

KPO takes top honour at BG Chairman's Awards 2008

KPO took the top honours at the annual BG Group Chairman's Awards ceremony collecting three winning awards – a first for KPO. The Chairman's Awards recognise excellence in health and safety, environmental management and corporate responsibility. This year BG received 137 entries in the nine categories, as well as 22 entries for the new Asset Integrity category.

The official ceremony was held at Blenheim Palace, Woodstock in Oxfordshire on Wednesday, 30 April. From a total of nine categories, Karachaganak had winning submissions in three – an excellent achievement. The Award

Best Practice.

KPO's entry took an innovative approach to ensuring that the elements needed to safeguard long term asset integrity management in the Train Four development at Karachaganak were incorporated right from the conceptual phase of the project.

Partner Safety Performance Winner: SaiPar Drilling Company B.V. Karachaganak Project.

This award acknowledges the outstanding safety performance of the three rig crews and drilling camp operatives from SaiPar who, between them, recorded a total of 3.38 million hours worked in



winner were welcomed and announced by BG Group Chairman, Sir Robert Wilson. BG Group, one of the four partners in the Karachaganak venture, selected the Karachaganak nominations in the following categories:

Asset Integrity

Winner: Karachaganak Petroleum Operating B.V. – Enhancing Asset Integrity Through Maximising

2007 without recordable incident. This achievement is all the more remarkable for being delivered in sometimes extreme climatic conditions and while successfully implementing an accelerated well operations programme.

Social Performance

Winner: Karachaganak Petroleum Operating B.V.-Phase 3 – Environmental and Social Impact

Assessment: Working Together to Deliver Mutual Benefits.

It was regarded as the best example of an environmental and social impact assessment (ESIA) in BG Group to date. KPO Phase 3 has committed to international standards and undertaken to do an internationally recognised ESIA, which goes beyond the regulatory requirements in Kazakhstan. The ESIA assessment underpins broader social performance and sustainable development planning, with rigorous baseline assessment, effective due diligence, thorough stakeholder engagement and a

multi-layered governance system, all supported by significant senior management commitment. The next challenge will be to strengthen these relationships during the implementation phase.

KPO General Director Roger Fox congratulated KPO teams for their success at the BG Chairman's Awards and thanked them all for the submitted nominations for the Awards. "There are a lot of excellent initiatives within KPO and I am hopeful we will be even more successful next year", said Roger.

Lewis Affleck, BG Kazakhstan Asset General Manager also

congratulated KPO for this an outstanding achievement saying: "I would ask you to join with me in congratulating all those involved in making it happen. It demonstrates to our colleagues elsewhere in BG Group a taste of the challenges we face in KPO, and how proficiently and expertly we are meeting them. My congratulations to you all."

KPO team with BG Group Chairman, Sir Robert Wilson. Tatyana Fomenko with Sir Robert Wilson



Design Phase of the SAP project officially commenced



KPO Services Director Colin Orr Burns

According to KPO Services Director Colin Orr Burns, the Blue Print / Design Phase of the SAP project has officially commenced with the arrival last week of ENI's System Integration Team. The intention of this phase is to deliver a detailed description of KPO's business processes and system requirements and develop a System prototype. It will be followed around the end of this year by the Functional Development Phase. The team used this visit to outline how they plan to approach the project and as an opportunity start collecting

data for this project.

After a kick-off meeting with KPO management, the team held interviews with representatives of various KPO departments including Finance, C&P, Human Resources, Project Services, Plant Maintenance, Marketing and the Warehouse.

The information collected from these various departments will help define the next steps and also assess the effort required for the Blue Print / Design Phase. It will also help the SAP team to identify the eventual overall scope and timing of the project. The next visit of the ENI implementation team is scheduled for June.

As a reminder, SAP provides integrated software solutions for businesses to help them operate more efficiently and allow them to manage their business processes on an integrated, company-wide basis. As KPO evolves, so too does its need for management processes and systems, like SAP, which support the whole business in a coherent and coordinated fashion.



KPA celebrates its 10th Anniversary

On 15 May, Kazakhstan Petroleum Association (KPA) hosted a State Reception in Astana dedicated to its 10th Anniversary.

Among the guests invited to the reception were high-ranking officials of Kazakhstan Parliament, the Presidential Administration and the Chancellery of the Prime-Minister. Representatives from various Ministries were also in attendance including the Ministry of Energy & Mineral Resources, Industry & Trade, Environmental Protection, Economy & Budget Planning. There were also a number of guests from the local business community and the Kazakhstan petroleum industry.

The Chairman of the KPA Board, Nurzhan Kamalov, welcomed the guests and expressed his gratitude to state bodies of Kazakhstan and representatives of diplomatic missions for their active cooperation and support, which has enabled the Association to work in the most productive way. Mr. Kamalov also briefed guests on KPA activities. "KPA is a first-rate association in the petroleum industry of Kazakhstan, uniting



KPA State Reception in Astana

over 60 Kazakhstani and foreign companies from 20 countries, which are involved in the exploration and production of hydrocarbons as well as in the supporting service sector. The consolidated role of KPA in the development of the petroleum industry is widely recognized in Kazakhstan. Presenting interests of its members KPA creates a reliable basis for their business by working on solutions which are to the benefit of all interested parties",

said Nurzhan Kamalov.

The organization was initially started out as an informal monthly meeting of interested oil and gas companies working in Kazakhstan, and then this forum was officially registered in the Amsterdam Chamber of Commerce on 9 December 1997. However, the official birthday of the Association is 6 February 1998, when the KPA opened its representative office in Almaty.

KPO holds joint exercise at Unit-3 testing site

On 25 April KPO Well Operations Department along with blow-out prevention service "Ak Beren" and Fire-Fighting Services JSC "Ort Sondurushy" (KPO contractors), held a joint emergency exercise which took place at the testing site of Unit-3. All KPO emergency response and rescue services also took part.

The emergency exercise was attended by the various observers, who represented WKO Emergency Situations Department, the Fire Department, State Emergency Response and Rescue Department Branch, and the Burlin district Akimat (local governor's office).



According to the organisers of the emergency exercise, the main purpose of the exercise was to check the efficiency of communications systems and the performance of the incident management team as well as the mobilisation, deployment and actions of Emergency Rescue Services and Fire Fighting Teams. Most importantly however, it was an opportunity to practice the skills required by the "Ak Beren" team on blow-out response and to check the fire-fighting services (Ort Sondyrushi) actions in the case of an emergency at the Karachaganak field.



The joint emergency-rescue and fire prevention service training was managed very professionally and demonstrated complete preparedness for the elimination of different types of accidents on the site. KPO succeeded in mobilising both emergency-rescue and fire-prevention teams. KPO's contractors "Ak Beren" and "Ort Sondurushy" demonstrated a high-level professionalism on the prevention and elimination of emergencies and extinguishing fires at the Karachaganak field.

KPO Emergency Response Team
Emergency exercise at Unit-3 testing site.

KPO TAKES PART IN CHARITY ACTION

In our previous edition of Karachaganak News we reported a memorable evening of celebrations for the winners of the 2007 KPO General Director Health, Safety and Environment Annual Awards which took place for the first time at KPO.

As an Award Winner in the People Development Category, the Human Resource Department, donated their \$2000 cash prize to the Kushum Orphanage. By unanimous vote HR department staff decided to provide these funds to the Orphanage for disabled children located near Uralsk. Siobhain Whitty, HR Operations Manager and Irina Kolodiy, HR Recruitment Coordinator, recently made a visit to the Kushum orphanage to present the children with the purchased gifts.

HR won the recent award for their implementation of the KPO graduate programme, which is the largest in Western Kazakhstan. As a result, over 130 graduates are currently trained by KPO in multiple engineering disciplines.

A START IN LIFE FROM BG GROUP

Each Spring since 2004, IBC Group, together with BG Group, hosts a graduation ceremony for students of completing either computer skills or language training at the Eurasia Institute of Languages and Management in Uralsk. Over the past four years some 139 pupils of the Zhas Dauren Orphanage have graduated from the eight month long courses.

In April a total of 28 children successfully completed their studies. In addition two girls Saltanat Adayushkina and Olga Paramonova were handed grants from BG Kazakhstan which will enable them to go onto higher education at an institute in Uralsk. Furthermore, during their studies, they will also receive scholarships each month.

The ceremony was attended by BG Kazakhstan's Karachaganak Asset Manager, David Wohlschlegel, Social Projects Adviser, Ainagul Orazova, IBC Social Projects Manager Valeria



Sadretdinova, Director of the Zhas Dauren Orphanage, Azamat Orynbasov and Rector of the Eurasia Institute, Isatay Asetov.

According to the children, they believe that the programme provides many opportunities and

after completion of the program some 50 per cent of the participants independently enter institutes due to the knowledge they have gained. Some of the students have even continued their studies abroad.



Graduation ceremony at Eurasia Institute



KPO WINS RoSPA Awards 2008

Karachaganak Petroleum Operating B.V. (KPO) was recently awarded a Occupational Health and Safety Awards by the Royal Society for the Prevention of Accidents (RoSPA). Society Award winners are recognised for their high level of performance, demonstration of well developed occupational health and safety management systems and culture. As a RoSPA Award winner, KPO is now entitled to publicise its success by utilising the RoSPA Gold Award Logo on its letterhead and other stationery.

The Gold Award was presented at a ceremony at the Hilton Birmingham Metropole Hotel, National Exhibition Centre, on Tuesday, May 13. This ceremony was hosted alongside the 2008 Safety & Health Expo 2008, the UK's premier health and safety at work exhibition.

David Rawlins, RoSPA Awards Manager, said: "Karachaganak Petroleum Operating BV has shown a commitment to protecting the health and well-being of its employees and others. We hope other businesses and organisations will follow its lead and strive for continuous improvement in health and safety management."

The RoSPA awards are not just about reducing the number of accidents and cases of ill-health at work; they help to ensure that organisations have good health and safety management systems in place. Entering the awards scheme reinforces the message that good health and safety is good business and clearly demonstrates an organisation's dedication to the achievement of high levels of performance in this crucial area.

The RoSPA Occupational Health and Safety Awards 2008 are sponsored by NEBOSH (The National Examination Board in

Occupational Safety and Health), the leading health and safety professional examining body.

The President of RoSPA, Baroness Anne Gibson, Deputy President, Lord Jordan and Vice-President, Lord Brougham & Vaux, hosted a gala dinner for representatives of award-winning organisations at the Hilton Birmingham Metropole Hotel.

RoSPA's mission is to save lives and reduce injuries. It is a registered charity established more than 90 years ago that aims to campaign for change, influence opinion, contribute to debate, educate and inform - for the good of all.

By providing information, advice, resources and training, RoSPA is actively involved in the promotion of safety and the prevention of accidents in all areas of life - at work, in the home, on the roads, in schools, at leisure and on (or near) water.