



Message from the Chairman

2022 is truly an extraordinary year. Facing complexities and volatilities in the macro environment along with many other difficulties and challenges, we pursued progress while maintaining stability, conquered one hardship after another, and took effective measures to tackle risks and hazards. The oil and gas industry chains as well as new energies and new materials business saw smooth operations. Main production indices and operation performance registered historical best. Such an impressive achievement lit up new chapters of high-quality development, and contributed significantly to China's energy security and stable growth of the national economy.

We went all out to secure China's energy supply in the new era, and made active endeavors to build a modern energy system, so as to serve as a strong pillar in ensuring energy security. In domestic operations, we redoubled efforts into E&P as well as reserves and production ramp-up. Meanwhile, the Company also deepened international energy cooperation, spurred the optimization of business layout and high-quality development overseas, and further enhanced its global oil and gas trading system. Our crude and gas output in China, together with total equity production overseas, all exceeding 100 million tons in oil equivalent terms, proves a new landscape of consolidated development. Capabilities in domestic energy supply and global resources allocation have been effectively improved.

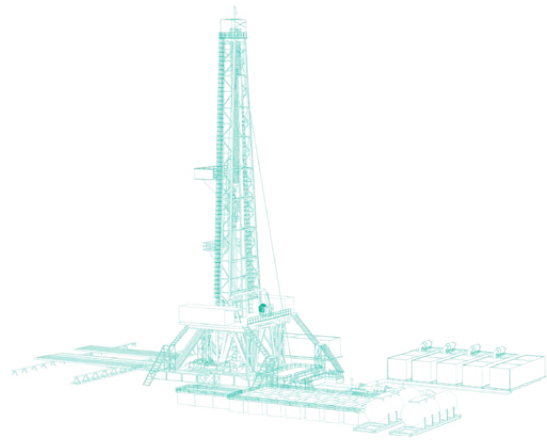
We embrace the national strategies on carbon peak and neutrality, and include new energies and new materials into our core business. Our three-step overall approach of clean alternatives, strategic replacement, and green development is pacing up. We have published the Green and Low-carbon Development Action Plan 3.0, which advocates for a "circular carbon economy", deploys 3 major moves and 10 projects, and specifies the roadmap for green and low-carbon transition. A

number of key projects were completed and brought online, featuring integrated growth of wind and solar plus gas power, and accelerated progress in geothermal, hydrogen and CCUS. The Company provided green hydrogen for the Beijing Winter Olympics, playing a crucial part in the "Green Winter Olympics". In 2022, our new energies capacity reached 8 million TCE per annum, and new materials production marked 855,000 tons, up by 56.3%. The development of new energies, new materials and new business has veered into a fast lane.

We continued to modernize governance system and capabilities, and fulfilled all tasks in the three-year action plan for SOE reform, which brought our efficiency and performance to a new level. Four major business segments maintained efficient and coordinated operations. Overseas business concluded optimization and adjustment of management mechanism. New entities for new energies, new materials, and equipment manufacturing were established in succession. Emphasizing value creation as well as efficiency and quality improvement, the Company enjoys a notable elevation in development quality.

Striving for technology-based corporate growth, we gave more prominence to R&D, and put innovation on the top of our "Five Strategies". A number of milestones were achieved in building the energy and chemical innovation hubs, along with an array of breakthroughs in core tech debottlenecking, and speedy headways in the construction of two incubators for home-grown technologies. The ten-year action plan on crucial basic research was launched, and four new research institutes were off to a smooth and promising beginning. Moreover, the IT Strengthening project has fully taken off, and "Digital CNPC" construction is well underway.

We remain steadfast in the belief that people is our greatest asset and put "talent-driven corporate development" on the forefront



of our “four strategic measures” . The Company dedicated year 2022 to the theme of “Talent-Driven Corporate Development” , and further improved both the size and structure of its talent pool. We focused on forging the strength of strategic talents, took solid strides on various HR programs, implemented key talent projects, and ensured effective training, recruitment and utilization of talents in an all-round fashion, in order to provide the talent and intellectual support for the development of a world-class enterprise built to last.

Holding the concept of “openness, inclusion, cooperation and win-win” , we further expanded international cooperation and the “circle of friends” . Driven by both “bringing in” and “going global” , we pursued the panoramic opening up of the entire industry chain, and maximized our role as a mainstay in building the Belt and Road with sharpening capability edge on international operation. Several major international energy events were held in resounding success, showcasing our active engagement in global energy governance and ever-closer energy partnerships.

With a strong commitment to people-centered development, we define our corporate values as “pursuing green development and providing reliable energy supply to fuel our customers' growth and power people's happy life” . Serving national strategies, we fulfilled our mission to ensure energy security and maintain stable operations along the oil and gas industry chains and supply chains. We built on the current progress of our poverty alleviation efforts, which were incorporated into the national rural revitalization campaign. The Company targets its ongoing rural support on industries, livelihoods, consumption, healthcare, and education, contributing CNPC's wisdom and strength to the full implementation of rural revitalization strategy.

2023 is crucial to delivering on the 14th Five-Year Plan. Sticking to the overall principle of seeking progress while maintaining stability, we will follow through on the new development philosophy with full completeness, accuracy and thoroughness, while serving and integrating into the new development paradigm. The Company will further deepen reforms, carry out bold innovations, forge ahead on high quality development, and expedite its journey towards a world-class enterprise, so as to contribute even more to a successful start in building a modern socialist country in all respects.

Chairman

Dai Houliang