

Key Topic

The Decade in Review

The decade since the 18th National Congress of the Communist Party of China has been very challenging and extraordinary for CNPC. Faced with the challenges of the once-in-a-century transition combined with the pandemic as well as the profound changes in the international landscape, CNPC has persisted with high-quality development by pushing ahead with deep reform and technological innovation in this new stage of development and made important contributions to ensuring national energy security, promoting green development and building a well-off society in an all-round way.

A Strong Commitment to National Energy Security with the Focus on Core Operations

Since the 18th National Congress of the Communist Party of China, CNPC has continuously improved the capacity and quality of energy supply in line with the decisions and policies of the CPC Central Committee and the State Council to facilitate the establishment of the modern energy system and provide a solid foundation for “securing energy in our own hands”.

For the past decade, CNPC's domestic oil and natural gas production and overseas equity production have amounted to 1.95 billion tons of oil equivalent and 870 million tons of oil equivalent respectively. The new business landscape, i.e. 100 million tons of domestic crude oil production, 100 million TOE of domestic natural gas production, and 100 million TOE of overseas equity production, has been consolidated to ensure oil and gas supply effectively.

As of 2022, CNPC's domestic newly proven recoverable oil and

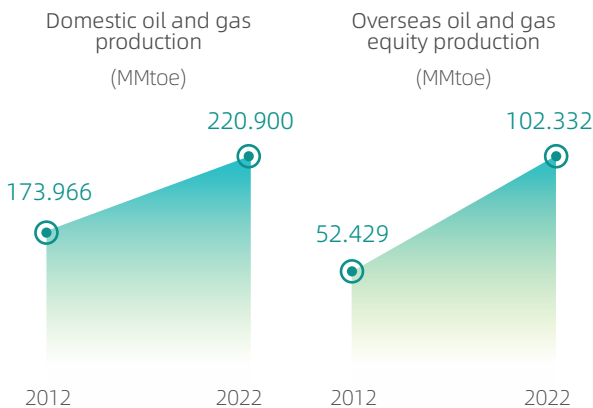
gas reserves have exceeded 600 million tons for 17 consecutive years and 400 billion cubic meters for 16 consecutive years respectively; domestic crude oil production has been more than 100 million tons for 25 consecutive years.

The diversification of oil and gas supply highlighting five overseas cooperation zones, four oil and gas routes and three operation centers has formed a comprehensive industrial chain integrating E&P with pipeline operation, refining & chemicals and marketing.

Green Development towards Carbon Peak & Carbon Neutrality

Since the 18th National Congress of the Communist Party of China, in line with the thought on eco-civilization and the important guidance on carbon neutrality and carbon peaking from Xi Jinping, General Secretary of the CPC Central Committee, CNPC has incorporated green and low-carbon development into the Company's strategy, mapped out a three-step approach of “clean alternative, strategic replacement and green transition”, and set out the timetable and roadmap for carbon peak and carbon neutrality with a strong commitment to green development. The Company has embarked on the CNPC Green Development Path to support the development of fossil fuels and new energies in a coordinated way, bolster clean production and environmental protection, and promote green finance and green trade.

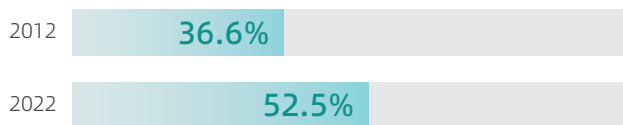
Over the past decade, CNPC has bolstered its efforts in stabilizing oil production and boosting gas output to increase clean energy supply, leading to the rapid growth of natural gas output. The energy mix is further optimized as a result of a growing proportion of natural gas in the Company's domestic oil and gas output.



Surpassing crude oil for the first time in 2020, the share of natural gas has continued to increase.

A number of new energies projects of hydrogen, geothermal and wind and solar power generation have advanced steadily. As of the end of 2022, the Company's new energy capacity has reached 8 million TCE per year. The Company has released the third version of its action plan for green development and developed a work plan for ecological and environmental protection in the Yellow River Basin and the Yangtze River Economic Belt in addition to its ongoing effort in promoting energy conservation, emission reduction and clean alternatives, with a continuous decrease in emissions of major pollutants for years. Based on an active response to the Paris Agreement and deep engagement in the collaborative effort of the global oil and gas industry for addressing climate change, the Company has made a significant step towards green and sustainable development by introducing the carbon emission control system and improving emission management.

The share of natural gas in the Company's domestic oil and gas production (TOE)



Building up Innovative Capacity and Bolstering Technological Independence

Since the 18th National Congress of the Communist Party of China, in line with the national strategy of innovation-driven development, CNPC has built up its innovative capacity on all fronts and fostered new growth engines for high-quality development, focusing on technological independence and taking innovation as the core driver of growth.

In line with the innovation strategy, CNPC has made a number of landmark achievements in domestic reserves and production ramp-up, technological transformation/upgrading, and quality and efficiency improvement, highlighting geological theories and exploration techniques for continental shale oil, geological theories and exploration techniques for deep and ultra-deep reservoirs, 1Mt/a ethane-to-ethylene unit, high-end synthetic rubber unit, and one-touch 7,000-meter automated drilling rig. The Company has received the first and second prizes of the State Science and Technology Progress Award, the second prize of the National Award

for Technological Invention, and the Gold Medal of China Patent for its R&D efforts. Recognized by the State-owned Assets Supervision and Administration Commission of the State Council as one of the enterprises with "Outstanding Contribution to Technological Innovation", the Company also tops the list of central state-owned enterprises in terms of the number of patents granted.

CNPC has continued to deepen the reform of its framework for innovation governance and make progress in improving its technology platforms. At CNPC, the R&D team's innovation momentum has been greatly enhanced. By the end of 2022, the Company has a total of 95 research institutes, 56 key laboratories and testing bases, and nearly 30,000 scientific researchers.

Honoring Social Responsibility and Fueling Happiness

Since the 18th National Congress of the Communist Party of China, in line with our values of "pursuing green development and providing reliable energy supply to fuel our customers' growth and power people's happy life", CNPC has played an active role in poverty alleviation and rural revitalization and demonstrated the concept of people-centered development by honoring its social responsibility.

Aligning our strength with the needs and actual conditions of local communities, CNPC has helped all assisted counties achieve poverty alleviation. Embarking on the new journey of rural revitalization, CNPC has continued to deepen industrial, consumption and educational assistance and facilitate and consolidate effectively the process from poverty alleviation to rural revitalization.

In response to emergencies and natural disasters, CNPC took the lead in supporting rescue and relief efforts. During the pandemic, CNPC maintained focus on both pandemic control and energy production to safeguard the economic and social development. CNPC formulated a five-in-one work plan to serve the Beijing 2022 Winter Olympics with green energy.

In the future, CNPC will focus on advancing the Chinese path to modernization, implementing the new development philosophy completely, accurately and comprehensively, serving and integrating into the new development paradigm and promoting high-quality development to build a world-class company built to last and make our due contributions in building a modern socialist China and promoting the great rejuvenation of the Chinese nation in an all-round way.