

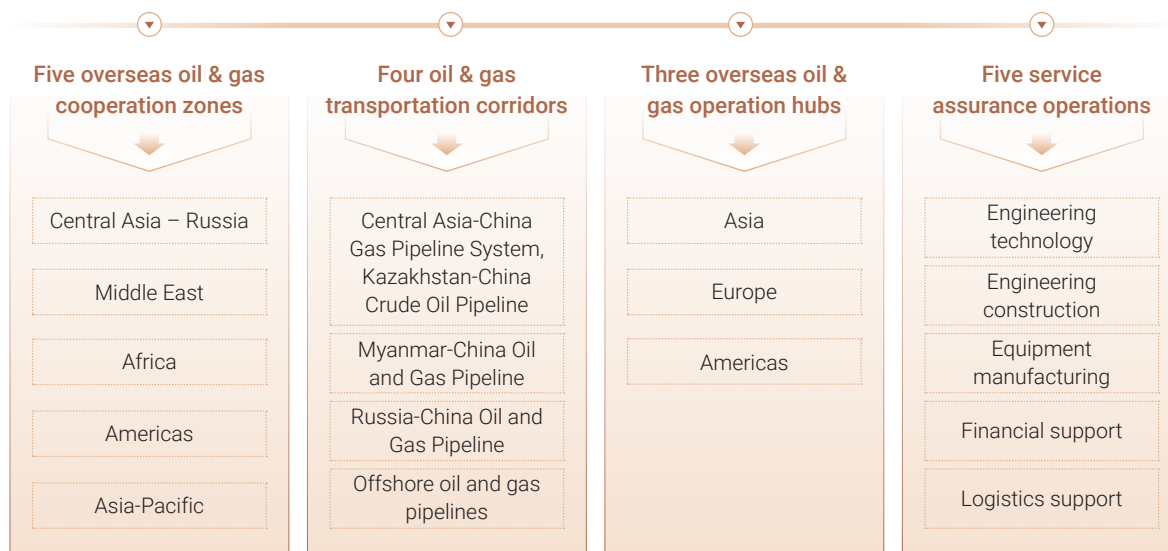

 TOPIC

DEEPENED INTERNATIONAL ENERGY COOPERATION FOR JOINT CONSTRUCTION OF THE BELT AND ROAD INITIATIVE

The year 2023 marked the 10th anniversary of the Belt and Road Initiative (BRI) and the 30th anniversary of CNPC's "going global" strategy. As the pioneer and main force of building the Belt and Road, CNPC has always been committed to high standards, sustainability and a better life for the people. In the year, we made efforts in expanding physical connectivity, institutional connection and people-to-people bonds, carried out innovative practices in international energy cooperation, and promoted win-win partnerships in wider range and at higher and deeper levels, making positive contributions to the country's opening-up drive and ensuring national energy security.

Stabilizer in Energy Supply

Through profound energy cooperation with BRI countries, CNPC shaped its five overseas oil & gas cooperation zones, four oil & gas transportation corridors, three overseas oil & gas operation hubs, and five service assurance operations. For the fifth consecutive year, the Company saw its overseas oil and gas equity production equivalent exceeding 100 million tons in 2023, consolidating its basis for serving as a "pillar" of energy supply and also contributing to the building of energy industries and economic & social development in BRI countries. With these results, the Company made positive contributions to deepening and expanding international energy cooperation and building a community with a shared future for mankind.



A Main Force in Belt and Road Initiative

Over the past ten years since the BRI implementation, CNPC has built new energy partnerships by adhering to the principles of extensive consultation, joint contribution and shared benefits, and registered the largest number and scale of projects among Chinese companies joining the BRI. By the end of 2023, CNPC had formed a complete industry chain along the BRI routes integrating exploration & development, pipeline operation, refining & chemical, engineering services, and finance & trade, recording an oil and gas equity production equivalent of about 83% of the Company's overseas total for the fifth consecutive year. In addition, a market for its engineering services with a contract value of more than USD 100 million in more than 20 countries including the UAE, Iraq and Saudi Arabia, providing a solid foundation for ensuring China's national energy security.

Overseas technical services

1,206

1,206 teams in 48 countries

RMB 120 billion

A total revenue of RMB 120 billion in the 13th Five-Year Plan period

Overseas engineering construction

77

Engineering construction teams in 77 countries

RMB 121.815 billion

A total revenue of RMB 121.815 billion in the 13th Five-Year Plan period

International trade

500 million tons

500 million tons of international oil and gas trade volume achieved in 2023

more than 120

Operations in more than 120 countries and regions

Overseas logistics

40

Covering 40 countries in Africa, the Americas, the Middle East and Central Asia etc.

198

198 service outlets operated

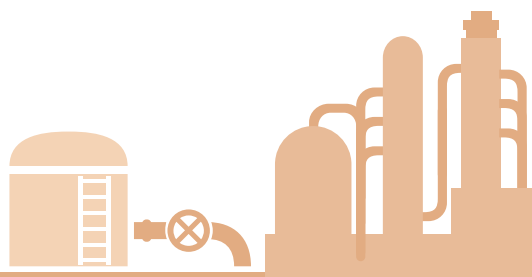
Overseas equipment manufacturing

82

Exports to 82 countries and regions

20

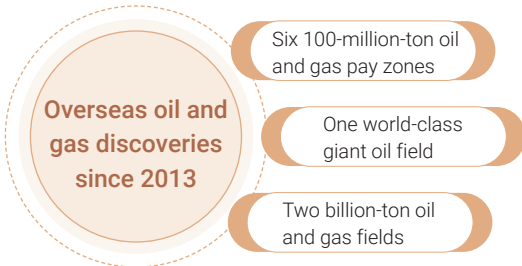
20 warehousing centers, assembly and manufacturing plants and service centers established





Innovation Leading to “New Heights”

We insist on innovation in management, technology and human resources. We participate in global competition, enhance our core competitiveness and build a globalized operation and management model. We prioritize benefits while upholding low-cost development, and we adopt the international operation model while leveraging our advantages in integration. In 2023, our international core competitiveness in exploration, development, project management, technical support and other core business areas was enhanced markedly, leading to a landmark shift from “going global” to “becoming stronger”.



Overseas oil and gas discoveries since 2013

Six 100-million-ton oil and gas pay zones

One world-class giant oil field

Two billion-ton oil and gas fields

Technological Innovation

For our overseas businesses, we built a “1+15+N” technical support system; relying on RIPED, we have 15 professional technical centers and a number of domestic oil and gas fields. We also developed ten characteristic technologies represented by high-speed development of overseas sandstone oilfields and oil stabilization and water control technology, efficient development technology for large carbonate reservoirs, and foamy oil cold recovery technology in integral horizontal wells of extra-heavy oil reservoirs.



- First prize of 2003 National Scientific and Technological Progress Award for “technology and practices of efficient exploration in blocks 1/2/4 of Muglad Basin, Sudan”.
- Second prize of 2005 National Scientific and Technological Progress Award for “supporting technologies and practices for rapid discovery of large oil fields in the Melut Basin”.
- First prize of 2019 National Scientific and Technological Progress Award for “100-million-ton capacity building engineering and efficient development of thick and complex carbonate rock reservoirs in the Middle East”.

Management Innovation

We built an internationalized operation and management system with our own characteristics. We established a set of models for overseas operation and management based on local realities and Chinese characteristics following international norms.

Innovation in Team Building

We built an international, professional workforce to promote high-quality development of our overseas operations.



Practicing Green Development

We implemented the green and low-carbon development strategy, and prepared *Action Plan for Carbon Peak in Overseas Operations*. With a view to realizing the diversified, complementary and coordinated development of oil & gas and new energies, we deployed geothermal, CCUS, solar and wind energy operations in BRI countries, promoting international energy cooperation to “go green”. By 2023, we had won more than 30 environmental protection awards in BRI countries, embarking on a path for clean, low-carbon, circular and sustainable cooperation. For our project in Iraq, for example, we initiated measures to reduce flare emissions, cut energy consumption and carbon emissions of oilfield development, and stepped up efforts in environmental restoration and protection, e.g. treatment of oilfield produced water, in accordance with the country’s local environmental policies and regulations as well as the environmental standards prevailing in the global oil industry. In addition, we were deeply involved in dialogues and exchanges under the international energy governance mechanism, joined the Oil and Gas Climate Initiative (OGCI), and carried out researches on low-carbon transition.

Being a Pacesetter as a Responsible Global Corporate Citizen

We are committed to being a responsible corporate citizen. We promoted the economic and social development of host countries, and joined hands with BRI countries to establish a sound and complete petroleum industry system. Our oil and gas cooperation projects in Kazakhstan, Niger and Chad were highly praised by the heads of state of these countries as models of bilateral cooperation. We implemented employment localization for our overseas operations. In Iraq, we achieved a localization rate of 95% of employees for the Rumaila project, which significantly improved the livelihoods of local communities. Upholding the concept of building a community with a shared future for mankind, we valued the aspirations of host countries and stakeholders. We paid more than USD 40 billion in taxes and fees to host countries, created over 100,000 jobs, donated more than USD 150 million to build bridges and roads, improved medical care and education, and cultivated local talents, benefiting millions of people.

We are setting out on a new journey in the new era. We will, focusing on the BRI, advance international energy cooperation in an integrated manner, make every effort to promote the high-quality development of international operations, and act as the main force for the high-quality BRI construction in the new era, so as to contribute to safeguarding China’s national energy security, deepening and expanding international energy cooperation, and building a community with a shared future for mankind.

