proactively tackled interest rate cuts by PBOC and exchange rate fluctuations.

We continued to deepen corporate reforms. Operational autonomy was granted to more subsidiaries on a pilot basis. PetroChina Eastern Pipelines Co. Ltd., PetroChina Northwest United Pipelines Co. Ltd., and PetroChina United Pipelines Co. Ltd. were reorganized into one company, and PetroChina Kunlun Gas Co. Ltd. was merged with Kunlun Energy Co. Ltd. Central Asia-China Gas Pipeline and Karamy Petrochemical were restructured into joint ventures. Comprehensive reform setting up professional and technical position sequences for career development of technical staff was carried out at our research institutes. We also took 33 measures in 12 categories to reduce costs and expenditure and enhance profitability. Fundamental management system integration was advanced on a pilot basis by reinforcing operational organization and coordination.

In response to the “winter time” resulting from the low oil price, we opened up new business growth points through key technical innovations and at the same time, cut down operation cost by using new technical solutions. R&D achievements have played a pivotal role in business growth and sustainable development of the company. ASP flooding, reservoir stimulation and delayed coking technologies witnessed major breakthroughs and successful application. A major theoretical and technical breakthrough in the exploration and development of the ultra-low-permeability tight oil and gas fields with 50Mt reserves at Changqing was awarded the first-class National Science and

Technology Progress Award. IT technologies were applied more extensively. IoT for oil and gas production was used at six oilfields. IoT for oilfield services was completed, with the core application system operating on a cloud platform.

In 2015, our HSE activities were subject to more strict regulations pursuant to the latest amendments to the *Safe Production Law* and *Environmental Protection Law*, which were enforced in the year. We avoided major and more serious HSE accidents by improving the HSE system review, promoting standardized operation and enforcing HSE accountability. To further control and prevent safety risks, we enhanced hazards screening, control and supervision on long-distance pipelines and hazardous chemicals warehouse. Our emergency response system was improved and three professional rescue centers were completed for well control, pipelines, and offshore operations respectively. We continued to push forward major energy efficiency projects and strengthened measures to minimize pollutant emissions. As a result, we saved 1.16 million tons of standard coal and 20.61 million cubic meters of water throughout the year, fulfilling the major pollutants emission reduction targets of the year.

Energy saved



1.16

mnt of standard coal

Water saved



20.61

million cubic meters

