

3 Corporate Citizenship



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An enterprise is also a member of society. Its wealth comes from society and should be given back to society. It is a good tradition of CNPC to coordinate relations with all stakeholders in its production and operation. The company also keeps a close eye on the progress of people's livelihoods and society, and actively involves itself in community building to speed up socio-economic development and enhance social harmony. We not only want to be a successful enterprise, but also a responsible corporate citizen.

Corporate Citizenship

The Kazakh government encourages enterprises to be part of social development efforts and to shoulder their social responsibilities. We have responded to the call of the Kazakh government and to people's aspirations. In cooperation with the local communities, we have participated in public welfare causes by supporting the training of local people, joining infrastructure building, offering support to disadvantaged groups, sponsoring sports and cultural activities, and promoting the balanced economic development of different regions in Kazakhstan.

◎ Supporting Education

Labor is an important production factor in the sustainable development of a country. CNPC strongly supports the Kazakh government in supporting education. While accelerating technological innovation and its overall growth, the company also gives priority to educating the local people.

In September 2004, CNPC signed the *Agreement on Educational Cooperation* with the Ministry of Education and Science of Kazakhstan to provide USD 1.35 million to found the Presidential Scholarship to support outstanding Kazakh students going to China for their higher education.

CNPC AktobeMunaiGas supports the education of Kazakhs by setting up education funds, sponsoring academic meetings of higher education institutions, holding nationwide debates for college students, and sponsoring Kazakh students to study overseas. In 2000, CNPC AktobeMunaiGas allocated USD 1 million in education funds to support young Kazakh experts, outstanding students, and talented students from poor families. In 2008, the company contributed USD 776,900 to support education in Kazakhstan. This included financing the study of 77 young Kazakhs at the China University of Petroleum (Beijing) and 35 students in Kazakhstan.

PK has also set up a special education fund to finance the education of excellent young Kazakhs. It has helped many middle school students from rural and mountainous areas to receive higher education at home and abroad. With the support of the Kyzylorda government, in 2005, PK established a scholarship to finance the college education of local outstanding students, and provide full scholarships to facilitate the sharpening of skills and talents that fall significantly short of the demands of the Kazakh oil industry. After acquisition, PK has provided higher education opportunities to 54 Kazakh middle school students.



⊙ Community Building

The development of our business in Kazakhstan is inseparable from support of the Kazakh government and local community. We are committed to building up the local communities. The company has drawn up a systematic plan to support public welfare undertakings, and pools resources in projects that have an immediate and positive impact on people's lives. In 2008, we joined forces with our partners to sign the *Socio-Economic Cooperation Memorandum* with the governments of Aktobe, Kyzylorda, Mangghystau and South Kazakhstan, and founded a joint-stock company, to support local socio-economic development.

Since 1997, CNPC AktobeMunaiGas has signed socio-economic cooperation memorandums

with the province of Aktobe to help beef up the rural infrastructure, develop agriculture, build public facilities and boost education, culture, sports, healthcare, and poverty relief. In 2008, CNPC AktobeMunaiGas honored its USD 6.38 million commitment in the Socio-Economic Cooperation Memorandum. From 2006 to 2008, PK signed socio-economic cooperation memorandums with the governments of Kyzylorda and South Kazakhstan and invested USD 15 million in local infrastructure construction, urban heating, agricultural development, sports, culture, education, healthcare, and other public welfare projects.

PK Won the Silver "Paryz 2008"



On January 23, 2008, Kazakh President Nursultan Nazarbayev signed a decree to establish the "Paryz" in recognition of enterprises that excel in fulfilling their social responsibilities in Kazakhstan. Altogether, 296 Kazakh and foreign companies competed for the award. On December 23, 2008, PK was chosen for the highest honor conferred on a foreign company by the government of Kazakhstan, the silver "Paryz 2008".

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Progress in Oktyabrsk

Kandgach is located in the center of Mugacharskii district of Aktoke province, 95km away from Aktoke, but local people still prefer to call it Oktyabrsk. With a population of less than 30,000 and a moderately well-built industrial base, Oktyabrsk was once very prosperous and one branch of the predecessor of CNPC AktokeMunaiGas was based here. In the 1990s, owing to the shortage of capital and talent, Oktyabrsk fell on hard times.

Since 2003, CNPC AktokeMunaiGas has established a materials supply base, transportation base, an oil recovery plant, and repair workshop, injecting vitality into the economic development.

The development of the company in Oktyabrsk has created jobs for local people. The number employed at the repair shop has increased from 150 at the time of the takeover to more than 260 now, accounting for 87% of the total workforce



"We have more vehicles and better management. People get busy now", said Sejtkaalov Nurlan Zejnullaevic, a deputy manager of transportation.

of AktokeMunaiGas. The working and living conditions have improved dramatically. Bamara Wacilietfna, dispatcher of the oil recovery plant who has served four terms as manager, says that since the arrival of CNPC, he has seen newly built dormitories, a cafeteria and a bakery. Gone are those days when employees had to take a bag of potatoes to work.

The Kazakhstan-China Great Wall Drilling Company is also very supportive of local public welfare undertakings. To make water accessible to local people, the company dug a well in November 2008, and established a water supply system above ground, winning praise from the Aktoke government and local people.

Backed by government and the community, CNPC AktokeMunaiGas has emerged as a local pillar industry, and stimulated its economic prosperity. The locals have no hesitation in saying: "Without CNPC AktokeMunaiGas, there would be no Oktyabrsk today."



A thank-you letter by local government to the company for its contribution to local development

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The Kazakh government encourages enterprises to help disadvantaged groups. In the past decade, CNPC has taken several initiatives to help such groups.

In May 2003, CNPC AktobeMunaiGas built 80 homes for widowed seniors and veterans of World War II. The company also set aside USD 63,700 to subscribe to newspapers and magazines so that they can read them for free, and sponsors a Veteran Soldier Festival every year.

To improve healthcare service, CNPC AktobeMunaiGas donated ambulances to hospitals at the provincial, prefecture and district levels. By 2008, the company had donated 57 ambulances to Aktobe province.

Besides providing direct assistance to the needy, CNPC also carries out public welfare projects in cooperation with non-governmental organizations. PK has been supporting the Foundation for Promoting Employment of the Socially Insecure Kazakh Citizens and Social Security. From 2006 to 2007, the company allocated USD 56.3 thousand to carry out projects aimed at socially vulnerable groups. In 2008, PK supported the foundation in its efforts to promote temporary and long-term employment, develop the urban infrastructure, and assess the condition of people not covered by social security.

Celebrating Children's Day with Children

International Children's Day, June 1, is a festival looked forward to by children across the world. Every year, CNPC AktobeMunaiGas holds celebrations for children on this day.

On the morning of June 1, 2006, on the grassland of the Aktobe Seagull Children Recovery Center, children holding colorful balloons enjoyed an extraordinary and happy day with the employees of the company. Victims of chronic diseases, these children are at the center for long-time isolated treatment. To cheer them up on their special day, our employees gave them gifts including footballs, basketballs and badminton rackets. Our

employees were touched by their smiles of gratitude and greatly enjoyed their time with these children.



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◎ Culture and Sport

The development of culture and sports not only improve people's health, but also increase a nation's prestige. CNPC will continue to support the development of culture and sports as part of its social responsibilities.

Since 1997, CNPC AktobeMunaiGas has sponsored many social and cultural activities in Aktobe. For example, the company has sponsored the Aktobe soccer club, financed the local museum and monument, and backed academic meetings, art exhibitions, and concerts. In 2006, the company invested USD 793,100 in building the monument and museum in honor of the Kazakh musician Zhubanov, and held a nationwide commemoration for him.

CNPC AktobeMunaiGas also provides strong support to the development of both popular and professional sports, including weightlifting, swimming, hockey and free boxing. In recent years, the Aktau soccer club, which is sponsored by CNPC AktobeMunaiGas, has recorded a string of successes.

Since 2000, PK has been supporting a fund for young people, whose aim is to introduce economics to middle and primary school students and hone their social skills. It has benefited 37,000 middle and primary school students. Meanwhile, PK also joined hands with the provincial government of Kyzylorda to set up a Development Fund, for promoting local culture and sports. A local soccer team named Caesar, set up under this fund's support, even won a national championship. This money has also helped renovate the central stadium of Kazakhstan and given the sport of weightlifting a leg up.

Ilya Ilin's Success in Beijing Olympics



On September 2, 2008, PK held a celebration in Almaty for Olympic weightlifting champion Ilya Ilin, on his return from Beijing. The 20-year-old, who comes from Kyzylorda, won the first gold medal for Kazakhstan in the men's 94kg weightlifting class at the 29th Beijing Olympics.

At the celebrations, our representative expressed our congratulations, saying that his success had greatly encouraged our staff and the people of Kazakhstan. Ilin expressed his gratitude to the company and his supporters, saying his success was the result of combined efforts, and that he would work harder for future success.

As a leading oil company in Kyzylorda, PK supports the development of local sports, and financed Ilin's training and his trip to Beijing for the Olympics. We will continue our support for sports to help improve Kazakhstan's international sporting image.

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Turn Dreams into Reality

Every child dreams of participating in the International Children's Arts Festival. Ten year old Bogdan is a student of the Taraz No.1 Middle School in south Kazakhstan. In September 2008, together with his schoolmate Masha Avramenko, he participated in this festival held in Washington, US, on behalf of Kazakhstan. Both of their works were entered in the final exhibition. The participants at this festival were selected from among more than 3 million children from over 100 countries.

The success of Bogdan is attributable to his mother Nadezhda, a well-known art teacher in Kazakhstan, who was also invited to attend the festival. After her return, she began offering art classes to children at a summer camp held in Kyzylorda. His father, Alexander Zagribelnayi, works at a drilling unit of PK. The company financed the family's trip to Washington, and received a thank-you letter from the organizers of the festival.

Sometimes, a little help can contribute to great success. Bogdan still has many dreams. It is our belief that his painting brush will put wings to his dreams, taking him wherever he wants to go.

