



2009 Corporate Social Responsibility Report

Caring for Energy · Caring for You



About the Report

This is China National Petroleum Corporation's fourth annual Corporate Social Responsibility Report since 2006. This report accurately represents what we did to honor our commitments to the economy, the environment and society. It is important that we provide the following information:

Alternative reference: China National Petroleum Corporation is also referred to in this report as "CNPC", "the company" and "us".

Timeframe: January 1 to December 31, 2009. Given the continuity and comparability of the disclosed information, part of the information may be extended forward or backward when necessary.

Report cycle: This is an annual report, disclosing information related to the fulfillment of the company's responsibilities.

Reporting principles: Objective, standardized, honest and open.

Information sources: The company's official documents, statistical reports and statistics related to the company's units and enterprises. All the information has been reviewed by the company's management and its subsidiaries.

Improvements: We have added the following topics to this report — response to climate change, low-carbon economy, development of clean energy (natural gas), employee localization and development of petroleum communities. A clear and brief picture of our social responsibility performance is offered in *2009 in Figures*. CNPC's social responsibility website was launched and suggestions can be sent to the e-mail address csr@cnpc.com.cn. We also held seminars to increase communication with communities. Through field research, we screened and selected the cases in an accurate way. We also held discussions and invited suggestions on key topics from relevant experts and representatives of our stakeholders so that the report can positively respond to public concerns.

References: *The Guideline on Fulfilling Social Responsibility by Central Enterprises* formulated by the State-owned Assets Supervision and Administration Commission. We also referred to the *Sustainability Reporting Guideline* (2006) published by Global Reporting Initiative and *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* co-published by International Petroleum Industry Environmental Conservation Association and American Petroleum Institute.

Language: The report is published in Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

Access to the report: we strongly recommend downloading this report at www.cnpc.com.cn. You can also write to csr@cnpc.com.cn or phone 8610-59984395 for a hard copy.

About the Cover

2009 marked the 50th anniversary of the discovery of Daqing Oilfield. In front of the Iron Man Museum, veteran workers shared their experiences with young generation of working with Wang Jinxi (1923-1970), who was nicknamed "Iron Man" after he and his crew drilled the first oil well in the Daqing Oilfield in extremely adverse conditions. His diligence, loyalty, bravery and tenacity live on today in the "Iron Man Spirit". The spirits of Daqing and the "Iron Man" have become priceless assets of CNPC, representing the company's values of perseverance and defiance in the face of difficulties, through hard work and courageous innovation. The Iron Man Museum is open to the public and has become an important place to demonstrate the spirit of Daqing and the "Iron Man", as well as the history of modern China's oil industry.

Contents

President's Message	02
About Us	04
Corporate Governance	05
2009 in Figures	06
Petroleum and Low-carbon Life	08
Current Situation and Challenges	10
Stakeholders	11

Looking to 2010	50
Social Recognition	52
Performance Data	54
Glossary	55
GRI and IPIECA/API Index	56

 1. Sustainable Energy Supply	12
Boosting Exploration	13
Increasing Oil & Gas Production	13
Safeguarding Oil Products Supply	14
Engineering and Technical Services	16
International Oil & Gas Cooperation	17
Development of New Energy	17
Feature: Clean Energy– A Push for Natural Gas Development	20

 2. Responsible Production and Operation	24
Energy Conservation and Emissions Reduction	25
Response to Climate Change	28
Environmental Protection	30
Operational Safety	32

 3. Employee Development	34
Employment Policies	35
Growth Platforms	36
Occupational Health	38
Development of Petroleum Communities	40

 4. Public Welfare	42
Poverty Alleviation	43
Supporting Education	45
Overseas Communities Development	46
Volunteer Activities	47
Advocacy for a Civilized Society	48
Support to Shanghai World Expo	49

President's Message

2009 was the most difficult year for China's economic development in the new century, and it was also an extraordinary year for the company. Faced with the severe challenges presented by the global financial crisis, we took an analytical approach to our activities, sought opportunities from the crisis and ensured continuous smooth production and operations. While pursuing economic benefits and the development goals of the company, we also strive to satisfy oil and gas demand, safeguard national energy security, and promote domestic economic growth. In addition, we attached importance to exchanges with stakeholders, in order to harmonize our economic, environmental and social responsibilities. In 2009, as a result of our strong determination and correct analysis of the situation, we recorded better-than-expected operating performance.

As a leading state-owned enterprise, the company regards it as its intrinsic responsibility to satisfy growing energy demand and ensure a stable energy supply. In 2009, the company attached equal importance to the development of both oil and gas, and a number of breakthroughs were made in domestic oil & gas exploration. 2009 became the fifth reserve growth peak year since the foundation of the People's Republic of China in 1949. Crude output remained above 100 million metric tons, while growth in natural gas production has remained at a double-digit rate for seven consecutive years, benefiting 400 million people. Long-distance pipeline construction was also well underway, and a pipeline network covering the whole country and a diversified supply system were taking shape. Significant progress was achieved in the construction and restructuring of major refining projects. By the end of 2009, the company had built five 10Mt/a refining and three 1Mt/a ethylene bases, as well as a number of refining enterprises with their own competitiveness. These achievements promote the further development of China's oil industry. In 2009, the company's oil & gas investment expanded to 29 countries, and we provided oilfield services in 39 countries, which is the testimony to the substantial progress our company has made in international expansion.

The company also pursues efficient and clean development that is energy efficient, environmentally friendly, recyclable and sustainable. In 2009, responding to climate change and practicing low-carbon development, the company made increased efforts to build a resource-efficient and environmentally friendly enterprise. We continued to promote our Ten Energy-Saving Projects and Ten Emission-Reduction Projects. Emissions of COD and SO₂ dropped 33.4% and 12.9% respectively over 2005. We achieved the

“ We are committed to conducting our business activities in an environmentally friendly, safer and more efficient manner, caring for and protecting the aspirations and interests of all stakeholders, providing a sustainable energy supply, and creating a better life for humankind. We are fully aware of our responsibilities. While pursuing economic benefits and the development goals of the company, we also work hard to satisfy oil and gas demand, safeguard national energy security and promote local economic growth. In addition, we attach importance to exchanges with stakeholders, in order to harmonize our economic, environmental and social responsibilities. ”

energy conservation and emissions reduction targets in the 11th Five-Year Plan one year ahead of schedule. No major fire explosion, major casualties, severe occupational hazards, or major uncontrollable blowouts were reported.

Over one-million-strong workforce is our most valuable asset. Along with the growth of our company, we also promote the development of our staff. In 2009, the company made further significant efforts to improve the overall skills level of its employees, and thus increased its efforts in development of human resources, which led to continued improvements in staff competence. Improvements were made to our performance-linked compensation and incentive system, which increased staff benefits and allowed more people to benefit from the company's continued growth. The company also established a participatory, inclusive and voluntary mutual assistance mechanism to help staff in need, so that everyone of our employees' families can enjoy access to medical treatment and their children are guaranteed an education. Three employees, Wang Jinxi, Wang Qimin and Qin Wengui, were named in the "Top 100 Nationally Inspirational Figures" since the foundation of New China. Ten outstanding Sudanese employees were invited to receive honors in Beijing. In 2009, the company continued to pay close attention to public

welfare issues, and worked hard in the field of poverty relief. In this regard, substantial results were achieved in the Xinjiang Uygur and Tibet Autonomous Regions. The company also actively supported and participated in the 2010 Shanghai World Expo, making an important contribution to the success of this grand event.

As China remains in the strategic period of its socio-economic development, the company has also entered the strategic stage of building an integrated international energy company. CNPC will continue to honor its economic, environmental and social commitments. The company will also deepen the implementation of its resources, market and internationalization strategies, and seize development opportunities. We will also promote restructuring, energy conservation, emissions reduction and technological innovation, to further enhance the sustainability of the company and contribute to building a harmonious society and a harmonious world.

About Us

China National Petroleum Corporation (CNPC) is a leading state-owned enterprise and one of China's major oil & gas producers and suppliers. Our business mainly covers oil & gas operations, technical services, engineering and construction, equipment manufacturing, financial services and renewable energy development. In 2009, CNPC was ranked fifth among the world's top 50 oil companies, and 13th in the *Fortune* 500 world's top companies. With its resources, market and internationalization strategies, CNPC aims to build itself into a world-leading integrated energy company by 2020. By December 31, 2009, CNPC owned 86.285% of PetroChina Company, the biggest subsidiary of CNPC.

Honoring our corporate social responsibility is the precondition and guideline for our production, operation and sustainable development. With sustainability in mind, CNPC endeavors to carry out its production and operations in a safer, more efficient and environmentally friendly manner in its efforts to provide more energy and create a better life.

Corporate mission: Caring for Energy, Caring for You

Corporate philosophy: Dynamic, loyal, honest, committed

Operating principle: Achieving excellence through innovation and integrity

International cooperation concept: Mutually beneficial development

Corporate brands

Our flower-shaped logo's colors are those of China's national flag, with its ten petals representing our core businesses. The solid red base illustrates CNPC's strength, while the rising sun highlights our brilliant future. CNPC's logo embodies our commitment to ensuring harmony between the development of energy and the environment.

Corporation Logo



Service Brand



Specialized Service Brands



...

Product Brand



...

Corporate Governance

CNPC is a solely state-owned enterprise, in which ultimate accountability rests with the president. It has built a complete set of decision-making, executing and supervisory institutions and systems in accordance with the requirements of the State-owned Assets Supervision and Administration Commission(SASAC). All major business decisions are made in a collective and democratic way. The company is organized based on a two-tier administrative system and a three-tier business structure, through which it exercises the investor's authority in asset management, major decision-making and executive appointments in its solely-owned enterprises, holding companies and shareholding companies. It has the legal right to operate, manage and supervise state-owned assets and bears sole responsibility for maintaining and adding value to state-owned assets. Compliance with corporate governance and operations is ensured through internal discipline and inspection, financial auditing and supervision, and employee oversight. In 2009, we further improved corporate governance through an improved internal control and risk management system.

Management Systems

Internal Control and Risk Management System

In 2009, internal control systems were established in all domestic branches under the company. We also streamlined business processes in 20 departments and units of the head office, which clearly defined the mandate and accountability of management, and standardized business activities and procedures. Risk management was strengthened through operational risk assessment and the improvement of counter-measures, which expanded the coverage from financial reporting to operations. The company also strengthened risk management of financial businesses by publicizing risk management rules for oil futures, trusts, and commercial banks. Substantial results were achieved in the improvement of the accountability system, focusing on authorization. Through these, we strived to establish a more effective operational accountability system.

HSE Management System

New progress was also achieved in the HSE (Health, Safety & Environment) management system in 2009, as evidenced by the publication of *Principles of HSE Management* and *Code of Safe Conduct for Officers at Head Office*. We also issued 50 HSE regulations such as those dealing with process hazard analysis and work permits, and standardized the template of "Two Documents-One Table" (documents for operational instructions and operational plans, and the on-site inspection table) for geophysical prospecting and pipeline construction. We also promoted the HSE information system, which went online at 147 enterprises, and reviewed the HSE system at 46 enterprises.

Emergency Response System

We attached great importance to enhancing the emergency response capacity of grassroots units. Under the command of the headquarters contingency plan, emergency response plans and on-site treatment processes have been further streamlined at various levels; and the contingency planning system has been improved. Emergency response command, system of operations, organizational system and institutional development have all been reinforced according to the principles of unified leadership, delegated responsibilities and inter-departmental coordination. By integrating resources, the company has developed a professional emergency rescue force mainly composed of five emergency rescue centers — fire control, hazardous chemicals, oil & gas pipelines, blowout control, and offshore emergency rescue. All these have helped to improve our emergency handling capacity.

Anti-corruption System

The company closely followed the requirements of the CPC Central Commission for Discipline Inspection, the Ministry of Supervision and the Discipline Inspection Committee of SASAC. A high premium was placed on the prevention and punishment of corruption and improving the ethics of the management team. We amended over 2,500 supervisory and administrative rules and regulations. In addition, we strengthened the establishment of a system to prevent corruption at its source; and made 16 priorities for joint inspections by supervisory departments and to regulate management power. Oversight of major projects was intensified. We reinforced anti-corruption training for management at all levels, and compiled educational materials such as the *Anti-Corruption Training Course* and *Guidance for Honesty of Senior Managers*, based on the *Regulations on Honest Business of State-owned Enterprises' Leaders*.

2009 in Figures

Revenues and Taxes



RMB **128.6** billion
RMB **234.8** billion

The company's vigorous response to the financial crisis led to better-than-expected operating performance. Our annual operating income registered RMB 1.22 trillion, with RMB 128.6 billion in net profit and RMB 234.8 billion in taxes payable.

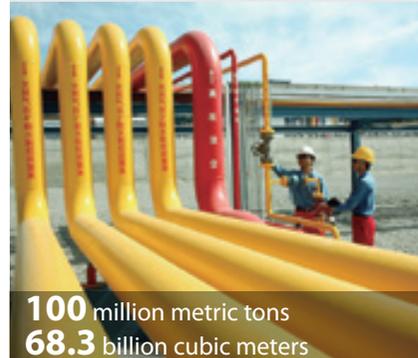
Resource Base



630 million metric tons
461.6 billion cubic meters

The company boosted investment in exploration and made major breakthroughs. Domestic newly-added OPIP and GIPI respectively amounted to 630 million metric tons and 461.6 billion cubic meters.

Oil and Gas Production



100 million metric tons
68.3 billion cubic meters

Annual crude production exceeded 100 million metric tons. Domestic natural gas production maintained double-digit growth for the seventh consecutive year, reaching 68.3 billion cubic meters. Oil & gas production at Changqing exceeded 30 million metric tons of oil equivalent, becoming the second largest oil & gas field in China.

Technological Innovation



9 technologies **20** projects

Technological innovation is an important driver of our business growth. In 2009, CNPC increased its input in technological R&D, and nine technologies won the National Science & Technology Award. We also carried out 20 national technological projects in the year.

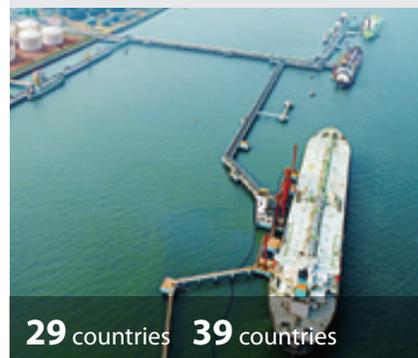
Daqing Oilfield



2 billion metric tons **40%**

In the 50 years since its discovery, Daqing Oilfield had cumulatively produced over 2 billion metric tons of crude, representing more than 40% of domestic onshore output. If contained in 60-metric ton tank trucks, the total output would circumnavigate the globe 11 times.

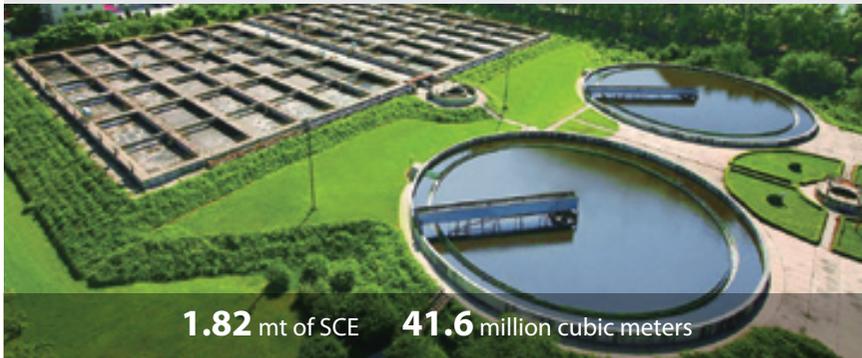
International Operations



29 countries **39** countries

CNPC expanded its global presence with oil & gas investment in 29 countries and providing oilfield services in 39 countries. Overseas operating production of oil and gas reached 69.62 million metric tons and 8.2 billion cubic meters respectively.

Energy Conservation and Emission Reduction



1.82 mt of SCE **41.6** million cubic meters

The company achieved the energy-saving and emission-reduction goals set by the national 11th Five-Year Plan a year ahead of schedule. Throughout 2009, the company saved 1.82 million metric tons of SCE, and 41.6 million cubic meters of water. Emissions of COD and SO₂ dropped 33.4% and 12.9% respectively over 2005. No major fire explosions, major casualties, severe occupational hazards, or major blowouts were reported.

Outstanding Employees



3 employees
10 Sudanese employees

Three employees of CNPC, Wang Jinxi, Wang Qimin and Qin Wengui, were named among the "Top 100 Inspirational Figures" since the foundation of New China. Ten outstanding Sudanese workers came to Beijing to receive honors.

Mega Projects



Five 10Mt/a projects **three 1Mt/a** projects

Daqing Oilfield development, the West-East Gas Pipeline and the 10Mt/a refining and 1Mt/a ethylene projects of Dushanzi Petrochemical Company were included in the Top 100 Model Construction Projects since the foundation of New China. By the end of 2009, five 10 Mt/a refining bases and three 1 Mt/a ethylene bases had taken shape. The western section of the Second West-East Gas Pipeline and Line A of the Central Asia-China Gas Pipeline were completed and became operational. Construction of the Russia-China Crude Oil Pipeline has begun.

Public Welfare



1.2 billion

CNPC continued to pay close attention to public welfare and social progress, and continued to take innovative measures to alleviate poverty. We participated in the construction of the oil pavilion of the 2010 Shanghai World Expo. In 2009, we invested nearly RMB 1.2 billion in public welfare, benefiting millions of people.



Petroleum and Low-carbon Life

In the morning when we wake up we brush our teeth with a toothbrush made from petrochemical derivatives such as plastic and nylon. The fragrant toothpaste and cosmetic products contain perfume extracted from petroleum. In about 10 minutes, we will have our breakfast cooked using natural gas or liquefied petroleum gas. Thousands of new high-quality chemical fiber fabrics give us more options in dressing. Outdoors, we can take various vehicles such as buses or cars, all powered by fuel or natural gas, and head for our destination on a road covered with petroleum asphalt.

As a matter of fact, all walks of life are closely related to oil, including fertilizers, pesticides and plastic membranes used by farmers, lubricants used by industrial workers, packaging used every day, carpets in hotels and homes, decorating materials, high-grade plastics used in cars, televisions, computers and cell phones, aviation fuels used by airlines, parachutes used by aviators, and even spacesuits, artificial blood vessels and hearts. All of the above are made from petroleum derivatives.

Over the past 150 years, petroleum has changed people's lifestyles and substantially

enriched the world. But while petroleum and its products are improving our lives, the environmental pollution that accompanies energy development and consumption is worsening. Humankind faces the big challenge of how to strike a balance between supplying energy to power economic growth and curbing the negative impacts of petrochemicals. Combating climate change has become a global issue.

Faced with environmental challenges, low-carbon energy, low-carbon economy, and low-carbon lifestyles have become big issues. We can use the "carbon footprint" to measure



the pathway and total amount of emissions by a person, a product, or a set of equipment in its life cycle. Control of carbon emissions needs to start with tracking and reducing one's own carbon footprint. Consumption of 55L of gas by a private car results in the emission of 123.8 kg of CO₂. A person commuting in a city emits 0.38 kg CO₂ by bus, 0.06 kg CO₂ by subway, and 6.8 kg CO₂ by private car.

Hence a low-carbon lifestyle has become popular. People can take their own bags when they go shopping, flush the toilet with water used to clean vegetables, ride bicycles

between home and work or carpool, reduce using elevators, turn the air-conditioner 1°C higher or lower... such a lifestyle not only saves money, but is also fashionable.

Energy enterprises can never ignore their responsibility to reduce emissions. It has become the strategic choice of oil companies to develop clean energies like natural gas, and environmentally friendly and renewable energies like wind energy, solar energy and bio-energy. A circular economy in production and emission reduction should be sought to ease the impact on the environment. Petroleum and chemical products should be

more environmentally friendly and of higher quality in order to create a better life for humankind.

Let's join hands to pursue the low-carbon and green growth.



Current Situation and Challenges

Continued growth in global demand for oil and natural gas

With the sustained growth of the world economy and emerging economies, it is projected that between 2011 and 2015, world energy consumption will grow by 2%, oil consumption by around 1.2%, and natural gas by around 1.5%. By 2030, global consumption of primary energy will grow at annual rate of 1.5% on average. Oil represents 30% and natural gas 28% of the world demand for primary energy. As the power industry has significantly growing demand for energy, coal and natural gas will remain as the fossil energy that is needed most. New energy development will also be rapid. It is projected that between 2010 and 2020, the annual growth rate of renewable energy will average around 7% — about five times that of fossil energy, but it only accounts for less than 1% in total energy consumption. Fossil energy will continue to dominate the consumption of primary energy.

Dual challenges: supply security and environmental protection

On the one hand, global oil & gas exploration and development is moving toward low-permeability, heavy crude and deep waters. Increased difficulty in exploration and development will also push up of the cost of discovery and development. Meanwhile, oil & gas import dependency grows. In 2030, two oil-rich regions, Central Asia and Russia, will produce more than 50% of the world's total oil output. Three-quarters of natural gas reserves are in the Middle East, Eastern Europe and the former USSR. Resource concentration, coupled with a scattered consumer market, will make the problem more significant. On the other hand, fossil energy has had a rising negative impact on the global environment and climate, so the oil industry will face mounting pressure from environmental protection and climate change. Developing countries remain in the process of industrialization and urbanization, and will be under dual pressures from the developing economy and safeguarding energy security, as well as protecting the environment and dealing with climate change. The challenge for developing countries in the pursuit of sustainable development is greater than that faced by developed countries.

Change the oil industry's development pattern and accelerate green development

Faced with the challenges brought by energy security and climate change, the oil industry needs to transform its development mode and seek low-carbon growth to satisfy growing demand for clean energy in a safer, more efficient, more economical and more environmentally friendly way.

CNPC must adapt to the new requirements of socio-economic development, attach equal importance to oil and gas development, and speed up the development of natural gas business; develop new energy and accelerate innovation in low-carbon technology; strengthen comprehensive use of resources and develop a circular economy to balance resource conservation with environmental protection; expand international oil & gas cooperation to improve its capability in allocating resources at a global level; support sustainable communities and try to obtain new competitive advantages so that the sustainable development of the company can promote sustainable socio-economic development.

Stakeholders

Government, shareholders, employees, clients, consumers, business partners (contractors and suppliers), relevant agencies (domestic and foreign trade associations), and communities are all our important stakeholders. Their trust and support are the basis of the company's viability and development. We will try to build a mutually supportive, reciprocal and friendly relationship with all our stakeholders, and aim to improve quality and efficiency. We are committed to repaying our stakeholders and realizing the sustainable development of both the company and society.

We place a high premium on communication and interaction with stakeholders, publish annual financial and corporate social responsibility reports, increase disclosure information through our website, newspapers and other means, and develop an open and transparent communication mechanism (see related chapters for activities and means of communication with stakeholders and our performances).

The company regards corporate social responsibility as its intrinsic responsibility. It is also the requirement of the company that all the business partners can enhance their awareness of social responsibility and comply with local laws and regulations in operation to achieve harmony between production, environment and society. In 2009, the company's largest controlling subsidiary PetroChina sent "A Letter to Operators" to its partners to urge them to fulfill their social responsibilities.





1 Sustainable Energy Supply

| Boosting Exploration | Increasing Oil & Gas Production | Safeguarding Oil Products Supply
| Engineering and Technical Services | International Oil & Gas Cooperation
| Development of New Energy

The purpose of our business is to meet the growing demand for energy that drives economic growth and social progress. As a leading state-owned enterprise, we take it as our primary responsibility to safeguard national energy security and stabilize market supply. To this end, we have boosted investment and technological innovation to realize high-efficiency development of oil & gas fields, and proactively developed clean and renewable energies to optimize national energy consumption mix, and take part in international oil & gas cooperation.



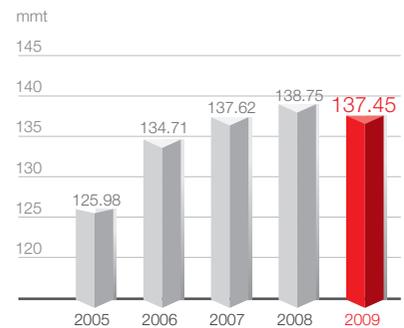
Boosting Exploration

In 2009, despite the deepening global financial crisis, shrinking market demand and increasing business challenges, CNPC has never wavered in putting oil & gas exploration on the top of its agenda. We continued our strategy of increasing resources based on major oil & gas basin explorations and maintained scale of investment and efforts to discover large and quality reserves. By the end of 2009, domestic newly-added OPIP and GPIP were respectively 630 million metric tons and 461.6 billion cubic meters. According to the standards by US Securities and Exchange Commission (SEC), the company's oil reserve replacement ratio reached 105%, and its gas reserve replacement ratio is 197%, solidifying its resource base.

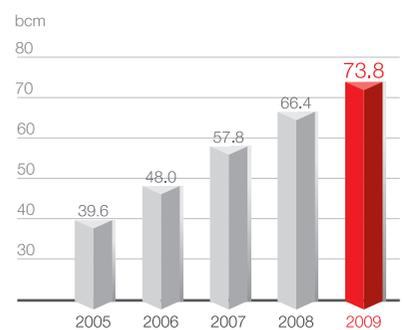
Increasing Oil & Gas Production

In 2009, as its major oilfields entered the high water-cut stage, CNPC improved production management, optimized output structure and planning of production capacity building, and promoted secondary development of mature oilfields. As a result, crude output remained stable and natural gas production sustained rapid growth. By the end of the year, we produced 103.13 million tons of crude and 68.3 billion cubic meters of natural gas; meanwhile, the capacity of new blocks in Tarim and Jilin were steadily growing. Crude output from Daqing Oilfield exceeded 40 million metric tons for the 7th year in a row, after 27 years of annual output of 50 million metric tons. The oil and gas output at Changqing Oilfield reached 30 million metric tons of oil equivalent, making it the second largest oilfield in China. Since 2008, annual newly-added oil equivalent in this oilfield exceeded 5 million metric tons, equal to the production of a medium-sized oilfield.

Crude production
(including overseas equity output)



Natural gas output
(including overseas equity output)



Daqing Oilfield's Technological Innovation Helped it Reach a New High

Since its initial development in 1960, technological innovation has been the major driver of sustainable development of Daqing Oilfield. Development of this oilfield has resulted in the gradual evolution of a set of geological theories and technologies for exploration and development of large-scale non-marine sandstone oilfields. Daqing Oilfield has developed more than 10 thousand scientific and technological outputs, including 120 achievements of national level, and 640 of ministry or provincial level and over 1,800 national patents. Records were also set in crude output, taxes paid, and recovery rate in China's oil industry at Daqing: Its cumulative crude output exceeded 2 billion metric tons; total taxes and other fees paid to the state reached RMB 1.7 trillion; and recovery rate in major oilfields was higher than 50%.

In 2009, on the 50th anniversary of its development, Daqing Oilfield issued the guideline on its sustainable development. According to this document, Daqing Oilfield aims to sustain a 40Mt/a crude production based on resource replacement; and strives for its own sustainability through technological and management innovations as well as the change of development pattern.

In 2009, great efforts were made in the three major projects, namely, secondary development and tertiary recovery of the Changyuan Oilfield, technological project to develop peripheral Daqing oilfields, and the Hailaer-Tamtsag Basin project. Although faced with high water-cut and high extraction levels, Daqing Oilfield still managed to produce 40 million metric tons crude, making its first successful step onto the sustainable development path. Now Daqing Oilfield is technologically prepared for quaternary oil recovery, driving sustainable development of the company with technological innovation.

Fine Management Injected New Vitality at Huabei Oilfield

In the 1990s, Huabei Oilfield began to experience high water cut, resulting in inadequacy in resource replacement and increased difficulty in maintaining stable output. The output once dropped from its peak of 17 million metric tons to 4 million metric tons, and the oilfield was under increasing cost pressure. To stabilize its output and increase efficiency, Huabei Oilfield, based on realities of exploration and development, adopted fine management techniques to affect change. Fine management includes analyzing the management framework, quantifying performance measurement indicators, and unification of mandates, rights and obligations. The fine management is exercised throughout the process from investment and exploration, to development, production management, etc. Adoption of fine management enabled the company to maintain 5 years of sustained crude output growth, 10 years of resource replacement ratio above 100%, and to put return on investment high among CNPC oil & gas fields.

Safeguarding Oil Products Supply

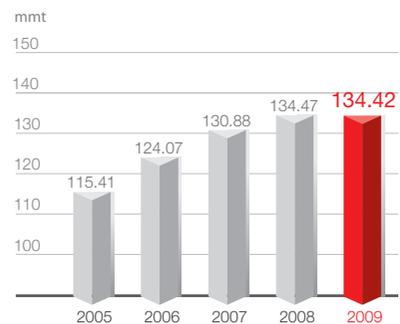
In 2009, the company proactively drove forward the strategic restructuring of its refining business and made substantial progress. 14 major projects were completed. The 10Mt/a refining and 1Mt/a ethylene project at Dushanzi Petrochemical Company was commissioned. The 8Mt/a atmospheric and vacuum distillation unit of Fushun Petrochemical Company, and the 5Mt/a unit of Lanzhou Petrochemical Company, were installed and operational. The 10Mt/a refining facilities at Guangxi Petrochemical Company were basically completed. Integrated refining and chemical project of Sichuan Petrochemical, ethylene projects at Fushun Petrochemical and Daqing Petrochemical commenced. We also launched the reforming and complex units of Liaoyang Petrochemical. The reconstruction and expansion project of Ningxia Petrochemical had also started. All these projects will expand the company's refining capacity.

In the first five months of 2009, in response to high inventories, the company shut down some production facilities of certain enterprises, and intentionally reduced workloads in order to maintain safe and reliable production. As the market demands grew into the second quarter of

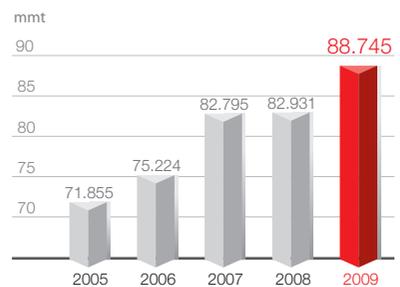


Truck-mounted refueling for anti-draught purpose

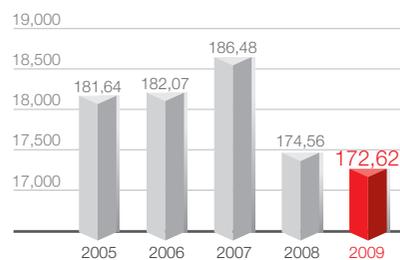
Crude runs (including overseas volume)



Sales of oil products (domestic)



Number of gas stations (domestic)





Increased supply capacity through optimized allocation of resources

the year, the company organized equipment maintenance and commissioning of new utilities in an orderly manner to steadily increase processing workloads. In the year, the company totally processed 125.12 million metric tons of crude and produced 80.45 million metric tons of refined products, 2.99 million metric tons of ethylene, and 17.46 million metric tons of chemicals. The processing load was raised from lowest 72% to 98% at the end of 2009.

In addition, we also optimized product mix and enhanced quality standards. All the gasoline produced had met the Chinese National III standard. High-quality gasoline made up 62.4% of total production, representing a year-on-year increase of 10.7%. The company also adopted the benchmarking management. New records were set on 21 technological and economic indicators. Light oil and diene yields were both some of the highest in the country.

Resources have been committed to increasing transmission capacity. By the end of 2009, the total length of crude pipeline and refined product pipeline reached 13,189 km and 8,868 km respectively. In addition, the company continued to improve its sales network and storage facilities, and encouraged the construction of high-quality gas stations. Stations numbered 17,262, and our ability to supply the market improved.

In response to oil demands generated by farming activities and extreme weathers, the company scientifically organized resources and strengthened coordination between headquarters and regional subsidiaries. The company also made emergency response plans and adopted measures such as truck-mounted refueling facilities and refueling stations to ensure stable supplies to key areas and in special periods.

Engineering and Technical Services

CNPC takes advantage of its edge in integration of upstream, mid-stream and downstream, as well as the engineering and technical services to drive development of the industry through technological innovation.

The engineering business of the company witnessed steady progress in 2009. Through enhanced management of major construction projects, the company proactively promoted the transparent, environmentally responsible and high-quality projects. This ensured the orderly construction of national key oil projects. The engineering business exhibited better performance than planned. Its design and engineering capability continued to grow, and its reputation and public image were widely recognized. The company was listed in *Construction Building and Engineering News'* list of top 225 international contractors for the 14th consecutive year and in the list of China's top 60 contractors for six years in a row. The company is also the only Chinese enterprise among the Top 25 Global Petroleum Contractors, and the top growing contractor in China in 2009.

Faced with increasingly complex geological conditions and challenges posed by high water cut and high extraction levels, the company continued to increase R&D investment and take technological progress as the driving force to business growth. In 2009, the company's supporting technologies such as development of large low-permeability oil & gas fields were further improved. Technology for developing volcanic gas reservoir had achieved a breakthrough. Lithological and foreland geology and supporting prospecting technology, together with technologies for developing high water-cut oilfields, low-permeability oilfields, heavy oil in middle and deep reservoirs, and tertiary recovery, have all been refined to world-leading levels. These technologies have made significant contributions to stable production at Daqing and Liaohe oilfields, and to growth of oil & gas reserves in the Changqing Oilfield.

Throughout 2009, more horizontal wells and underbalanced wells were drilled. In this year, the company drilled 505 horizontal wells and 240 underbalanced wells. Horizontal well and

open-hole staged fracturing technologies have become the dominant technology in developing low-permeability oil & gas fields such as Sulige.

Technological innovation and export of advanced and matching exploration and development technologies also spurred our overseas businesses. Through the use of heavy oil thermal recovery, horizontal and directional drillings, old well side tracking, and comprehensive integrated technical services, we jointly stabilized or even increased oil production in Sudan. In Kazakhstan, we brought together technologies such as carbonate reservoir description, fracture identification and underbalanced drilling to overcome technological challenges such as sub-salt configuration imaging and ultra-thick salt rock drilling. As a result, the unproducible reserves became the high-quality producible reserves, bringing the production capacity to a new high.

Commissioning of the 10Mt/a Refining and 1Mt/a Ethylene Projects at Dushanzi Petrochemical



The 10Mt/a refining and 1Mt/a ethylene projects at Dushanzi Petrochemical were considered the landmark projects for China's Western Development Program. Construction and installation began in June 2006. On August 28, 2009, 10Mt/a atmospheric and vacuum distillation units started operation. The 10Mt/a refining project was successfully commissioned. On September 21, 2009, cracking and feeding trial of the 1 Mt ethylene plant's core equipment was successful and the facility started operation as scheduled. This project will supply 6.17 million metric tons of refined products and 2.95 million metric tons of chemicals every year. The project had made its contributions to China's refining industry and the development of Xinjiang, set a number of records in China, and was selected by the State as a Model Construction Project since the foundation of the People's Republic of China.



Jointly operated oil gathering station in Block 1/2/4 in Sudan

International Oil & Gas Cooperation

In 2009, our oil & gas investment had extended to 29 countries. Great breakthroughs have been achieved in our new projects.

After the two rounds of international bidding for Iraq's oil & gas fields in 2009, CNPC jointly won the technical service contracts for the Rumaila Oilfield and Halfaya Oilfield, and acquired operating rights for the Halfaya Oilfield. We also signed a technical service contract for the North Azadegan Oilfield and South Pars Gas Field with the National Iranian Oil Company. Winning of these bids and contracts highlighted significant breakthroughs in cooperation with the Middle East. In addition, the company signed a number of oil & gas cooperation agreements with Turkmenistan, Kazakhstan and Uzbekistan.

We also achieved breakthroughs in reserve discoveries in Niger, Algeria, Kazakhstan and Chad, where production from both old and new oilfields experienced steady increase. In 2009, the company's overseas operating production of crude and gas reached

69.62 million metric tons and 8.2 billion cubic meters respectively. We provided oilfield services in nearly 39 countries. Our equipment had also been exported to more than 100 countries and regions worldwide.

The company has furthermore expanded international trade, reaching a total volume of 150 million metric tons in 2009. We monitored and adjusted our import and export trade based on the conditions of the domestic market and refining situation. As an important step to the building of Asia-Pacific oil & gas operations hub, the company successfully acquired the Singapore Petroleum Company.

In 2009, domestic oil and gas cooperation projects with foreign partners steadily advanced, and oil equivalent production in these projects was 6.45 Mt/a. Gas production in the Changbei Project remained stable. Oil production in the Zhaodong Project reached over 1 Mt for the sixth consecutive years. The high-sulfur gas field in northeastern Sichuan Province had entered the development stage and we also signed agreements with Shell for joint assessment of Fushun-Yongchuan shale gas in Sichuan Province.

Development of New Energy

The company regards development and utilization of new energy as an important strategic measure to deal with energy and environmental challenges.

In 2009, when CNPC scaled up its efforts to develop coal bed methane (CBM), 38.5 billion cubic meters of CBM reserves was newly discovered in the Qinshui Basin of Shanxi Province. At the same time, we built a CBM central processing plant with annual capacity of 1 bcm and a CBM branch pipeline connecting the West-East Gas Pipeline in Shanxi. On the eastern side of the Erdos Basin, newly proven CBM reserves amounted to 114.5 billion cubic meters, and a 500 mcm/a production capacity was built. We also conducted assessment and geological prospecting of shale gas, and formulated two development plans of Changning and Shaotong blocks. In addition, production capacity of fuel ethanol reached 500kt/a. We also further promoted industrial experiments and resource assessments related to bio-diesel, oil shale and oil sand. We expanded researches related to utilization of geothermal, hydro-gas and other new energies.

CNCP's Oil & Gas Assets and Technical Services Worldwide



America

- Mexico
- Canada
- Cuba
- Costa Rica
- Venezuela
- Ecuador
- Peru



Feature: Clean Energy – A Push for Natural Gas Development

Natural gas is the cleanest source of fossil energy, with CO₂ emission 43% less than coal of equal calorific value, and 28% less than oil. At present, natural gas accounts for less than 4% of primary domestic energy consumption, much lower than the world average of 24%. With China's accelerated urbanization and modernization, its natural gas consumption market will continue to grow at a high rate and meeting this growing demand is a big challenge. In 2009, the company produced 68.3 billion cubic meters of natural gas, representing more than 80% of the national total output and maintained the growth rate above 10% for 7 consecutive years. Throughout the year, the company supplied 59.61 billion cubic meters of natural gas, covering 26 provinces and autonomous regions, benefiting around 400 million people.



Developing Major Natural Gas Basins

CNPC has attached great importance to natural gas exploration and development. Through technological innovation, gas reserves continued to grow rapidly. Over the last decade, the cumulative newly proven gas reserves reached 3.8 trillion cubic meters, and the average annual newly proven reserves amounted to 370 billion cubic meters, experiencing a year-on-year increase of 400 billion cubic meters for 3 consecutive years. At the same time, we accelerated the expansion of production capacity, and gas output sustained rapid growth. In 2009, annual gas production in the Sulige gas field exceeded 10 billion cubic meters. Production in other major gas fields such as Sebei, and Longgang in central Sichuan Province, and Dina was also progressing smoothly.

Accelerated Construction of Natural Gas Pipelines

In China, onshore gas resources are mainly found in western Chinese basins such as Tarim, Qaidam, Sichuan and Erdos, while the market is distributed across northern China, the Yangtze River Delta, and southeast and coastal China. Therefore, the company has built a backbone pipeline network that connects gas fields and markets.

In 2009, CNPC continued its steady construction of long-distance natural gas pipelines. The following pipelines had been completed and operational: the Line A of the Central Asia-China Gas Pipeline, western section of the Second West-East Gas Pipeline, Yongqing-Tangshan-Qinhuangdao Gas Pipeline, Sebei-Xi'ning-Lanzhou Parallel Gas Pipeline, Transmission Capacity Expansion

of the Second Shaanxi-Beijing Pipeline and the First West-East Gas Pipeline. The eastern section of the Second West-East Gas Pipeline was also undergoing high-speed construction. By the end of 2009, CNPC operated the gas pipelines with total length of 28,600 km, or 2.5 times the length of 1999. The annual gas transmission capacity also increased to 95.4 bcm, 8 times of that in 1999.

Gas Output of the Sulige Gas Field Exceeded 10 bcm

Sulige gas field is the largest onshore mono-block field in China. Due to its low permeability, low pressure and low abundance, conventional technologies, processes and equipment could not enable efficient production. Given this fact, we made great efforts to strengthen technological integration and innovation. After 5 years of preliminary testing, the company finally mastered 12 key technologies including well location optimization, rapid drilling and separate pressure production. Wide application of these technologies and implementation of a digital production management system had effectively reduced costs and enabled economical development and management. By the end of 2009, gas production capacity exceeded 10 billion cubic meters in this gas field, demonstrating a substantial achievement of the company.

Operation of the Line A of the Central Asia-China Gas Pipeline

Line A of the Central Asia-China Gas Pipeline was completed ahead of schedule and put into operation on December 14, 2009, only 28 months after official startup of the Central Asia Natural Gas Cooperation Project on August 10, 2007. The Central Asia-China Gas Pipeline starts from Gedaim in Turkmenistan at the west, and runs through Uzbekistan and Kazakhstan before connecting with the western section of the Second West-East Gas Pipeline in Horgos of Xinjiang, China. With a total length of 1,833 km, this pipeline broke many world records, such as highest pipe grade, greatest construction difficulty and fastest construction speed. Turkmenistan, Kazakhstan, and Uzbekistan jointly participated in this key international oil and gas cooperation project. As a result, this project is of great importance for promoting energy cooperation and realizing sustainable development of energy industries among these four countries.



Accelerated Construction of Underground Gas Storage

Due to the seasonality of weather in China, demand for natural gas, particularly in northern China, is uneven across the seasons. In winter, the highest peak-valley ratio can even reach 13:1, and the ratio of average daily supply in highest month to lowest month was 7:1. In order to build our peak shaving capacity to ensure adequate gas supply in peak season, the company accelerated construction of underground gas storage in recent years. By the end of 2009, the company had built three underground gas storage facilities in Dagang, north China and Jintan in Jiangsu. Total working gas reached 1.691 billion cubic meters, 17 times of 2000. The company will continue to increase input into construction of underground storage to improve its peak shaving capacity.

Increase of LNG Supply

In 2009, the company proactively developed its liquefied natural gas (LNG) business. The company is now planning and implementing four LNG projects in Jiangsu, Dalian, Tangshan and Shenzhen, each of which will develop into coastal LNG terminal and connect to the pipeline network. After completion of the first phase of these projects, projected annual LNG processing capacity will reach 13 million metric tons. Our supply and emergency response capacity will be significantly improved.

Proactive Response to Gas Shortage

Stable gas supply requires not only the coordinated and balanced development of up-stream, mid-stream and down-stream, but also the sufficient peak shaving and emergency response capacity. Although our natural gas business grows rapidly, it still could not keep pace with consumer demands.

From November to December of 2009, strong cold air struck many regions in China, and the temperature dropped sharply. Demands for natural gas skyrocketed, and natural gas was even in short supply in some regions, such as north, east, and southwest regions of China as well as Hunan and Hubei Provinces. The company immediately launched its emergency response plan and took a number of effective measures to release the supply tension.

First, we increased production and transmission capacity. The second phase of Kelameili Gas Field of Xinjiang Oilfield started operation on December 28, 2009, with a daily additional natural output of over 500,000 cubic meters. The Sebei-Xi'ning section of Sebei-Xi'ning-Lanzhou Pipeline commenced operation three days ahead of schedule. This pipeline added 3 million cubic meters of natural gas to the daily supply, and relieved the gas shortage in regions along the pipeline as well as in North China.

Second, we increased gas imports. Natural gas imported from Turkmenistan through the Second West-East Gas Pipeline arrived at the northern Xinjiang on December 31, 2009. We also negotiated with the China National Offshore Oil Company (CNOOC) and Shanghai Shenergy Group to purchase LNG from overseas. 65,000 metric tons of LNG was imported from Russia, and supplied to east and central China after unloaded on January 2, 2010.

Third, we optimized operation of pipeline networks so as to realize their maximum transmission capacity. We also improved gas recovery from underground gas storage. 11 million metric cubic meters of gas was recovered from the Dagang underground gas storage daily to ensure a peak shaving capability of 20 mcm/day by January 2010.

In addition, we enhanced demand side management and give priority to household demands. The company reduced supplies to industrial consumers to ensure supply to Beijing, Xi'ning, Lanzhou and Yinchuan. In response to the situations in Hunan and Hubei, we increased



gas transmission from Sichuan, Chongqing, Hunan and Hubei for household needs in cities like Wuhan and Changsha.

From November to December of 2009, the company's daily natural gas output was 203 million cubic meters, up 12.6 % over the same period in 2008; daily natural gas supply was 202 million cubic meters, an increase of 32.9 million cubic meters compared with the same period in 2008.

Natural Gas Creates a Better Life for Cities

CNPC recognizes that it has an important responsibility to support host cities of major international events such as the Olympics and World Expo, as well as to support the efforts of other cities to become more environmentally friendly. The company's increase of clean natural gas supply is an important support to building green cities.

To meet the increasing natural gas demand of Beijing over the past decade, the company had built a gas network including the first and second lines of the Shaanxi-Beijing Gas Pipeline, and the First West-East Gas Pipeline, as well as two underground gas storage facilities at Huabei and Dagang oilfields. A nationwide trunk pipeline network has basically taken shape. In 2009, the First West-East Gas Pipeline and second line of the Shaanxi-Beijing additional transmission became operational. In December 2009, snow reduced the temperature in Beijing, causing a sudden increase of natural gas demand. The company activated its first-grade supply contingency plan and adopted three measures of temporary pressure release, increasing gas recovery and redirection of pipeline supply, which substantially alleviated the natural gas shortage. On December 28, 2009, the company signed a strategic cooperation framework agreement with the Beijing government in response to its plan to build a "Green Beijing" and will try its best to increase natural gas supply to Beijing in order to improve the Capital's energy mix. In 2009, the company supplied 6.45 billion cubic meters of natural gas to Beijing, up 15.6% over 2008. The

proportion of natural gas in primary energy consumption rose from 0.4% before gas supply from Shaanxi was made available to 11%, and use of this clean energy has significantly improved the atmosphere of Beijing. According to statistics of Beijing Municipal Environmental Protection Bureau, the number of days with blue sky and air quality of grade II and above had grown from 100 in 1998 to 285 in 2009.

The company also supplies clean energy to support Shanghai's socio-economic development. By the end of 2009, the company had supplied 2.41 billion cubic meters of natural gas to Shanghai through the West-East Gas Pipeline. Natural gas accounted for 3% of primary energy consumed in Shanghai. The company will try its best to meet Shanghai's demand for natural gas and clean oil to support the World Expo (for more information, see "Support to Shanghai World Expo" in *Public Welfare*).

As the frontline of China's reform and opening up and one of the most economically robust regions, Pearl River Delta had been highly dependent on coal and petroleum imported from other regions, resulting in chronic high emissions of SO₂, nitrogen oxide and industrial dust. After commission of the Second West-East Gas Pipeline, the company will be able to supply 10 billion cubic meters of natural gas to Guangdong, which will greatly relieve the short gas supply in this region. Utilization of natural gas will expand from power generation to sectors such as civilian consumption and automobiles, which will improve the energy consumption structure and atmosphere of the Pearl River Delta.



2 Responsible Production and Operation

| Energy Conservation and Emissions Reduction | Response to Climate Change
| Environmental Protection | Operational Safety

People and the environment are the most important resources. Caring for life and protecting the environment have been incorporated into the company's philosophy. We always put environmental protection, safety, quality and people first. We proactively respond to climate change, and promote energy conservation and emissions reduction in our operations. We strive for "Zero injuries, Zero pollution and Zero accidents", and to enhance safety management. Through these efforts, we aim to build our company into a resource-efficient, environmentally-friendly and safe enterprise.



Energy Conservation and Emissions Reduction

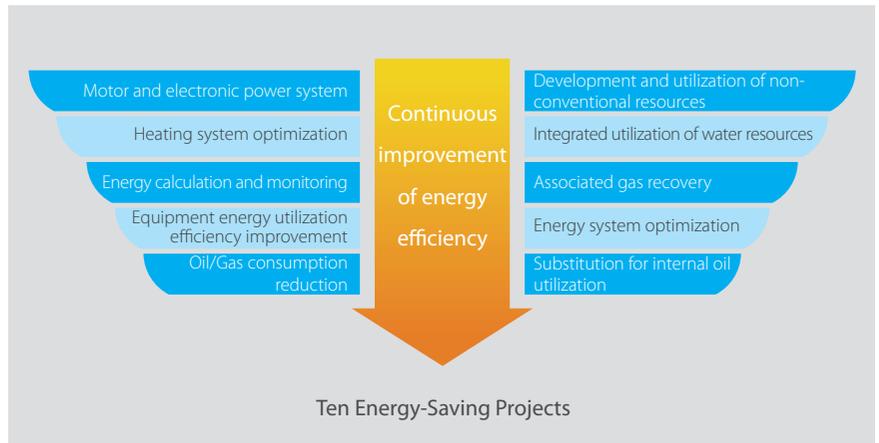
Saving energy and cutting emissions are realistic means for us to reduce cost, and, more importantly, to fulfill our social responsibility. We regard energy conservation and emissions reduction as important ways to transform our development pattern. Through enhanced management and accelerated technological innovation, we managed to significantly improve resource efficiency.

In 2009, we saved 1.82 million tons of standard coal equivalent and 41.6 million cubic meters of fresh water. Annual emissions of COD and SO₂ were 33.4% and 12.9% lower than in 2005. We met the energy conservation and emissions reduction goals of the 11th Five-year Plan one year ahead of schedule.

Energy Conservation

By sharing energy-saving experience, implementing key energy-saving programs, and reinforcing supervision and management, we enhanced efficiency in our use of energy and water resources.

Strengthened energy conservation management: we have been improving measurement, monitoring, appraisal, incentives and penalties related to energy conservation. In 2009, we inspected 11,361 sets of equipment and 15 steam pipelines at 10 oil and gas fields, 22 refining and petrochemical companies and four line pipe and tube manufacturers as part of a process to calculate and audit their energy and water consumption.



Benchmarking management of energy efficiency: in 2009, we carried out process furnace efficiency benchmarking. To this end, we formulated a guideline and defined a rating standard for thorough monitoring of furnaces, based on monthly inspection, quarterly reporting, technical examination and evaluation, and year-end comprehensive performance measurement. In 2009, 29 main technological and economic indicators in our refining businesses yielded improvements over 2008, among which 21 indicators recorded historical bests.

Continued implementation of ten major energy conservation projects: in 2009, we launched a number of energy-saving projects, and strengthened assessment during and after the programs. The projects included power conservation through mechanical recovery systems, furnace and pump efficiency improvement of oil & gas production ground systems, comprehensive

application of thermal recovery and steam injection boiler technologies, transformation and optimization of steam and condensate systems and low-grade utilization. Moreover, we also carefully reviewed energy conservation features in feasibility reports and preliminary designs of fixed asset investment projects, so as to control energy consumption at the source.

Campaign for building energy- and water-efficient enterprises: in 2009, we launched campaigns to promote energy conservation. We also held meetings to promote energy reduction practices at Daqing Oilfield and Liaoyang Petrochemical Company.

Multifaceted Energy Conservation at Daqing Oilfield Showed Positive Results

Faced with challenges such as expansion of production and increasing environmental requirements, Daqing Oilfield proactively transformed its development pattern primarily by conserving energy and reducing consumption. To this end, it developed a multifaceted management model.

Daqing Oilfield has incorporated energy conservation and emissions reduction into its corporate development strategy, formulating the *Daqing Oilfield 11th Five-year Plan for Energy Conservation* and the *Daqing Oilfield Energy Conservation Plan 2009-2020*. Daqing Oilfield enhanced management of energy, water consumption and discharge of "three wastes" in all segments of the oil & gas production chain; promoted a comprehensive energy conservation and emissions reduction model characterized by integration of aboveground and underground efforts; and realized synchronous planning, implementation and management of reservoir projects, recovery projects and ground projects. Since beginning implementation of the 11th Five-year Plan, Daqing has saved 1.18 million tons of SCE.

Emissions Reduction

In 2009, the company proceeded with ten major emission reduction projects, accelerated the building of a pollution reduction system, initiated circular economy pilot programs, and strengthened follow-up assessment of emissions reduction programs. Through these efforts we effectively curbed discharge of emissions and other pollutants.

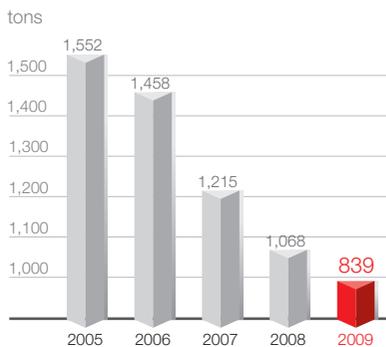
Enhanced management of pollution control and emissions reduction: In 2009, the company implemented *Regulations on Management of Environmental Statistics* and *Regulations on Management of Environmental Monitoring*. We established monitoring, measurement and appraisal systems to guarantee that we would reach our pollution control and emissions reduction targets. We also formulated *Plan on Development of Environmental Monitoring System*, as well as issued *Technical Requirements for Three-tier Emergency Control of Water Pollution*, and *Technical Standards of Management of Three-tier Water Pollution Emergency Control Facilities*.

Strengthened environmental protection R&D: In recent years, we have developed environmentally-friendly technologies in the following areas: heavy oil wastewater reuse boilers, refining wastewater reuse, clean drilling and clean downhole operations, and environmental protection. In 2009, the company published *Technical Requirements for Prevention and Control*

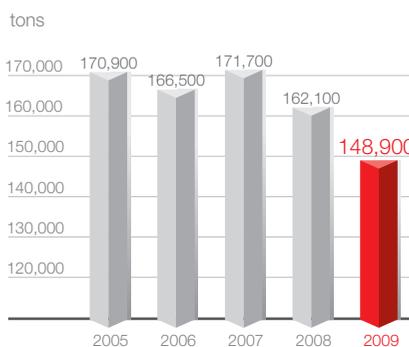


Surveillance over pollutants discharge

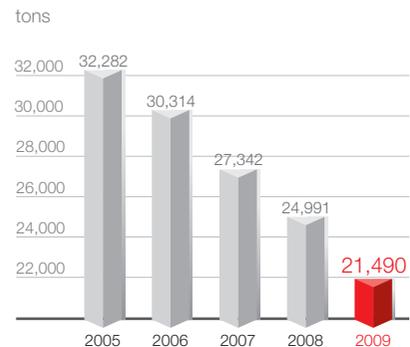
Discharge of oils in wastewater

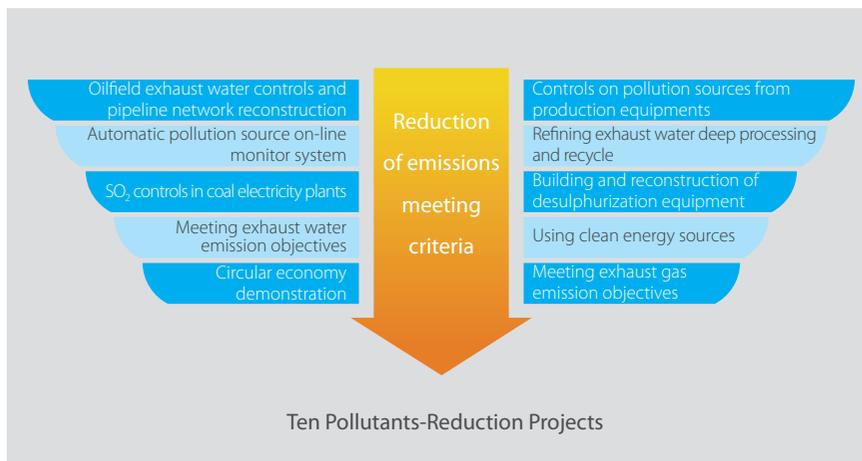


Emission of SO₂ in waste gas



Emission of COD in wastewater





of Water Pollution in Accidents, which takes into account the characteristics of petrochemical pollutant sources.

Continued implementation of ten major emission reduction projects: In 2009, the company conducted pollution reduction audits of 47 affiliated enterprises. We also strengthened surveillance of water pollution control by subsidiary enterprises located along the Songhua, Yellow and Liao rivers, and in the Bohai-rim and Three Gorges Reservoir regions. Based on experiences gained while protecting air quality during the Beijing Olympics, we also drew up plans to upgrade gas recovery technologies in key regions such as the Yangtze River Delta and Pearl River Delta.

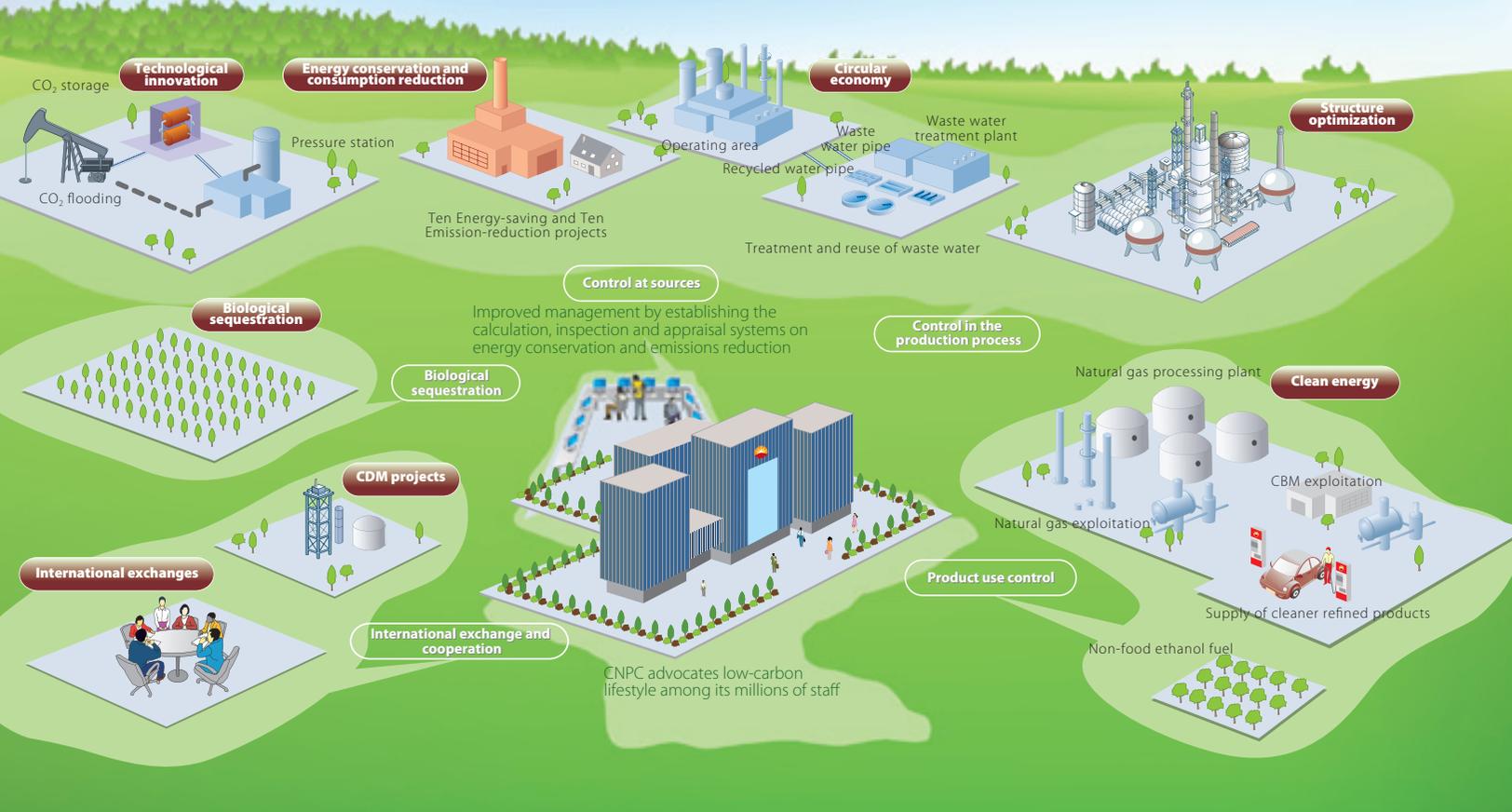
Changyuan Oily Wastewater Biochemical Treatment Station of Daqing Oilfield

After 50 years of continuous development, Daqing Oilfield has entered the high water cut stage. While producing 40 million metric tons of crude every year, nearly 400 million metric tons of oily wastewater is also generated. To treat the high-polymer oily wastewater, Daqing built Changyuan Oily Wastewater Biochemical Treatment Station, which became operational on November 16, 2007. This station covers an area of 3.71 km², with daily treatment capacity of 30 thousand cubic meters. The station mainly uses biochemical processes, with physical chemical technologies serving a supporting function. It breaks and degrades chains of oil and long-chain polymers in wastewater by using the air flotation effect, an anaerobic hydrolysis tank, a contact oxidation pond and bio-bacteria. COD of treated wastewater



dropped significantly. By the end of 2009, it had treated 14.82 million cubic meters of oily wastewater, and saved 5.87 million cubic meters of water.

Active response to climate change through energy conservation and emission reduction



Response to Climate Change

Climate change is a major challenge faced by humankind. On December 7, 2009, for the first time China declared its quantified GHG emissions reduction targets, making a solemn commitment to respond to climate change.

As one of the major domestic oil & gas suppliers, we have proactively answered the call of the government, and place a high premium on and take a long-term systematic approach to control and reduction of GHG emissions.

In our 11th Five-year Plan for Environmental Protection, control of GHG emission has also been an important focus. We aimed to reduce GHG emissions such as CO₂ at the source, as well as in the production and utilization of petroleum products. We also increased efforts to promote low-carbon energy by accelerating development of our natural gas, non-conventional natural gas and new energy businesses. Moreover, our commitment to curbing global climate change also includes supporting energy

conservation and emissions reduction through technical innovation, and international cooperation and exchange in the field of carbon reductions.

Enhanced Management of GHG Emissions

Within a company as large and diverse as CNPC, there are naturally tremendous disparities in carbon emissions across our different enterprises. To systematically and efficiently promote energy conservation and emissions reduction the company has enhanced management of GHG emissions measurement.

In 2009, CNPC amended the *Regulations on Environmental Measurement*, which included GHG as a variable in our calculations. We plan to include all key emissions sources in the next three to five years, to track and improve management of our GHG emissions. In 2009, the company started a checklist pilot program for GHG emissions in all

of its oilfields, and refining and chemical enterprises, and trained 180 employees on performing GHG calculations. We also inspected 194 sets of equipments as part of clean production auditing.

Application of Energy-saving and Environment-friendly Technologies

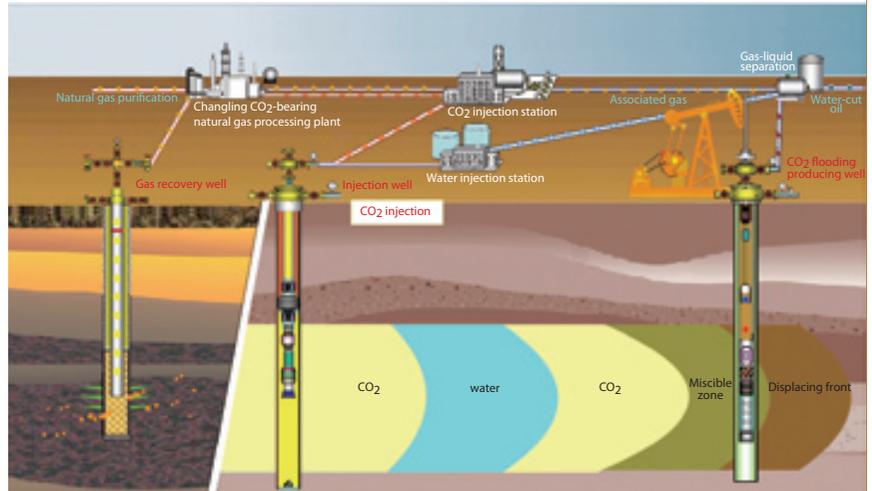
In 2009, CNPC continued its support for low-carbon technological innovation. The company achieved progress in major projects, which served as a strong technological pillar for development of its main businesses.

In 2009, we joined hands with Zhaoqing Sanrong Junfu Heating Co., Ltd. to develop CDM. CNPC will provide 300 to 500 thousand metric tons of palm shell every year, which is expected to reduce annual carbon emissions by 400 to 500 thousand metric tons.

CO₂-bearing Gasfield Development and CO₂ Flooding Experiment in Jilin Oilfield

Since 2006, CNPC has successively launched Jilin Oilfield's High-Carbon Dioxide Natural Gas Development and Carbon Dioxide Comprehensive Utilization and Carbon Dioxide Drive Pilot Experiment. During 3 years of hard work, a number of important technological breakthroughs were achieved. These include carbon dioxide separation and anti-corrosion technologies, as well as a carbon dioxide flooding pilot test, which provided strong support to increase the rates of production of reserves and crude recovery at Changling Gas Field. This has helped realize more efficient utilization of carbon dioxide and reduce emissions.

On December 25, 2009, the project integrating natural gas recovery, CO₂ storage and flooding began operation at two sites at the Jilin Oilfield: Changling



Gasfield and Daqingzijing oilfield. With annual gas production capacity of 1bcm, this project also sequesters 40,000 to 120,000 metric tons of CO₂ every year.

Forestry Carbon Sequestration

As the co-founder of Green Carbon Fund (GCF), we were gratified to see that in 2009 a number of the GCF projects, including the 400 hectares carbon sequestration forest in Fangshan District of Beijing, had achieved moderate scale.

In 2009, the carbon sequestration afforestation project at Xinjiang Oilfield achieved important progress. Throughout the year, Xinjiang Oilfield planted more than 90 thousand trees over 60 hectares of nurseries. By the end of the year, it had basically completed drawing up medium- and long-term plans for the forest. In addition, we also proactively carried out evaluation, verification and UN registration for our vegetation carbon dioxide absorption program. Basic Research on Reducing Carbon Dioxide Emissions through Vegetation Absorption was also smoothly under way.

International Exchanges and Cooperation

CNPC has been a proactive participant in the Clean Development Mechanism (CDM) project. Both CDM projects at Liaoyang Petrochemical Company and Tarim Oilfield were well under way.

As of the end of 2009, the N₂O CDM project at Liaoyang Petrochemical Company had reduced GHG emissions totaling 23 million metric tons of CO₂ equivalent. Thirty percent of the return on emissions reduction was paid to the state as a contribution to a sustainable development fund to deal with climate change, two percent was provided to the UN CDM Executive Board to be contributed to a small island state fund, and the rest will be reinvested into other energy-saving and emissions reduction programs.

In 2009, through implementation of the CDM at Tarim Oilfield, we effectively recovered flared associated gas from remote and scattered wells and stations, with a verified reduction volume of 1.93 million metric tons of CO₂ equivalent. The first phase of

the project has already been submitted to UN for registration, and the second phase is currently underway.

We jointly established the Tianjin Climate Exchange (TCE) with the Tianjin Property Rights Exchange Center and the Chicago Climate Exchange. On December 27, 2009, TCE completed China's first Internet-based trading in sulfur dioxide emission indicators. TCE also launched the Enterprise Voluntary Emission Reduction Campaign, with the participation of 37 enterprises.

On November 28, 2009, the company jointly hosted the Summit on Climate Change and Emission Rights Trading together with the Central University of Finance and Economics and the TCE. The summit focused on analysis and prediction of international negotiations on climate change and legislative frameworks and considerations with respect to China's response to climate change. CNPC representatives shared our practices for reducing emissions.

Environmental Protection

CNPC regards environmental protection as a top priority. Through enhanced management and institution building, training and emergency response drilling, we managed to improve our HSE performance in 2009.

Improvement of HSE System

In 2009, CNPC strengthened the integrated HSE management. We issued Nine Principles of HSE Management, highlighting the accountability of managers and including contractors into the company's HSE management system (for more information, please see the "HSE Management System" in *Corporate Governance*).

In 2009, the company strengthened environmental risk management, highlighting source identification and prevention. We also conducted specialized inspection for safety and environmental protection performance, and for response to storms and tides in offshore operations. Apart from this, we also carried out environmental inspection of pipeline and refining projects under construction, as well as pre-operation environmental inspection of the Central Asia-China pipelines and western section of the Second West-East Gas Pipeline.

Enhanced Management of Potential Risks

In 2009, the company evaluated the potential risks program results at its 12 affiliated enterprises, and audited major potential risks at its 37 affiliated enterprises. We also conducted follow-up assessment. All told, the company identified and treated 5,000 potential risks in 2009.

Due to damage caused by third party construction, in the early hours of December 30, 2009 diesel oil leaked from the Weinan Branch of the CNPC Lanzhou-Zhengzhou-Changsha Product Pipeline. The oil flowed into Chishui River and later polluted Wei River, with some pollutants also flowing into Yellow River. This event resulted in a fall in the water quality in the Yellow River Sanmenxia Reservoir Area, causing a severe water pollution accident. We immediately launched an emergency response plan, and key company leaders went to the site to direct emergency response/rescue operations. We assembled 12 professional rescue, construction and technical support teams comprising over 700 people from our subsidiaries in Shaanxi, Henan, Hebei, Gansu, Ningxia and Shandong, and installed 16 booms in 9 places along the Chishui and Wei rivers. The company also placed 5 booms and 2 activated carbon adsorption belts in the Sanmen Gorge Reservoir and its lower reaches. Moreover, to guarantee success in removing the pollution, it assembled a number of emergency response equipment including emergency vehicles, environmental monitoring vehicles, pole lamps, power generators, rescue boats, and specialized items like oil skimmers and gelling agents.

Although the leakage was directly caused by third party construction, we still carried out careful review and identified defects in management. We investigated the efficacy of the execution of emergency response measures, and learnt lessons from this accident, so as to prevent the recurrence of similar accidents.

Environmental Protection at Operation Areas

Wherever we operate, CNPC places high premium on environmental protection at operation areas in order to ensure the sustainability of our projects.

Since our operations in Tazhong area in Tarim in 1994, we have been committed to protecting the vulnerable ecological environment. Our efforts include selecting drought-tolerant plants and using underground brine for irrigation. In 2009, the operation area in central Tarim planted over 150 species of plants that can survive in deserts. Moreover, the company created a botanical garden covering an area of 20 hectares, as well as a 241-hectare farm growing valuable herbs that can be used in Chinese medicine, including cistanche. Total green space in the operation area and surrounding environs reached 467 hectares — an oasis in the heart of the desert.





Wastewater treatment at Khartoum Refinery in Sudan has improved the local environment

In Sudan, CNPC proceeded with treatment of waste water, waste gas and waste residues. We have invested more than USD 100 million in construction of the world's largest bio-degradation wastewater treatment project at Block 1/2/4, realizing zero discharge of production wastewater. Khartoum Refinery, 50% of equity is owned by CNPC, strictly follows an internationally accepted environmental protection management system, and rigorously controls emissions of three wastes. Moreover, the refinery is equipped with high-standard environmental protection equipment and facilities such as acid water treatment facilities, an oily wastewater treatment plant, a wastewater neutralization tank, and solid toxic substance landfills. Following treatment, the production wastewater is used to fill a 240,000 m² artificial lake. The refinery has also created a green belt as long as 29 km in its operation area, turning this refinery in the Gobi desert into a garden oasis and a pearl on the African Continent.

In Kazakhstan, the comprehensive utilization rate of natural gas by PK has reached over 90%. On September 23, 2009, PK was granted the Golden Prometheus National Award during the Kazakhstan Energy Week. This award, which is the highest honor for environmental protection in the oil industry,

has established the company a model for environmental protection in the country.

In Niger, the company tries its best to reduce the environmental impact of its operations. Efforts include protecting ground vegetation and trees, prohibiting the killing of birds and other wild animals, and timely treatment of trash and other waste. The company's operation area in the heart of the Sahara — Agadem — now enjoys a green area of 2,000 m², a veritable desert oasis with more than 200 trees of various kinds.

In Ecuador, a company with CNPC's equity participation — Andes Petroleum — formulated a three-year pollution control plan to deal with the legacy of earlier pollution problems. In 2009, Andes Petroleum treated the polluted soil, and started treatment of 11 small parcels of polluted land in Tarapoa. It also installed a polluted soil treatment facility in Tarapoa and its southern areas. By the end of 2009, Andes Petroleum had completed treatment of 60% of Pacayacu pollution. The comprehensive environmental treatment center played a very important role in preserving environmental health, maximizing the recycling of resources, and minimizing contamination and re-contamination. Officials of the country's environmental protection department gave high praise to

the project for its bio-oxidation treatment of polluted soil and its commitment to environmental protection.

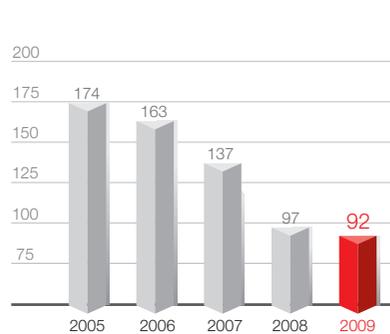
Development of Green Grassroots Teams and Stations

The company also encourages the building of "Green Grassroots Teams/Stations", to help popularize the CNPC HSE culture and philosophy. It requires them to strictly follow HSE requirements in organizing and managing production, to make use of the necessary environmental equipment and facilities, and raise the ability of grassroots units to standardize on-site management of environmental protection activities. In 2009, 220 units won the honor of "Green Grassroots Team/Station". Through education and advocacy, our employees have greatly improved their self-awareness.

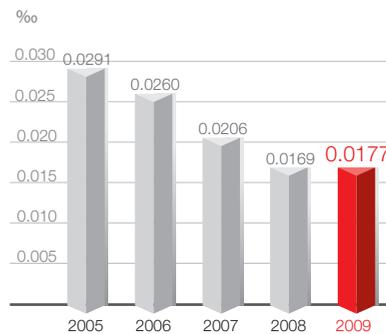
Operational Safety

In 2009, guided by the belief that people are most important, that all accidents can be avoided, and that safety can be secured by a strong sense of responsibility, good design, high quality and preventive efforts, the company put safe production at the core of its work. Through a number of key initiatives, the company significantly improved production safety.

Total accidents



Fatality rate per thousand people in accidents



Enhanced Safety Management

Given that some of our production units are exposed to safety risks (e.g., flammable and explosive substances, high temperatures, high pressure, etc.), safety management is of great importance for us. We take environmental protection seriously and put safety, quality and people first. In 2009 we improved safety performance by focusing on institutions, accountability and supervision.

In 2009, the company amended *Measures for Managing Production-related Accidents*, and the President of the company, along with all the managers of our affiliated enterprises, signed a *Safety and Environmental Protection Accountability Pledge*. The Pledge defined the areas of responsibilities, accountability goals and accident-control indices.

The company continued to enhance risk management at the grassroots level, as well as promote operation licensing practices and hazards and operability analysis to identify and remove risks existing in production and project construction. The company also further improved its rules, regulations and operational processes; implemented safe behavior observation and analysis. These efforts contributed to enhancement of the staff's awareness of safety and environmental protection.



Safety inspection



Strengthened safety inspection to improve grassroots risk management

Improvement of Emergency Response System

In 2009, the company issued *Guideline on Formulation and Amendment of Emergency Response Plans* and *General Rules on Formulation of Emergency Response Plans*, revised *Emergency Response General Plan* and perfected 18 specialized plans. We also issued priorities of emergency response and incorporated emergency management into our daily work. We built a blowout emergency rescue/response center, designated it as the national-level oil & gas field rescue base. In addition, we held Specialized Blowout response drills. We also arranged for Liaohe, Dagang, and Jidong Oilfields to conduct exercises for response to offshore & onshore emergencies, and organized a professional skills contest for firemen throughout the company, so as to further improve emergency rescue capacities.

Transportation and Fire Safety

In 2009, the company continued to increase supervision of transportation safety, and established a source-based management system and accountability for leaders taking vehicles. Intensified training of safety awareness and techniques for drivers effectively minimized the frequency of major traffic accidents. In addition, the company publicized the *Program of Full-time Fire Brigade Training in Duty and Combat*, completed formulation and amendment of operation rules for the first group of 10 fire trucks, and held a company-wide technical competition for firemen to improve their ability to control fires.

Better Safe Production Environment in Liaohe Petrochemical Company

Liaohe Petrochemical Company strictly implements its safety and environmental accountability system, HSE management principles, and safety prohibition, and rigorously controls work and operations. HSE management of contractors is also reinforced to prevent and handle potential risks. All these efforts aim to build long-term safety and environmental protection mechanisms and create a safety and environmental protection culture. Increased safety education and training as well as on-site supervision help foster a favorable environment for the company's safe and clean production, and scientific and harmonious development.

In 2009, Liaohe Petrochemical Company started investigation of all potential risks. In accordance with the newly revised *Regulations on Fire Control in Petroleum and Chemical Enterprises*, the company organized all its grassroots units to identify potential risks. Moreover, the company introduced hazard and operability study (HAZOP), set up a HAZOP team, completed HAZOP training, and used this method to identify and remedy all the potential risks of production processes existing in all production facilities and equipment. The company also developed a potential risks control management process, whereby the units with potential risks must fill out a Report of Existing Potential risks Management to specify a deadline and a plan for removing all potential risks. In 2009, LPC totally eliminated 76 safety potential risks. To deal with various potential accidents, LPC devised a corporate general emergency response plan and 10 specialized emergency response plans, supported by sub-plans devised by each workshop. These plans combine to cover all the important areas and numerous types of emergencies. In 2009, the company conducted the exercise twice, resulting in improved ability to handle emergencies.



3 Employee Development

| Employment Policies | Growth Platforms | Occupational Health
| Development of Petroleum Communities

Our people are the most valuable resource and asset. We owe every single success to the common efforts of our people. We always put people first and respect and protect employees' legal rights and interests. Our labor policy is based on equality and non-discrimination. In overseas operation, we promote localization and the respect for different cultures. We also strive to provide more opportunities for employees' career development. Close attention is also paid to occupational health and improvement of working conditions.



Employment Policies

We respect and protect the legal rights and interests of employees strictly in compliance with the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on Employment Contracts*, and the *Trade Union Law of the People's Republic of China*, and relevant laws and regulations of the host countries and international laws, conventions and customs.

Our employees are equally treated regardless of their nationality, race, gender, religion or culture. We prohibit any form of children labor or forced labor. We also encourage localization and the recruitment of women and ethnic minorities.

In 2009, despite the global downturn, we did not downsize our people. We improved the productivity by effective measures, such as more training. By the end of 2009, our employees totaled 1.585 million.

Compensation and Benefits

We have adopted a position and skill salary-based remuneration system, and continued to pay special attention to staff in grassroots units and key positions and talents in term of salary distribution.

We revised the KPI system linked with salaries of senior managers, and steadily enhanced the salary standard for outdoor frontier workers and the allowance standard for employees in key positions and those working in difficult conditions. Corporate annuity and supplementary medical insurance system were also improved. Meanwhile, we also provided medical checks, education and training, and assistance to employees in need.

Democratic Participation

The company respects and protects the rights of the staff to know, participate, express themselves, and to oversight, as well as their interests.

The company has also established workers' congress at various levels and the operational affairs publicity system. On behalf of the staff, the trade unions at different levels converse and negotiate with the company about their rights and interests in accordance with the law.

In 2009, the company went further and determined forms and content of publicizing the factory affairs and implemented the system under which all the factory affairs must be transparent, managers be evaluated by staff, and managers report to the staff representative congress. These institutions also safeguard the rights of the staff to participate in management and supervise.

We attach importance to and invite suggestions and opinions from our staff so that the decision-making will be more reasonable. To this end, we have established diversified channels, including staff congress, democratic discussions, feedback meetings and suggestion mailbox.

Growth Platforms

As part of our strategy to build an international integrated energy company, we promoted the development of human resources, including strengthening human resource planning, training and cultivating talented team for international business.

Staff Development

Through the skills cultivation, selection and promotion mechanism, we try to create a suitable development channel for every employee.

In 2009, CNPC strengthened the building of a strong team of talents consisting of managers, professionals, operators and international business experts. We redefined the accountability and targets of senior technical experts and established the performance review system, by which 185 technical experts were reviewed.

In 2009, we also designed policies and plans to attract talents from overseas, and had established institutions and innovation bases. We recruited 63 international students from countries including Russia and Azerbaijan.

By the end of 2009, the company had 15 academicians of Chinese Academy of Science and Chinese Academy of Engineering, 1,689 experts who were entitled to government special allowance, 1,682 technical experts, and 253 skill experts, and 1,300 experts of other kinds.

Localization and Diversification

The corporate culture of CNPC is characterized by respect, openness and inclusiveness. Localization has been encouraged wherever CNPC has a presence. In 2009, local employees in our oil & gas business accounted for over 90% in Sudan and Kazakhstan.

In October 2009, the top ten outstanding Sudanese employees were invited to receive honors in the headquarters based in Beijing, and to travel places including Beijing and Shanghai.



Technical exchange among Chinese and foreign staff in PetroKazakhstan

CPECC Signed Cooperation Memorandum with Sudanese Ministry of Labor Public Service & Human Resources Development

In July 2009, CNPC Engineering & Construction Company(CPECC) signed a cooperation memorandum with Supreme Council for Vocational Training and Apprenticeship under the Ministry of Labor, Public Service and Human Resources Development. According to the memorandum, CPECC(Sudan) will provide internship opportunities to excellent graduates majoring in welding, electricity, civil engineering, and installment from 14 vocational training schools under the supreme council. The interns will be trained by their mentors and even have the opportunity to be recruited.

Through two-month training and field practice, the first 30 Sudanese interns had completed their courses. CPECC(Sudan) will build two engineering and construction teams composed of Sudanese people through cultivation of local operators in the coming two years. These efforts will accelerate the localization of our employees, further benefiting local communities.

Training and Education

Training and education is an integral part of our employees' career development in CNPC and is offered to wide range of employees including in production, construction, operation, and management positions. To foster their growth, we boost investment, build competitive faculties and improve training system. Over recent years, we spent over RMB 500 million annually on training.

The training is planned and carried out at headquarter and subsidiary level. In 2009, we launched over 180 key training programs at headquarter, attended by 11,500 persons. Specialized training programs held at the subsidiary level reached 1,750 with 530,000 persons trained, among which 98% of senior technicians and operators at key posts were included. We also cooperate with Universities, including Tsinghua University and University of Houston, to train our young and middle-aged managers.

In 2009, we strengthened the training of employees at grassroot level, highlighting their technical skills. We also put emphasis on training prior to shift of posts.

In the year, two training programs were carried out for international business operators. 72 managers and technicians from overseas project attended the first program. 38 persons took part in the overseas project management training course in the second program. We have cultivated a team of talents for the overseas business, through course and field trainings. In addition, accumulatively 4,500 persons had attended the international talents training program at CNPC Managers Training Institute, China University of Petroleum, CNPC International Personnel Training Center and CNPC Guangzhou Training Center.

We also strengthened the construction of our training bases. Based on the appraisal on the 21 affiliated training organizations, we had defined our general roadmap, principles, direction and tasks of training bases construction in the coming years.

In the past four years since the launch of e-learning website, we had provided a variety of on-line learning resources such as adult education, on-job training, on-



Outstanding Sudanese employees of CNPC in front of Bird's Nest (Olympic Stadium) in Beijing

job postgraduate programs, and bachelor's degree and junior college diploma programs, and developed needed learning packages, so that the website can serve as a digitalized on-line learning platform for all employees.



Employee in technical contest



“As a veteran for petroleum industry, I am gratified to be part of pipeline construction for CNPC. Since I have chosen to do this job, I must do it well with dedication.”

—— Yang Guishan, an engineering manager of the Second West-East Pipeline

In September 2007, Yang Guishan, then nearly 60, was appointed to lead the laying of the Xinjiang section of the Second West-East Pipeline. His team successfully completed the transfixion of Guozigou Tunnel Group 7 months ahead of schedule. This opened up a precedent for large-scale project engineering in winter in Tianshan of Xinjiang.



“Exploring underground oil/gas resources is a tough but ground-breaking job that requires personal devotion for making sacrifices, especially for those people who work overseas far away from their home.”

—— Xu Zhiqiang, Vice President, PetroKazakhstan

Xu Zhiqiang joined CNPC after graduating from university in 1982, and has 10 years of overseas working experiences. Together with his colleagues, he discovered 17 million metric tons of recoverable reserves at South Turgai Basin in Kazakhstan. While acting as manager on behalf of CNPC responsible for exploration of blocks 3/7 in Sudan, he headed a Chinese team of 6 people and discovered 140 million metric tons of recoverable commercial reserves in M-Basin. Eighty percent of wells explored by him turned out to be successful. To pursue excellence, Xu Zhiqiang has never stopped acquiring new geological theories and technologies.

Rewards and Incentives

CNPC has gradually established a scientific Human Resource evaluation system, supported by a two-tier reward and incentive system composed by the company and its affiliated enterprises. We motivate our staff by both spiritual encouragement and material incentives, including the initiatives to select those who stand out in work, innovation, academic research and technology.

We also hold vocational skill competition and technical expertise evaluation activities. In 2009, on the 9th welding technique competition of the national engineering and construction industry and meter repair technique competition of the national chemical enterprises, the contestants sent by the company won the first place in all the 11 group and individual awards. In the

meter repair competition, the company's contestants scoops the top three places of group awards and top 15 places of the individual awards. 33 staff such as Ren Fangxiang from Liaohe Oilfield, Wang Xueying from Daqing Oilfield, and Dong Chuanwen from Huabei Oilfield won national May 1st Labor Medal, and 11 units of CNPC such as PetroChina Pipeline Company, Fuyu Oil Recovery Factory of Jilin Oilfield, and Construction Group of Daqing Oilfield Co., Ltd. won national May 1st Labor Award.

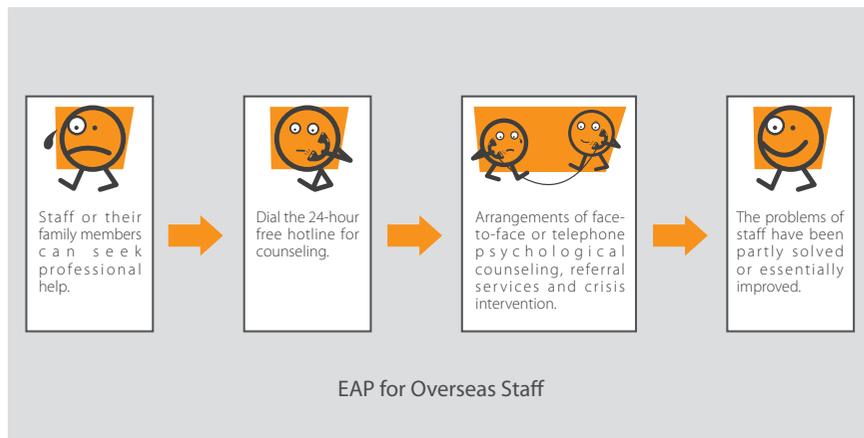
Occupational Health

CNPC places high premium on occupational health. We also scaled up efforts in occupational disease prevention and management, highlighting occupational health monitoring and treatment of workplace hazards, as evidenced by our

dedicated activity to control dust and highly toxic hazards. In 2009, we were invited to introduce our practices at the national occupational healthcare conference.

We promoted occupational health monitoring and detected hazards in workplace. Employees with exposure risks to dust, toxic substances and radiation received occupational health examination. The occupational health examination rate remained above 92%, and over 98% employees working on jobs involving radiation risks received health check. We also rediagnose employees with or suspected of occupational contradiction, and shift them to other jobs.

We attach great importance to health management of on-site workers. Therefore, resources had been put into healthcare



of employees working on pipelines, geophysical prospecting and engineering service. Occupational health evaluation is carried out prior to construction of project. We also sent teams to provide healthcare service and advice for frontline workers in oilfields, geophysical prospecting and pipelines construction. In the year, no major disease infection or food poisoning accidents were reported.

We also strengthened occupational health education and launched the "Occupational Disease Prevention Law Publicizing Week" campaign to improve employee awareness of occupational disease prevention. In the national occupational safety and health knowledge contest organized by State Administration of Work Safety, Ministry of Health and All China Federation of Trade Unions, more than 450,000 staff of the company's enterprises participated in the contest. 33 units including Daqing and Dagang oilfield won Excellence Award, with 11 staff winning organization awards and six winning individual awards.

We also care for employees' mental health. In 2009, we continued to implement Employee Assistance Program (EAP), providing mental health seminars and counseling for employees and their family members.

Mental Healthcare by Liaohe Oilfield

In recent years, Liaohe Oilfield has paid close attention to mental health of its staff. An EAP team was established and 255 employees were trained for psychological counselor and 59 as EAP manager.

The EAP team has proactively worked on mental health education through online columns, manuals and posts, and gave 64 lectures in the pilot units, attended by 6,800 people. In addition, they also sent out 8,000 questionnaires, to carry out psychological health and pressure investigation for the researchers, female employees, single employees, employees with children participating in college entrance examination, family members of overseas employees. 48 seminars were held on adaption to new working environment, emotion management, marital relations, and parenting & education. They also opened two hotlines, providing counseling service to 26 staff. The EAP by Liaohe Oilfield has improved the mental health for its employees.

Given the increasing security risks while our overseas business grows, we have established a package of security management standards, drawn up contingency response plans and distributed anti-terrorist manuals among employees. We also strengthen dynamic risk surveillance and assessment, as required by *Safety Risk Rating System for Overseas Projects*, improved risk early warning system, and established a coordination mechanism. In addition, we also increased employees' awareness through training and drilled them on how to respond to security emergencies.

Development of Petroleum Communities

Working in the petroleum industry is often tough, as most operation areas are located in saline-alkali wasteland, Gobi desert, where infrastructure is weak. To date back to the start of Chinese petroleum industry, we overcame many challenges and built bases, where our employee worked while their family members were developing and tilling the land to provide necessary supplies. This is how these petroleum communities came into being. Therefore, our affiliated enterprises now based there also are committed to building the communities. This is of significance to our business and the life of hundreds of thousands of local employee households, and the growth of the local economy. To this end, we have been supporting local infrastructure construction and enhancing the natural environment there.

In 2009, the management framework of communities had been established. We set up the management information system, which helped to improve efficiency. We also promoted the charged services and the building of energy-saving communities. Reforms on the charge system of water, power, gas, heating and property management fee were piloted in a number of subsidiaries, such as Changqing Oilfield.

Resettlement and Reconstruction

To facilitate the access to healthcare, education, employment and transportation, we resettled small bases with high operation cost or poor environmental conditions; and reconstructed the old bases to meet the needs of production and living. By the end of 2009, 74% of residences included in the resettlement and reconstruction plan had completed or commenced construction.



Various recreational and sports activities for employees



Harmonious and livable environment for employees at Daqing Oilfield

Enhanced Safety in Communities

In 2009, we launched the three-year safety and environmental protection campaign in our communities. In the year, we carried out 564 hidden risks treatment projects in the communities, including reconstruction of 187 boiler systems, replacing 329 km of heating pipelines, 41 km natural gas pipelines, 176 water supply pipelines and 75 sets of firefighting equipments, etc.

Building of Green Communities

We also take the initiative to improve the living environment of the residents, through landscaping and environmental protection. In 2009, 37.69% of the living quarters were landscaped. Our contribution to the public greening had been recognized by the competent authorities of the state and was honored China Eco-Contribution Award by National Afforestation Environmental Protection Commission, State Forestry Administration and China Green Foundation and Special Contribution Award by Oasis Action.

Assistance to Staff in Need

CNPC pays close attention to employees in need and provides them with support and timely assistance. We strive to ensure that all employee households can afford living, medical care and education.

In 2009, we strengthened the support and assistance to needy staff and further improved the funding mechanism which includes special funds by headquarter and voluntary contributions by the affiliated enterprises and employees.



4 Public Welfare

| Poverty Alleviation | Supporting Education | Overseas Communities Development
| Volunteer Activities | Advocacy for a Civilized Society | Support to Shanghai World Expo

The wealth of CNPC comes from society, and accordingly should be given back to society. While developing our core businesses, we pay close attention to promoting public welfare, poverty alleviation, rescue and relief efforts in disaster areas, supporting education, serving communities and promoting the prosperity of our host communities. We strive to develop harmonious relationships between our Company and host communities, and promote harmonious development of both the Company and society.



Public welfare investment by CNPC in 2009

Category	Program	Input (RMB)
Poverty alleviation	Poverty alleviation programs in Xinjiang and Henan	17,050,000
	Poverty alleviation programs in Tibet and Kai County of the Three Gorges Reservoir Region	22,680,000
	other areas	41,590,000
Supporting education	Construction of schools	96,360,000
	Assistantships	20,100,000
	Scholarships	8,340,000
	R&D by social institutions	150,000
Natural disaster relief	Major natural disaster relief	18,250,000
	Taiwan Typhoon disaster relief	10,000,000
Infrastructure construction	Construction of roads, bridges, channels and other infrastructure in host places	625,310,000
Public undertakings	Healthcare	24,250,000
	Culture	11,300,000
	Sports	22,960,000
Environmental protection	Community greening	223,090,000
	Tree planting	11,860,000
	Others	44,290,000
Total		1,197,580,000

Poverty Alleviation

By 2009, the Company had boasted 14 years of striving for poverty alleviation, 7 years of Tibetan development, and 12 years of CNPC-Three Gorges Reservoir Region migrant support. Building on our experience in previous poverty alleviation, the Company continued to explore new paths of poverty relief by combining the principles of “self-help poverty alleviation” and “development-oriented poverty alleviation”. Throughout 2009, the Company’s input into poverty alleviation was more than RMB 80 million. Indeed, over the years, substantial results have been achieved in significantly improving conditions in Tibet and the impoverished areas in the Three Gorges Reservoir Region.

On January 8, 2010, the State Council Leading Group, Office of Poverty Alleviation and Development sent a letter of appreciation to CNPC for its strong support to the socio-economic development of poor regions in the context of the global financial crisis and increasing difficulty of poverty alleviation, saying that CNPC had achieved outstanding results, played a exemplary role, and showed creativity in poverty alleviation.



Earthquake-resistant houses funded by CNPC in Jeminay County

Poverty Alleviation in Xinjiang

The Company proactively explored industry- and development-oriented poverty alleviation methods with a focus on capacity building in impoverished regions. In 2009, the Company invested RMB 10.45 million in six of some of the most impoverished counties of Tibet, resulting in seven poverty alleviation projects.

Settlement program: In 2009, the Company allocated RMB 4.3 million to complete the construction of 55 homes in Kezileya Village, Kufu Town, Toli County; 50 homes for pastoral peoples in Daliugou of Barkol County; and, 30 earthquake-resistant homes for people in Tuoputiereke Town of Jeminay County. Implementation of these projects helped, at an opportune time, these pastoral people fight against the heaviest and coldest snowstorm that had occurred in the past six decades.

Intellectual poverty alleviation: By the end of 2009, the Company had sent 87 people to help alleviate poverty in Xinjiang, bringing with them advanced concepts, ideas and management expertise which supported development of the assisted regions. The Company also helped develop local intellectual resources through supporting education and training local people. In 2009, the Company invested RMB 3.46 million in training 300 technical and 80 financial government officials at the county and township levels from the poor regions assisted by the Company.

Industrialization-based poverty alleviation: the Company proactively supported development of small- and medium-sized

businesses, increasing the income of the local people in the areas where the Company undertook activities. In 2009, the Company helped realize cooperation between the Xinjiang Guanghui Group and Kazakhstan TBM Company in bringing in Zaysan oil and gas resources, which is listed as a major energy project by the National Energy Administration and the Xinjiang Provincial Government. The livestock breeding center and cows to act as a breeding foundation, as well as the livestock farms built by the Company, together with other projects, have all become engines for economic growth that help local people break out of the cycle of poverty.

In-kind donations: the Company actively made donations to the regions it had been supporting. Throughout the year, the Company had made RMB 1,718,100 donations in-kind. The Company also spent RMB 99,000 subscribing to 500 copies of the Farmer's Daily in 8 poor counties.

Tibet Aid Program

The philosophy of the Company's aid to Tibet has been to be scientific and pragmatic. We overcame the abominable natural environment of Tibet and established a 6-tier management system composed of a steering group, steering group secretariat, project management, implementation, on-site inspection and supervision, and quality assurance. In 2009, the Company's focus evolved from project-based aid to a mix of technological and intellectual aid and

project-based aid, with preference given to the former.

For the 8 years since CNPC started its aid program in the Tibetan Shuanghua District, it cumulatively injected more than RMB 166 million into Tibet, and completed more than 60 aid projects, which fueled socio-economic development in the Shuanghu District and improvement of public welfares. The GDP of Shuanghu increased to RMB 210 million by the end of 2009, 3.76 times greater than before CNPC's arrival, and fiscal revenues rose to RMB 9.46 million, up 242%. The average annual income of local herders reached RMB 4,560, up 154%, ranking first among 11 counties and districts in Naqu District of Tibet.

Infrastructure construction: in 2009, the Company spent RMB 17.1 million on the implementation of eight aid projects such as settlement projects, photo-voltaic lighting projects, construction of township hospitals, village committees, development of a Naqu-based liaison office in Shuanghu, and construction of the Shuanghu Convention Center. Relying on the abundant local solar and wind energy, the Company built a hybrid wind-solar energy project, bringing light and heat to more than two thousand farming and herding households.

Medical assistance: building on the success of training over 40 medical people from the pastoral region, the Company devised a medical assistance plan under which a computerized, long-distance diagnostic system would be set up in the local area over three years, supported by the CNPC Central Hospital based in Langfang as the endpoint to improve local healthcare conditions. In 2009, the Company organized a medical team of four people to provide free medical service in Shuanghu, diagnosing more than 300 local patients.



Children from Hope Primary School in poverty-stricken area in Xinjiang

Intellectual aid: years ago, the Company created a training plan for managers and staff based in the Shuanghu District, which would be implemented and constantly improved. In 2009, the Company organized participants of the 8th session of the training program for managers in Shuanghu to go on a study tour of the interior, training 24

people. Such training broadened managers' view of the business and improved business competence.

CNPC has been highly recognized for its Tibetan aid. On August 9, 2009, Wu Yingjie, Executive Chairman and Member of the CPC Standing Committee of the Tibetan Autonomous Region, said, "CNPC's projects not only satisfy the needs of the Region, but also the needs of the people in Shuanghu. CNPC's strategy of enhancing technological and intellectual aid to Tibet is a breakthrough in Tibetan aid."

In November, 2009, CNPC's poverty alleviation efforts in one of the northern regions of Tibet were included in SASAC's 2009 Best Practices of Central Enterprises in Fulfilling Social Responsibility.

Supporting the Development of the Three Gorges Reservoir Region

Since 1996, in response to government policy, the Company increased its support to construction in the Three Gorges Reservoir Region, as evidenced by cash donation of RMB 33.23 million. As the region suffered from poor education and healthcare conditions as well as weak infrastructure, the Company worked on 12 projects that were urgently needed by the local people, benefiting more than 300,000 rural and urban residents. On March 31, 2009, Zhang Baoxin, Member of the CPC Leading Group of the State Council, Three Gorges Project Construction Committee Executive Office, said, "CNPC attaches great importance to support for migrants in the Three Gorges Reservoir Region. Their contribution goes beyond the donation of millions of RMB. It lies in addressing the root problems of the Region and bringing care and love to the people here, thus relieving government burden."

Poverty Alleviation for Other Regions

For many years, CNPC also made poverty alleviation efforts in other impoverished regions such as Henan, Sichuan, Chongqing, Gansu and Inner Mongolia.

The Company provided directed poverty alleviation support to Yumen City of Gansu Province. Between 2005 and 2007, the Company spent a total of RMB 34.6 million



The 8th session of the training program of CNPC for people serving in Shuanghu District

on assisting Yumen City to renovate its old downtown area, and in 2008, the Company allocated RMB 1.2 million in support of maintenance of infrastructure in old downtown area of Yumen City.

In 2009, the Company financed the construction of the traditional Chinese medical hospitals, training centers and one primary school in Taiqian and Fanxian Counties of Henan Province, benefiting 350,000 local people. The Company used its advantages in raw materials to help the Hengrun Petrochemical Company – a leading enterprise in Taiqian County of Henan Province – to accelerate development so as to increase the income of farmers. Thanks to such help, newly added output value of the Hengrun Petrochemical Company reached RMB 136.06 million; taxes paid amounted to RMB 10.64 million; and, 2,100 jobs were generated for local farmers, raising their average annual income by more than RMB 4,500. This local Company has now become a model in the Chinese concept of building a new countryside. In November 2009, after an inspection, Fan Xiaojian, head of the State Council Leading Group Office of Poverty Alleviation and Development, pointed out that CNPC's innovative practices in poverty alleviation should be assessed and promoted. In 2009, the Company was honored as an "Outstanding Work Unit of Poverty Alleviation in Henan Province".

Supporting Education

For many years, the Company had proactively made its contribution to China's education by means of establishing scholarships, assistantships, building Hope Project primary schools, and providing financial support to poor teachers and students. In 2009, our donation to education totaled RMB 124.95 million.

China Oasis Education Aid Action is a large-scale charitable campaign involving Chinese from every corner of the world to provide financial support and improve learning conditions for children in western desert and drought-affected regions. For many years, CNPC had been financially supportive of this campaign. In 2009, the Company again donated RMB 300,000 to Oasis Action, bringing its all-time, total cash donation up to RMB 1.1 million. The Company also funded education of children from eight provinces and regions such as Inner Mongolia, Shanxi and Qinhai, which suffered from desertification, and provided audio-visual teaching equipment to schools with poor infrastructure. In July 2009, the Company won the Oasis Action Award for Special Contribution, which was co-granted by the China Green Foundation, National Afforestation Environmental Protection Commission and The Chinese Educators Association of Macau.

Overseas Communities Development

CNPC strictly complies with international practices in overseas operations. We are committed to the economic and social development of local people in host countries on the principle of mutual benefit. In 2009, we invested RMB 290 million in poverty alleviation, construction of public utilities, healthcare and education.

Since the beginning of its business operations in Sudan, CNPC has been highly supportive of local socio-economic progress. In 2009, we built 13 schools, including primary schools, middle schools, and technical schools, and eight medical centers for local communities. Furthermore, the Company built and provided medical equipment to 13 medical organizations. Other support activities included construction of 48 km of paved roads, drilling of 30 wells, construction of three office buildings for local government, one cultural station, and a bridge. Examples

of agricultural and husbandry projects were development of over 6,070 hectares of farmland, and construction of a demonstration pasture and a veterinary station.

On November 19, 2009, CNPC agreed to cooperate with a Sudanese charity that assists mothers in poverty in Sudan. Under the agreement, CNPC will donate USD 1 million or an equivalent in Sudanese currency, on a yearly basis, to the charity for 3 consecutive years. The money will be used for general charitable programs, poverty alleviation, education, production and improving living conditions of the poor population. At least 50% of the fund will be used for charitable plans in the Darfur region.

In Kazakhstan, the CNPC AktobeMunaiGas allocated a total of USD 2,916,600 to support state projects such as social funds, orphanages, and institutions for those who

are physically and visually challenged. The Zhanazhol KC-13 Natural Gas Pipeline Project won a silver medal for best social project in the Republic of Kazakhstan. PetroKazakhstan (PK) was honored as the Best Railway Carrier by the Kazakhstan's Ministry of Transport and Communications for its significant contribution in ensuring the supply of refined products to the market. The ADM Company donated RMB 470,000 to finance education of 60 college students in Kazakhstan, and spent RMB 650,000 funding further education for eight Kazakhstani college students in China.

Cassava Planting and Processing Project for Venezuelan Aboriginal People

Located in Anzoátegui, Venezuela, Caico Seco village has a population of around 200 Aboriginal people. Due to natural conditions and historical reasons, this place was the poorest community within a radius of hundreds of kilometers. Four years ago, the village did not even have tap water. After CNPC began business operations in this area, the Company dug wells for local people and solved their drinking water problem.

Cassava bread is the staple food in this region, and although the village had the tradition of planting cassava, the agricultural scale remained small for financial and technical reasons. In 2005, the Company invited agricultural experts from the Guangxi Academy of Agricultural Sciences to assess the region in terms of natural environment, soil, labor capacity and skills and decided to develop a cassava plantation and processing project. In 2007, the Company set up a joint venture with



Venezuela and expanded the cassava plantation to 30 hectares. The Company also invited Chinese agricultural experts to apply Chinese cassava breeding techniques to improve strains and quality of local cassava in order to increase output. Furthermore, the number of processing units had risen to 13, creating 26 jobs for the people of Caico Seco. In 2009, the processing plant had become the largest cassava processing plant in Anzoátegui State, producing 1600 pieces of cassava bread daily (with total capacity of 3,000 pieces per day), generating revenues of USD 35,000 a year. This income has not only improved local people's living standards, but generated more development opportunities through expansion of production scale.

Volunteer Activities

The Company's staff has taken the initiative to give back to society, and their persistent efforts in environmental protection, assistance to disadvantaged groups, and support of community development encouraged volunteerism. In 2009, CNPC recorded 140,886 people taking part in volunteer activities, and benefited more than 600,000.

Community Services

Community service by young volunteers is becoming increasingly intensive, extensive and common to see. With the acceleration in the aging of the population, more and more elderly people are left alone at home. The Company's volunteers bring love and warmth to these lonely old people through various activities. In 2009, Liaohe Oilfield's volunteers conducted a family census of windowed elderly people in the mining area, and developed one-to-one assistance relationships with them. During important festivals, the volunteers go to visit these widowed elders. Volunteers kept records of these old people's lives, and distributed convenience cards to them. The volunteers call monthly to check in on their lives, repair household appliances when necessary, deliver goods to their doors, wash their clothes, clean their house, and other housework. Their on-call service has brought comfort and convenience to these retirees.



The young volunteers from CNPC BGP Staff Hospital are actively involved in community activities

Children are the future of the nation. The volunteers promoted the concept of "Guaranteeing the Future of the Company through Care for Children" during the Children's Day (June 1). They did a lot of voluntary work for children, such as repairing toys for kindergartens and primary schools, mending chairs and desks as well as small facilities – all activities that were highly applauded by parents of the children. The volunteers from CNPC BGP showed support for the development of children who have parents in prison, and built a relationship with the Beijing Sun Village Research Institute for Helping Special Children. Apart from this, they paid regular visits to these children, studying and playing with them together, in attempt to reach their hearts through games and study, and give them the feeling of being cared for.

Community Beautification

Our volunteers have beautified their homes by planting trees, removing garbage, distributing flyers and other activities. Every March, Youth volunteers from Qinhai Oilfield undertake a campaign called "Civilized Youth Month" with the theme of "Learning from Lei Feng" and "Influence others by showing your love and civility". All these volunteers went out onto streets and into homes of residents to provide volunteer service such as cleanup and removal of garbage. This campaign is always well received by the local residents.

Advocacy for a Civilized Society

The Daqing Spirit and Iron Man Spirit do not just represent the corporate spirit of CNPC, but are also a kind of intangible wealth created by CNPC. While promoting our tradition of corporate responsibility, the Company also advocated civility throughout society by various programs.

Entrepreneurship Education Centers

Over the past several decades, CNPC has accumulated precious intangible wealth. To promote Chinese traditional virtues, the Company, supported by its own resources and technological strengths, successively completed more than 20 corporate culture and entrepreneurship education projects such as the Iron Man Wang Jinxi Museum, Daqing Oilfield History Gallery, Daqing Oilfield Science and Technology Museum, Liaohe Oilfield Science and Technology Museum, Tarim Petroleum Exhibition Center and Petroleum Pipeline Museum, making these places important platforms in which to record history, pass on traditions, promote entrepreneurship, and disseminate knowledge of science and technology. Completion of these facilities is also an effort to preserve intangible heritage of the Company in a timely and complete fashion.

These facilities have been designed to share the knowledge, information and spiritual wealth of the oil industry with the public. In 2009, the Iron Man Wang Jinxi Museum and Daqing Oilfield History Gallery received 1.46 million visitors, and they have become an important showcase of Daqing Spirit, educate the public through the history and culture of China's oil industry and to promote patriotic education.

Selection of Hero Drivers

In China, there are 184 million motor vehicle driving license holders. As drivers become increasingly mobile, they have more chances of encountering public security incidents, which in turn give them opportunities to contribute to the safeguarding of public security. The 17,262 service stations located across the country refuel 5 million vehicles every day, and have built close relationships with the overwhelming majority of drivers.

Since 2004, in cooperation with the China Foundation for Justice and Courage, the Company has held the Kunlun Lubricant Awards for National Top 10 Hero Drivers. In June 2009, the Company provided RMB 2.8 million for awards and organization of

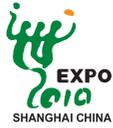
the selection process. Selection covered 31 provinces, regions, municipalities, and the Xinjiang Production and Construction Corps, and was the most extensive selection process in the 6 years since its launch, totaling 8.5 million votes. Ten drivers such as Chen Liwen were honored as National Top 10 Hero Drivers at the 6th Kunlun Lubricant Awards, and another 40 drivers were honored as National Hero Drivers at this event. The Company provided RMB 30,000 to each Top 10 winner, and RMB 10,000 to each of the 40 national hero drivers to honor their bravery and courage. The event also granted 20 City Awards, 10 Organization Awards and 10 Corporate Awards.

CNPC's Kunlun Lubricant Awards for the National Top 10 Hero Drivers has become a widely influential public event, with increasing participation from governments of various places as well as the general public. In these 6 years, 304 drivers have been granted such honors, setting an example for the whole society and playing an important role in advocating cultured and harmonious social development.



Ceremony of the 6th Kunlun Lubricant Awards for National Top 10 Hero Drivers

Support to Shanghai World Expo



中国2010年上海世博会全球合作伙伴
Global Partner of Expo 2010 Shanghai China

After being a major partner of the 2008 Beijing Olympics, CNPC became the global partner of the 2010 Shanghai World Expo on August 5, 2008, and participates in the World Expo in dual roles of sponsor and exhibitor.

To provide excellent service for this historic event, the Company made full use of its strengths in terms of investment, technology, products and service to improve the fuel sales network in Shanghai and develop natural gas pipelines and logistics facilities so that the Company can provide oil & gas products and high-quality services. The Company exclusively provides fuel to 1,000 dedicated vehicles for the Shanghai World Expo, and drivers holding fuel cards issued by CNPC for the Expo can go to designated gas station for refueling. At the same time, the Company will also provide fuel to other vehicles such as public buses and taxis during the Expo.

In response to the 2010 Shanghai World Expo theme, "Better City, Better Life", the Company proactively advocated energy conservation, environmental protection and emissions reduction in 2009. The Company also established the "CNPC World Expo City Star" contest, where inventors of energy-saving technologies and products from across the country were granted the title of "CNPC World Expo Energy-saving Masters". The Company also organized the CNPC Energy Conservation and Environmental Protection Knowledge Contest, targeting the general public and students from primary and middle schools, among whom 100 citizens and 100 students under 18 were rewarded as CNPC World Expo City Star.

CNPC Shanghai IV Standard Refined Products in Service for the World Expo

To show our support to the 2010 Shanghai World Expo, fuels like gasoline & diesel etc. for automobiles in Shanghai adopted the Shanghai IV fuel quality standard beginning in November 1, 2009. To ensure a stable supply of refined oil product to Shanghai, the CNPC Dalian Petrochemical Company, beginning in July 2009, began R&D on Shanghai IV standard-compliant fuel, and successfully developed compliant gasoline and diesel through technological innovation and improved processes by August. On September 21, the first batch of Shanghai IV 93# gasoline, weighing in at 4,800 tons, was transported to Shanghai. In 2009, the CNPC Dalian Petrochemical Company supplied 100,400 tons of Shanghai IV compliant gasoline, and 85,800 tons of Shanghai IV compliant diesel to Shanghai.





Looking to 2010

2010 is the last year of the 11th National Five-year Plan. We are now in the strategic stage of transforming into an integrated international energy company, which will fulfill its economic, environmental and social responsibilities through scientific, socially responsible and environmentally responsible development. In this year, the Company will closely follow market forces, increase profitability through quality improvement, balance production, transportation, sales and inventories, strengthen coordination between domestic and international resources and markets, enhance independent innovation, solidify a foundation for corporate governance, and achieve sound and rapid development of the Company so that the Company can make its contribution to safeguarding national energy security and supporting national economic development.



The Company will continue to increase reserves, and continue to seek improvement in size, profitability and rationality of exploration in a bid to maintain an oil reserve replacement ratio above 1, and natural gas reserve replacement ratio above 3. The Company will try to increase the output of individual wells and better coordinate the development of oil & gas fields.

The Company will promote redeployment and strategic restructuring of its refining businesses to optimize overall refining operations, maintain the processing load at a reasonable level and organize the maintenance cycle of existing equipment and operation of newly installed equipment in an orderly fashion. The Company will accelerate quality improvement of refined products so that in 2011 all diesel can reach the National GBIII standard, and adequately supply refined products to the Shanghai World Expo and Guangzhou Asian Games.

CNPC will proactively promote the construction of strategic oil & gas channels and trunk pipelines to maintain sustained and rapid growth of the natural gas business. The natural gas sales unit will closely

monitor changes in consumer needs and enhance management to ensure secure and stable natural gas supply to civilians, public utilities, and major industrial consumers. The Company will also build its natural gas peak shaving capacity and emergency planning, and develop diversified methods of peak shaving such as underground natural storage, gas fields, LNG, and demand-side management projects.

We will implement newly contracted major projects through international oil & gas cooperation, continue the exploration and development of existing projects, and enhance the role of international trade in regulating supply. Meanwhile, the Company will also need to expand international trade, on the preconditions of risk management, to improve its capability in the efficient and effective allocation of resources globally.

The Company will actively adapt to new needs presented by socio-economic development, attaching equal importance to resource conservation and emissions reduction, increase comprehensive utilization of resources, strengthen ecological and environmental protection, and develop

the circular economy and non-traditional forms of energy. Safety and environmental protection will improve and major safety and environmental accidents will be avoided; furthermore, all the pollutants must meet their respective standards.

The Company will further implement the Four Major Talent Training Programs which will respectively develop: a management team that can lead to the scientific development of the Company; a technically proficient and independently innovative team; a professional frontline team that is operationally skilled; and, a team that can completely meet the demands of overseas business development.

The company will continue to accelerate resettlement in remote communities, reconstruction of dilapidated houses and shanty towns, intensify control of safety and environmental risks in drilling areas, improve healthcare facilities and functions of service stations in drilling areas, enhance health insurance and enterprise annuity systems, monitor physical and mental health of the staff, and realize all the initiatives that can improve public welfare.

Social Recognition

April

April 12: the Company was granted a China Ecological Contribution Award by the National Afforestation Committee, State Forestry Administration and China Green Foundation.

June

June 2: CNPC BGP Company was given an A rating by Chevron for its continued commitment to workplace safety. No accidents had occurred in 1.5 million working hours of operation in its cooperation with Chevron.

July

July 20: CNPC was granted an "Oasis Action" Special Contribution Award by the China Green Foundation, National Afforestation Committee, Chinese Educators Association of Macao, the Beijing Radio Station and China Children Press. Oasis Action is a large-scale charitable campaign involving Chinese individuals from around the world that provides financial support to children and improves teaching conditions for schools in China's western regions which currently suffer from desertification, drought and poverty.

July: CNPC's Jilin Oilfield and Xinjiang Oilfield companies were granted a "China Outstanding Charitable Enterprise" Award by the China Charity Federation.

August

The Oilfield Affairs Department of CNPC Changqing Oilfield was granted the "Package of Love" Outstanding Contribution Award by the China Foundation for Poverty Alleviation.

China Petroleum Engineering & Construction Corporation was listed by *Engineering News Record* as one of the world's top 225 international contractors and top 200 international design firms.

September

PetroKazakhstan (PK) was honored by Kazakhstan's Ministry of Transport and Communications as "Best Railway Carrier" for its outstanding, long-term organization and coordination of refined products transportation in Kazakhstan, which ensured oil and refined product supply to society. This is the highest honor granted in Kazakhstan's transportation sector.

CNPC AktobeMunaiGas won the 2009 silver medal in the "Best Social Project" category of the Kazakhstan Corporate Social Responsibility competition for its Zhanazhol-KC 13 pipeline project.

CNPC staff members, Wang Jinxi, Wang Qimin and Qin Wengui were voted as three of the Top 100 Nationally Inspirational Figures since the establishment of the PRC.

October

PK was granted the Golden Prometheus National Award. This award is the highest honor in the Kazakh oil industry for environmental protection.

November

On November 3, CNPC's poverty alleviation efforts in the northern Tibet were included in SASAC's 2009 Best Practices of Central Enterprises in Fulfilling Social Responsibility.

China Petroleum Engineering & Construction Corporation was listed as a Chinese Top 60 Contractor and Design Firm, and was granted the China Luban Prize for Architectural Engineering.



December

Xu Keqiang, General Manager of CNPC AktobeMunaiGas, was granted the Second-class Friendship Medal by President Nursultan Nazarbayev of Kazakhstan, in recognition of his unrivalled contribution in building bilateral friendship and cooperation between the Company and Kazakhstan, and supporting the socio-economic development of Kazakhstan.

On December 23, the National Energy Administration under the National Development and Reform Commission sent a letter of thanks to CNPC, showing its gratitude to the Company for its efforts in dealing with the financial crisis, increasing investment in energy infrastructure, adjusting energy structure, expanding international energy cooperation and accelerating energy technological innovation.

In 2009, the CNPC Textile Industrial Engineering Institute was honored with recognition as a Top 10 Engineering Contractor and National Outstanding Organization of Standardized Engineering and Construction at the 60th anniversary of the foundation of the People's Republic of China.

In 2009, the CNPC Baoji Oilfield Machinery Company was ranked as a Top 500 Machinery Company in China for its 7th year in a row, and Top 500 Manufacturing Company in China for its second consecutive year.

January 2010

January 7 – CNPC was rated first by Southern Weekend as the Best Economically Responsible Listed State-owned Enterprise in China and Best Socially Responsible Listed State-owned Enterprise in China.

January 11 – the CPC Central Committee and State Council held a National Science and Technology Award Conference in Beijing, at which CNPC won nine awards.

Performance Data

Performance indicators	2005	2006	2007	2008	2009
Finances and operations					
Total assets (RMB billion)	1,160.2	1,409.0	1,599.0	1,805.4	2,221.4
Owner's equity (RMB billion)	747.5	872.7	1,035.8	1,139.5	1,269.5
Sales revenues (RMB billion)	693.7	868.5	1,000.7	1,275.7	1,218.3
Taxes payable (RMB billion)	133.6	178.9	198.5	244.9	234.8
Crude oil production (including overseas equity output) (million metric tons)	125.98	134.71	137.62	138.75	137.45
Natural gas production (including overseas equity output) (billion cubic meters)	39.6	48.0	57.8	66.4	73.8
Crude runs (including overseas) (million metric tons)	115.41	124.07	130.88	134.47	134.42
Refined products output (million metric tons)	74.37	78.69	82.76	85.12	86.424
Ethylene output (million metric tons)	1.89	2.07	2.58	2.68	2.99
Lubricant output (million metric tons)	1.53	1.49	1.76	1.77	1.40
Sales volume of refined products (domestic) (million metric tons)	71.855	75.224	82.795	82.931	88.745
Number of service stations (domestic)	18,164	18,207	18,648	17,456	17,262
Length of crude pipelines (km)	9,391	9,816	12,463	12,931	13,189
Length of refined products pipelines (km)	2,462	4,311	4,622	4,610	8,868
Length of natural gas pipelines (km)	20,340	21,138	22,231	24,225	28,595
Safety					
Total number of accidents	174	163	137	97	92
Fatality rate per thousand in accidents (‰)	0.0291	0.0260	0.0206	0.0169	0.0177
Fatality rate per thousand vehicles in traffic accidents (‰)	0.2731	0.2255	0.4111	0.1910	0.0755
Environment					
Oil pollutants in wastewater (metric ton)	1,552	1,458	1,215	1,068	839
COD emissions in wastewater (metric ton)	32,282	30,314	27,342	24,991	21,490
SO ₂ emissions in waste gas (million metric tons)	0.1709	0.1665	0.1717	0.1621	0.1489
Energy saved (million metric tons of standard coal)	—	1.61	2.15	1.92	1.82
Water saved (million cubic meters)	—	87.17	71.43	63.88	41.60
Land saved (hectares)	—	450	500	717.3	898
Staff					
Number of employees in service (million)	—	1.589	1.624	1.593	1.585
Occupational health examination ratio (‰)	—	95.9	92	93	92
Public welfare investment					
Poverty alleviation in Xinjiang and Tibet (RMB million)	—	—	36.87	38.83	27.55
Disaster-relief (RMB million)	—	—	121.24	380.06	28.25
Education (RMB million)	—	—	89.24	139.11	124.95
Total Contribution (RMB million)	—	436.17	1,031.80	1,293.38	1,197.58

Glossary

Proven reserves	According to China National Standards, proven reserves are estimated quantities of hydrocarbon deposits possibly to be recovered from reservoirs proved by appraisal drilling during the period of reservoir evaluation, with a reasonable certainty or a relative difference of no more than $\pm 20\%$.
Tertiary recovery	Tertiary recovery is also called enhanced oil recovery and it is abbreviated as EOR. It is a method to increase the recovery of crude oil by injecting fluid or heat to physically or chemically alter the oil viscosity or the interfacial tension between the oil and other medium in the formation, in order to displace any discontinuous or hard-to-tap oil in reservoirs. EOR methods mainly include thermal recovery, chemical flooding and miscible flooding.
Reserve replacement ratio	The reserve replacement ratio refers to the value of the amount of oil and gas reserves added in a year divided by the amount of oil and gas produced during that same year.
Recovery ratio	The percentage of oil/gas in place that is recoverable from underground.
Horizontal well	A class of nonvertical wells where the wellbore axis is near horizontal (within approximately ten degrees of the horizontal), or fluctuating above and below 90 degrees deviation. A horizontal well may produce at rates several times greater than a vertical well, enhance recovery efficiency and prolong the production cycle, due to the increased wellbore surface area within the producing interval. Meanwhile, the environmental costs or land use problems that may pertain in some situations, such as the aggregate surface "footprint" of an oil or gas recovery operation, can be reduced by the use of horizontal wells.
Liquefied natural gas (LNG)	Liquid Natural Gas is produced by dewatering, deacidifying, dehydrating and fractionating the natural gas produced from a gas field and then turning it into liquid under low temperatures and high pressure.
New energy	New energy refers to unconventional energy and renewable energies, mainly including CBM, shale gas, oil sands, oil shale, fuel ethanol, biodiesel, geothermal energy, wind energy, solar energy, hydrogen energy, water-soluble gas and NGH.
Low-carbon economy	Low-carbon economy is an economic development model characterized by low energy consumption, low pollution and low emissions. Its essence is efficient energy consumption, development of clean energy and pursuit of green GDP. The core of this model is optimization of industrial structure, low-carbon technology and institutional innovation. Low-carbon economy is developed by means of energy conservation, emissions reduction and development of clean energy.
Greenhouse gas (GHG)	Greenhouse gases are gases in an atmosphere that absorb solar radiation from surface and then emit radiation, such as water vapor, CO ₂ , and most refrigerants. Their effect is getting the earth surface warmer, as the greenhouse sequesters solar radiation and increases the temperature of the air in the greenhouse. This effect is called "greenhouse effect". Greenhouse gases in the earth atmosphere mainly include CO ₂ , CH ₄ , N ₂ O, HFCS, PFCS and SF ₆ .
Carbon sequestration	Also refers to carbon sink. It is the process, activity and mechanism to remove carbon dioxide from the air. Generally, it indicates the capability of forests to absorb and store carbon dioxide. Carbon dioxide in the atmosphere is artificially sequestered in biological forms in plants and the soil through forestation, forest management, and other forest carbon sequestration measures.
HSE	HSE is the acronym of the health, safety and environment management system. HSE management system is an integration of various elements such as organizational structures, mandates, practices, procedures, processes and resources used for health, safety and environment management. The advanced, scientific and systematic integration and operation of these elements creates the mutually reinforcing, supportive and interactive and dynamic management system.
Oils (mineral oil)	Compounds of hydrocarbons in wastewater. These include all substances collected by certain solvents, as well as all substances extracted by solvents from acidified samples, which remained fixed during the extracting process.
Chemical oxygen demand (COD)	Chemical Oxygen Demand is the quantity of strong oxidant consumed to process water samples. It serves as a comprehensive index of pollutants in wastewater and their impact on the environment. A higher COD represents the heavier pollution of reductive substances in the water body.
Major accident	Major accidents refer to accidents that cause deaths above 10 but below 30, or grievous harm of people numbered above 50 but below 100, or economic loss worth above RMB 50 million but below RMB 100 million.
Occupational disease	A disease or ailment caused due to excessive exposure to noxious fumes or substances in a working environment.

Occupational health surveillance	A series of health examinations for professionals in an industry aimed at preventing occupational health threats and improving the health of employees. Occupational health surveillance includes occupational health checks, management of occupational health archives, etc.
Occupational health examination	Physical examination of workers exposed to occupational health threats. Items and frequency of checks should be determined by the category of health threats, and by stipulations in the Items and Frequencies of Occupational Health Checks. These include checks before, during and at the end of a worker's assignment, as well as emergency checks.
Occupational health examination ratio	The annual ratio between the number of workers exposed to occupational threats who have taken occupational health checks and the total number of workers who should receive such checks.
Stakeholders	Stakeholders are groups and individuals that are able to impact accomplishment of the corporate goals, or groups and individuals that are impacted by the corporate goals, including natural environment, human descendants, non-human species that are directly or indirectly affected by the corporate business activities.
Community	A community is an administrative jurisdiction within which a group of people live in a fixed geographical area, fulfilling their social functions and creating social norms. It is at the same administrative level as the administrative village.

Index of Global Reporting Initiative (GRI) and International Petroleum Industry Environmental Conservation Association/ American Petroleum Institute (IPIECA/API)

No.	IPIECA/ API	GRI	Contents	Page and place in the report
Strategy and Analysis				
1		1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	P2-5, 11-12, 24, 34, 42, 50-51
2		1.2	Description of key impacts, risks, and opportunities.	P2-3, 10, 50-51
Organizational Profile				
3		2.1	Name of the organization.	Cover, P4
4		2.2	Primary brands, products, and/or services.	P4
5		2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	P5
6		2.4	Location of organization's headquarters.	Cover
7		2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	P17-19, 30-31, 46
8		2.6	Nature of ownership and legal form.	P4-5
9		2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P14-23
10		2.8	Scale of the reporting organization	P4
11		2.9	Significant changes during the reporting period regarding size, structure, or ownership	P4-5
12		2.10	Awards received in the reporting period.	P16, 31, 41, 43, 45-46, 52-53
Report Parameters				
13		3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Cover
14		3.2	Date of most recent previous report (if any).	Cover
15		3.3	Reporting cycle (annual, biennial, etc.)	Cover
16		3.4	Contact point for questions regarding the report or its contents.	Cover
17		3.5	Process for defining report content	Cover

No.	IPIECA/ API	GRI	Contents	Page and place in the report
18		3.6	Boundary of the report. See GRI Boundary Protocol for further guidance.	Cover
19		3.7	State any specific limitations on the scope or boundary of the report.	Cover
20		3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Cover
21		3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Cover
22		3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	
23		3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Cover, P56-60
24		3.12	Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found.	Cover, P56-60
25		3.13	Policy and current practice with regard to seeking external assurance for the report.	Cover
Governance, Commitments, and Engagement				
26		4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	P5
27		4.2	Indicate whether the Chair of the highest governance body is also an executive officer	P5
28		4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	
29		4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	P5
30		4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	P5
31		4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	P5
32		4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	P5
33	ENV-6	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	P5
34		4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	P5
35		4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	P5
36		4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	P5
37		4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	P5
38		4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Cover, P11
39		4.14	List of stakeholder groups engaged by the organization.	P11
40		4.15	Basis for identification and selection of stakeholders with whom to engage.	P11
41		4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P11
42		4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P11

No.	IPECA/ API	GRI	Contents	Page and place in the report
Economic Performance Indicators				
43	ECO-1	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	P6, 35, 43-49, 54
44		EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	P3, 10, 50
45	ECO-A2	EC3	Coverage of the organization's defined benefit plan obligations.	P3, 35
46		EC4	Significant financial assistance received from government.	P5
47	ECO-A2	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	P35
48	ECO-1	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	P46
49		EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	P36
50		EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	P43-49, 54
51		EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	P2-3, 6-7, 13-23
Environmental Performance Indicators				
52		EN1	Materials used by weight or volume.	
53		EN2	Percentage of materials used that are recycled input materials.	P17, 28
54	ENV-5	EN3	Direct energy consumption by primary energy source.	P2, 25-27
55	ENV-5	EN4	Indirect energy consumption by primary source.	
56		EN5	Energy saved due to conservation and efficiency improvements.	P2, 25-27
57		EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	P25-27
58		EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	P25-27
59	ENV-A7	EN8	Total water withdrawal by source.	P27
60		EN9	Water sources significantly affected by withdrawal of water.	
61		EN10	Percentage and total volume of water recycled and reused.	P25, 27
62	ENV-9	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	P30-31
63	ENV-9	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	P31
64	ENV-A9	EN13	Habitats protected or restored.	P31
65		EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	P2, 30, 51
66		EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	
67		EN16	Total direct and indirect greenhouse gas emissions by weight.	P28-29, 54
68	ENV-3	EN17	Other relevant indirect greenhouse gas emissions by weight.	P28-29, 54
69	ENV-3	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	P28-29, 54
70		EN19	Emissions of ozone-depleting substances by weight.	
71	ENV-4/A6	EN20	NO, SO, and other significant air emissions by type and weight.	P54
72	ENV-A6	EN21	Total water discharge by quality and destination.	P25-27
73		EN22	Total weight of waste by type and disposal method.	
74	ENV-1/A1	EN23	Total number and volume of significant spills.	P30
75		EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	

No.	IPECA/ API	GRI	Contents	Page and place in the report
76		EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff .	P30-31
77		EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P2-3, 20-31
78		EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	
79		EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	
80		EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	P30
81		EN30	Total environmental protection expenditures and investments by type.	P30
Social Performance Indicators				
Labor Practices and Decent Work				
82		LA1	Total workforce by employment type, employment contract, and region.	P35, 54
83		LA2	Total number and rate of employee turnover by age group, gender, and region.	
84		LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	
85		LA4	Percentage of employees covered by collective bargaining agreements.	P35
86		LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	
87	H&S-1	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	P38-39
88	H&S-4	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	P2, 7, 32, 38, 54
89		LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P39-40
90	SOC-9	LA9	Health and safety topics covered in formal agreements with trade unions.	P39-40
91		LA10	Average hours of training per year per employee by employee category.	P37
92	SOC-5	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	P36-37
93		LA12	Percentage of employees receiving regular performance and career development reviews.	P37
94		LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	P36-37
95		LA14	Ratio of basic salary of men to women by employee category.	P35
Human Rights				
96	SOC-1	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	
97	SOC-1	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	
98	SOC-5	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	
99	SOC-4	HR4	Total number of incidents of discrimination and actions taken.	P35
100		HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	P35
101		HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	P35
102		HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	P38-39
103	SOC-5	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	P35
104		HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	P35

No.	IPECA/ API	GRI	Contents	Page and place in the report
Society				
105	SOC-8	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	P42-49
106		SO2	Percentage and total number of business units analyzed for risks related to corruption.	P5
107		SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	P5
108	SOC-2	SO4	Actions taken in response to incidents of corruption.	P5
109		SO5	Public policy positions and participation in public policy development and lobbying.	P5
110		SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	
111		SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	P5
112		SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	
Product Responsibility				
113	H&S-5	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	P15, 25
114	H&S-5	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	P2-3, 30-33
115		PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	P15
116		PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	
117		PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	P52-53
118		PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	P5
119		PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	
120		PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
121		PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	

Contact us

Rm C1211, General Office, CNPC
Address: 9 Dongzhimen North Street, Dongcheng
District, Beijing 100007, P.R.China
Tel: +86 (0) 10 59984395
Fax: +86 (0) 10 62095200
Email: csr@cnpc.com.cn

www.cnpc.com.cn