

Caring for Community Development



Wang Xingyi

Vice President of CNPC America Ltd.

President of CNPC Costa Rica

In Latin America, CNPC actively communicates with all stakeholders through various means and multiple channels, to understand their practical needs. Together with our partners, we participate in community development and public welfare programs and have made due contributions to support education, healthcare and community infrastructure for the wellbeing of local indigenous people.

Jointing efforts with the local governments and NGOs, we have launched community welfare activities in education, healthcare and production projects, resulting in substantial improvements to the infrastructure and life convenience of local communities. Considering the fact that most local tribes are located in remote and secluded areas, we send "mobile" medical teams to provide necessary medical services. We also help the tribal residents keep stable contact with the nearest towns by setting up communication stations. Our joint venture in Venezuela actively participated in the local "Affordable Housing Project", sending employees to work on housing construction and help in other related works, from which more than 10,000 local residents have benefited.

We also make active efforts to cultivate management and technical talents for the oil industry in host countries. In August 2012, witnessed by the leaders of both China and Costa Rica, CNPC and RECOPE signed a framework agreement, under which CNPC would provide training to petroleum and non-petroleum professionals, management personnel and technicians in Costa Rica. Laura Chinchilla Miranda, President of Costa Rica, applauded CNPC's efforts, remarking that

the cultivation of a new generation of oil professionals is of strategic significance to the country.

When AndesPetro took over Encana's blocks in Ecuador in 2006, the surrounding communities were rife with inter-tribal conflicts, and afflicted with deteriorating security. To cope with this complex and volatile external environment, AndesPetro, in strict compliance with local laws and customs in fulfilling its community undertakings, innovatively established a "three-joints" mechanism (joint committees with the local government, local communities and employees respectively), thereby building a "bridge" of communication to constantly improve the relationship with all stakeholders. The company provides job opportunities for local people and also facilitated the local community's participation in bidding activities and the supply of materials. It also actively helps the local community to build infrastructure and develop agricultural projects. Over the past six years, AndesPetro has financed two school bus routes for 500 local children, provided funds to over 10 local plantations, and created more than 1,500 indirect job opportunities for local people.

In addition, AndesPetro provides financial support to local foundations and NGOs, with the funding mainly used for youth education and medical assistance, disease prevention and treatment, and community capacity building. In 2009, the Petroecuador President spoke highly of AndesPetro's commitment to sustainable development and its excellent performance in community development undertakings.

Building “Harmonious Communities” in Ecuador

Educational and Medical Assistance for Young People

AndesPetro actively supports youth programs focusing on healthcare, skills training and fostering social values, helping young people to plan their future development. By working with the Padre José Kantenich Foundation, AndesPetro provided financial support in training, food, education and healthcare services, covering more than 280 local children aged from three to 12. Through the “Pan Ecuador” Foundation, AndesPetro offered vocational training for 75 disabled young people, and provided strong support to their efforts to gain job opportunities. From 2007 to 2011, AndesPetro also provided scholarships for 50 local young people, including five college students. During the past six years, the company has offered assistance in building seven kindergartens, 41 primary schools, three middle schools, and two technical schools.



Disease Prevention and Treatment

The two community clinics built by AndesPetro provide year-round mobile care services, medical education and instruction, and disease prevention and treatment services, benefiting 5,000-8,000 local residents. Besides, AndesPetro supports innovative programs on disease prevention and treatment. By cooperating with the Por Una Vida Foundation, it has provided free medical treatment to more than 400 children afflicted with blood disorders. By offering financial support to the Virgen de la Merced Foundation, it has provided education, care and rehabilitation services to more than 70 children aged between two and 12 from low-income families who suffer from cerebral palsy and stunted intellectual development. In 2010, through the “Life” and “Smile Action” Foundations, the company donated RMB 460,000 to the Quito Child Welfare Institute to fund the medical treatment of 293 children with leukemia and 399 children with physical defects from low-income families.



International Arch of Europe Quality Award granted to AndesPetro



Latin American Quality Institute Award granted to AndesPetro



International star for Quality Award granted to AndesPetro



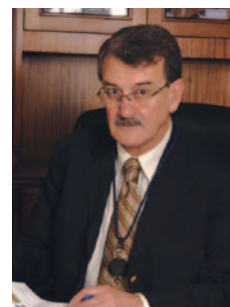
International Award to Excellent Company (the US) granted to AndesPetro

Support for Community Capacity Building

AndesPetro attaches great importance to community capacity building, and strives to offer continuous support to relevant community projects, helping local residents improve the quality of their lives. Fundación ALDEC (Alliance for the Development, Education, and Welfare of Street Working Children) is a highly influential NGO in Ecuador. AndesPetro started donating USD 7,500 annually to ALDEC in 2006 to support its “food sharing” program, providing meals and medical support for school children from poor, inner-city families in Quito. Due to the impact of the European debt crisis in recent years, many Ecuadorian people working in Europe lost their jobs, whose children suffered from lower incomes but benefited from this program. Cooperation with Fundación ALDEC has enhanced AndesPetro's responsible image among Quito residents.

For its outstanding contribution to local community development, AndesPetro has been highly praised by Ecuador's Ministry of Internal Affairs, the Ministry of Energy and Mines and Petroecuador through the local media. The company won acknowledgment from Cuyabeno's local government for its cooperation in the Agricultural Fair in 2007. It also received acknowledgment for its Corporate Excellence from the Ecuadorian Journalists Confederation in 2007. According to residents in Tarapoa, AndesPetro is the first foreign company offering sincerity and friendship to local people in the 45-year Ecuador's oil history. In 2007, AndesPetro reached a “permanent peace” agreement with the surrounding communities, paving the way for the long-term stability of the production base.

Over the years, AndesPetro has forged and maintained a very good relationship with the Ecuadorian Ministry of Non-renewable Natural Resources, Petroecuador, and the Ecuadorian National Oil and Gas Administration. Not only has it drawn great admiration for maintaining the highest operational standards in environmental protection, but also won widespread acclaim for its community undertakings. I'd like to take this opportunity to congratulate AndesPetro on making such outstanding achievements in the fulfillment of its social responsibilities and the protection of the environment of the Amazon rain forest.



Wilson Pastor

Ecuadorian Minister of Non-renewable Natural Resources



Award of Ecuadorian Company of the Year 2009 to AndesPetro



BIZZ Award for Business Excellence granted to AndesPetro



Acknowledgment from Cuyabeno's local government to AndesPetro for its cooperation in the Agricultural Fair in 2007



Acknowledgment to AndesPetro for its Corporate Excellence from the Ecuadorian Journalists Confederation in 2007

Building Schools for Raul Cuenca Community

Raul Cuenca in Venezuela is a community composed of a number of remote and secluded little villages, with a total area of 711 square kilometers and a total population of 12,847, including 5,100 children of school age. Before 2007, 80% of local residents were in poverty and more than 70% were unemployed. From 2007 to 2010, CNPC-PDVSA JV PETROSIVEN has donated

a total of USD 1.39 million to the reconstruction and expansion of six local elementary schools serving 1,250 children, with student canteens and baseball yards being built. For its outstanding contributions to local social development programs, PDVSA subsidiary CVP awarded PETROSIVEN the model among its 14 joint ventures.

Support for Education

In October 2006, CNPC's first overseas Hope primary school financed by Block 6/7 project was completed in Talara. Over the past years, Block 6/7 project has been providing a steady stream of funding and resources to the school. In 2012, the project company donated more funding to expand the school, and also launched a series of activities to support three other local schools, including renovating or constructing classrooms and computer rooms, hiring teachers, donating books and stationery, setting up scholarships and purchasing desks and chairs.

In 2010, CNPC's Zumano project donated clothing, electrical appliances and other materials to local schools to improve local students' learning and living conditions. In 2012, the employees of the Junin 4 project ran a "Let's Show our Love for Local Students" program, donating more than 100 items of stationery to local impoverished primary school students.

In March 2012, the CNPC 1AB/8 project in Peru entered into an agreement with the Loreto provincial government to "build a modern demonstration school in the rain forest zone", under which the 1AB/8 project would invest 1.2 million soles to build a modern school in Loreto's rain forest zone, with computers, books and sports equipment and a teaching faculty. The purpose of "building a modern

demonstration school in the rain forest zone" is to ensure access to education for all local children over five years old and to provide scholarships for students from impoverished indigenous families.



Employees from Block 6/7 project in Peru play games with local students.



Junin 4 project in Venezuela donates stationery to local students.

Local villagers place high expectations on the cassava-processing plant. We intend to reinvest most of our profits back into the plant, to expand our production scale and cassava cultivation area. I'm not worried about the sales, since our products are highly popular. And I'd like to point out that the Chinese people are always welcome here, and we are very grateful for their help.



Julio Correa (right)



General manager of the cassava-processing plant in Caico Seco, Venezuela

Cassava Plantation and Processing Plant

Caico Seco means "dry low-lying land" in Spanish. It is a small Indian village located in El Tigre, Anzoátegui, Venezuela, with around 50 indigenous households living there.

In 2005, CNPC incorporated Caico Seco into its local community development program. It invited agricultural experts from Guangxi Agricultural Scientific Research Institute to investigate and evaluate this area, and then, on the basis of the natural environment and the soil and labor conditions, decided to implement the cassava plantation and processing project in this community.

Cassava bread is a very popular food in Latin America, and also a mainstay of the local people's daily diets. In May 2005, PETROSIVEN invested in establishing a 30-hectare demonstrative cassava plantation in Caico Seco. In order to effectively manage the cassava plantation, the local villagers set up a plantation cooperative, and formed a management committee to take charge of the operation and management

of the plantation, with each household sending one person to work at the plantation. In 2007, PETROSIVEN invested approximately USD 240,000 to build a cassava processing plant, which became operational in August 2008. The plant produces 1,800 loaves of cassava bread daily, with a maximum capacity of 8,000 loaves per day, enabling the factory to be the second largest processing plant in Anzoátegui, and the third largest in Venezuela.

The cassava plantation and processing project helps promote local employment, and has lifted many impoverished families out of poverty. In addition, the processing plant also actively re-invested its profits in building more processing facilities and expanding production scale, thereby contributing substantially to the community's sustainable development. In June 2010, on its official website, PDVSA reported about the cassava processing project. It said: "CNPC and its local joint venture donated work clothing and equipment to Caico Seco's cassava processing plant, with over 300 local residents benefiting".



Disaster Relief and Aid

When Peru, Cuba and Venezuela suffered from various natural disasters including earthquakes, hurricanes and floods, CNPC and its relevant project companies immediately took action and donated funds and supplies to disaster-stricken areas, to support relief efforts and the reconstruction campaigns of local governments and communities.

On August 15, 2007, Peru suffered a magnitude 7.5 earthquake, causing large numbers of casualties and considerable damage, with the quake-hit zone severely lacking food and drinking water. On the third day after the earthquake, CNPC donated and delivered large quantities of food and water to the affected areas.

In 2008, Cuba was hit by two devastating hurricanes that caused great damage. CNPC promptly donated 100,000 euros to the country's post-disaster recovery campaign, a noble humanitarian act hailed by the CUPET International Department as "a goodwill that further boosts the long-standing Sino-Cuban friendship". In October 2012, after Cuba was hit by Hurricane Sandy, the Cuban branch of CNPC Greatwall Drilling Company donated USD 50,000 to support relief efforts.

In December 2010, Venezuela suffered severe floods caused by continuous heavy rainfall. On behalf of CNPC, CNPC America donated USD 300,000 to the Venezuelan government to support the country's rescue and relief work.



Employee volunteers from Block 6/7 project in Cuba participate in a beach clean-up campaign.



Cuba's local press coverage of CNPC donations in 2008

Volunteer Activities

CNPC encourages its employees to serve local communities as volunteers in areas such as environmental protection and education. As of 2012, employee volunteers of CNPC America and its various project companies and joint ventures had worked for more than 1,000 cumulative volunteer hours for local communities, with over 460,000 people benefiting from this.

In 2011, 100 employee volunteers from Talara's Block 6/7 project company participated in various environmental protection activities and programs launched by the local government, including beach clean-up, field reconnaissance trips for municipal projects, and community environment evaluation. Their initiatives have gained extensive praise from both the local government and the Peruvian Ministry of Environment.

