

In September, KPO bid farewell to a number of Directors who have been instrumental in leading the Venture over the last three years. At a reception in Aksai, representatives from the West Kazakhstan Oblast, the Burlin District and KazMunaiGas gathered to wish Roger Fox, Antonio Baldassarre, Peter Costello and Colin Orr Burns all the very best in their new endeavours and welcome the incoming management team.

In accordance with the terms of the Karachaganak Final Production Sharing Agreement, there is a transition in leadership at KPO every three years. This is a time to reflect on all that has been achieved in the Venture to date and also look to the future and embrace opportunities to ensure that Karachaganak remains one of Kazakhstan's flagship oil and gas projects.

Over the coming three years, KPO will be led by Mr Giuseppe Pasi, who has taken over from Roger Fox as General Director. Like Roger, Giuseppe will have responsibility for the day to day management and operation of Karachaganak and will also oversee the implementation of the consortium's broader development objectives, which involve the continued expansion of the Karachaganak field.

Giuseppe commenced his career in 1983 with Polytex S.p.A., a private Italian engineering company, as a Project Engineer. In 1985, he joined Eni and he has been within the Group for some 24 years, gaining during this period extensive international oil and gas experience.

Most recently Giuseppe was Chief Operating Officer and

## KPO welcomes a new senior management team



BG, Eni and KPO management in Aksai

Deputy General Manager of Eni's Egyptian subsidiary, International Egyptian Oil Company (IEOC) based in Cairo. In this role Giuseppe was responsible for the strategic development and day to day operations of IEOC. During this period, Giuseppe was also Director of the two IEOC Boards, the company's key decision making authorities.

Prior to this, Giuseppe held a number of senior management positions within Eni's Exploration and Production Division in Milan, including Vice President for Egypt and Vice President for North Africa. Both of these regions are

substantial contributors to Eni's global energy portfolio.

Giuseppe brings with him not only technical experience but a strong background in strategic management, project development, finance and general management. He has worked and lived in numerous countries including Italy, Egypt, Norway and the United Kingdom.

Supporting Giuseppe, Mr Graham Scotton has assumed the role of Operations Director, a position formerly held by Antonio Baldassarre. Graham will have responsibility for the day to day operations of Karachaganak inclu-

ding production, well operations, reservoir and petroleum engineering and plant enhancement.

Graham recently joined BG Group and prior to this appointment, he had a career spanning some 32 years with BP. Most recently he was General Manager for BP in Angola, West Africa. In this role he was responsible for the operation of two deepwater blocks – 18 & 31 – which are operated by BP on behalf of their partners. The \$6.5 billion Greater Plutonio development, for which Graham was also responsible, came on stream in October 2007.

Prior to this, Graham held senior

management roles in BP's Egyptian and Azerbaijan Operations. He has extensive experience in exploration and development drilling, production, asset integrity and planning and performance management. Graham brings with him a strong technical background and experience in operating some of the most complex projects in the world. He has worked and lived in numerous countries including Angola, Egypt, Venezuela, Norway and the United Kingdom.

Over the course of the next few months, Karachaganak News will be introducing the other Director's.

## KPO constructs new kindergarten for Uralsk children



During the opening ceremony

On 1 September a KPO delegation headed by General Director Roger Fox took part in the opening ceremony of a newly built kindergarten located in micro-district Zhana-Orda in Uralsk.

Among other guests attending the ceremony to mark the event was the Akim (Governor) of the West Kazakhstan Oblast Baktykozha Izmukhambetov, accompanied by officials from his office and senior representatives of the contracting organisations.

The WKO Akim, Mr Izmukhambetov was pleased with what he saw and introduced the KPO sponsored kindergarten as one of the social projects delivered this year by KPO in 2009.

"On behalf of Uralsk residents I would like to express my gratitude to KPO for our fruitful co-operation

and hope for a further strengthening of our mutually beneficial relationship," said the WKO Akim in his opening address.

Roger Fox also assured attendees that KPO would continue working together with the WKO Akimat to successfully fulfil its social investment commitments in the region.

"We are delighted to be able to provide this public facility to residents of Uralsk. I am proud to say that during my three year period with Karachaganak, KPO has provided a significant amount of infrastructure to the region. Over the last 10 years KPO has contributed to the construction and renovation of dozens of schools, hospitals, sports and culture facilities, roads and pipelines in the West Kazakhstan Oblast."

"I know that education and health have been the two most critical priorities set by President Nazarbayev in his 2008 State of Nation Address and it is very rewarding to see the tremendous changes which have occurred over such a short period in Uralsk and rural districts across West Kazakhstan. Today's festivities would not have been possible without the support and guidance of WKO authorities and personally Mr. Izmukhambetov in selecting the project.

We are proud to have worked together and delivered many other important projects elsewhere in the region."

As part of KPO's social development programme, the construction of the \$3 million kindergarten, commenced in January 2008 and was completed in August 2009. The two-story facility with a service basement is designed for 280 children. Like many of KPO's projects, it was a turnkey contract which included the following scope: construction of the building, installation of service lifts, purchase and installation of process equipment, installation of utility networks, construction of a boiler house and a playground. The building is equipped with amenities which meet all modern requirements.

## Dimitrovo celebrates "Knowledge Day" with KPO

On 1 September schoolchildren of Dimitrovo village, which is adjacent to Karachaganak oil and gas field, celebrated "Knowledge Day" and the opening of a school after a major overhaul funded by KPO as part of its community development programme. The project, which included a full refurbishment of the school, was successfully implemented within forty days.

KPO Corporate Affairs employees headed by Chris Circuit, Corporate Governance Controller, arrived in Dimitrovo village and had the pleasure of participating in "Knowledge Day" together with the village schoolchildren.

In his welcoming speech, Chris congratulated the children and their



parents on the start of a new school year and stressed the importance of high school which gives children a strong educational basis. Chris also noted that KPO's major initiative was to provide support to the neighbouring communities and to assist the social development of the West Kazakhstan region.

Meetings with friends and teachers, lots of flowers, theatrical performances, festive and solemn speeches and the ringing of the first school bell made this day unforgettable and enjoyable for everyone who attended. The children and their parents especially enjoyed amusing comedies performed by young actors from Aksai who were brought to the village by KPO employees.

Further to this, KPO also presented to children from low-income families in villages adjacent to the Karachaganak field with stationary sets on the occasion of the Knowledge Day.

Chris Circuit at Dimitrovo village school

BG KAZAKHSTAN **g** "BG Energy Challenge 2009 – Kazakhstan"

In August 2009, BG Kazakhstan hosted the fourth annual 'BG Energy Challenge 2009' in the area of the Kokshetau National Park in Zerendy.

The two-day event hosted 29 teams from various companies across the Kazakhstani energy sector and this year it attracted some 145 participants from such companies as Agip KCO, Amec, Bolashak, BG Kazakhstan, Invensys, KPO, KMG E&P, ConocoPhillips, LUKOIL Overseas, Petrom S.A., PetroKazakhstan, PricewaterHouseCoopers, Sig num, Worley Parsons, Shell and Schlumberger.

The BG Energy Challenge series has been running since 1996 under the leadership of BG Group – the Best Foreign Investor 2008 in Kazakhstan. The BG



Louis Jacobs runs a distance

Energy Challenge is a worldwide teambuilding and networking event for the energy sector annually held in the UK, India, Brazil, Egypt, Oman, and Trinidad & Tobago. In Kazakhstan this project has been carried on by BG Kazakhstan since 2006.

Giorgio Battistini, Deputy Country Manager, BG Kazakhstan: "One of our major aims in addition to raising funds for charity is integration of the energy sector in Kazakhstan. We are very pleased that this year such integration has been so vividly and clearly demonstrated by joint participation of the national company KazMunaiGas and BG Kazakhstan employees. It is for the first time in four years that two oil-and-gas companies decided to pool efforts together and enter the BG Energy Challenge with a joint team."

This year the participating teams raised some 14 522 000 tenge for the Society of Disabled Children in Astana. The money will be used for educational programmes and recreational activities to support the social and personal development of disabled children.

As in the previous years, representatives of the national mass media participated in the event as a joint team of such publications as Panorama, Info-Tses, Kursiv, Moskovskiy Komsomolets, Express K, Kazakhstanskaya Pravda.

The theme of this years event was "Recycling" and participants were set a number of physical challenges from GPS orienteering



Participants of BG Energy Challenge– Kazakhstan

both afoot and on a bike, boating and logistical activities.

The winners of the 2009 BG Energy Challenge – Kazakhstan, were:

Overall winner – Bolashak (Dragons)

Best female team – KMG E&P (Arailym)

Best male team – Lukoil Overseas

Best mixed team – PricewaterhouseCoopers

Best under 30's (average age of the team members is under 30) – KPO.

Best team spirit – Shell

Best fundraiser – KPO .

For the third year the initiative has been supported by the Kokshetau Mineral Water Company and Pension Fund "Respublica".

The beneficiary of the funds raised, the Society of Disabled Children, was founded in 1998 by the parents of disabled children. It is the first NGO for disabled children in Astana city. The Society's mission: to assist disabled children and their families to socially adapt, form skills of self-care, socialize, and extend potential for personal and professional development.

NEW TRUNK RADIO SYSTEM GOES LIVE AHEAD OF SCHEDULE

This has been a special summer for the Telecommunications section and for KPO as the new Motorola TETRA Dimetra IP Trunk Radio system became fully operational. The system covers the whole of the Field, Aksai and surrounding areas, totally more than 1,500 square kilometres. The changeover was done with minimum disruption overnight on 14 July and since then, various tests and monitoring activities have been carried out.

A number of visitors associated with the project gathered in Aksai for the SAT (Systems Acceptance Test), including a Director from Motorola Germany, a Project Manager and Systems Engineers from Russia. With these guests, the KPO Telecom Section and the team from TEGRA Kazakhstan (Motorola local partner), officially signed the SAT on 28 July. The project was two months ahead of schedule, within budget and implemented with rigorous safety standards, including working at heights.

Telecommunication Manager Daniyar Baizhanov explained: "The same kind of system is used by other oil companies, police, military and emergency services around the world. As well as increasing capacity and coverage it brings many features and benefits for KPO with safety and emergency communications being highest priority."

Speaking about this event and KPO employees who contributed to this milestone, IT & Telecommunications Manager David Campbell said: "This is the third Trunk Radio system we have implemented over the years, the first being in 1999. The second system (compact TETRA) brought us a place as a finalist in the BG Innovation Awards in 2004. However, the new system is the most successful project we have undertaken in this area."

According to David, the key success factors included:

- Agreement on Motorola providing a strong Project Manager and Systems Engineer to work with Kazakhstan local partners (TEGRA) and ensure they are fully trained on the new system.

- A formal Factory Acceptance Test (FAT) in the factory in Berlin, Germany for our Telecom Managers to ensure that the system worked before delivery to Kazakhstan.

- A formal Systems Acceptance Test (SAT) in Aksai with TEGRA and Motorola.

- Technical training by Motorola Germany for our own Kazakhstan national KPO engineers.

David went on to say that our Telecom Managers, Daniyar Baizhanov and Nurlan Yunuskhodjayev, their engineers and local project manager Andrey Bakhvalov of TEGRA have all done an excellent job and deserve to be congratulated for this great achievement.

The 1st of September is a special day for all Aksai children and it is often called "Knowledge Day" which is traditionally celebrated in Kazakhstan and many other former Soviet republics. This day also marks the end of summer and the beginning of autumn.

On this day each year, the children of Aksai and especially new starters feel very excited about the "First Bell" and the start of the new school year. The township has many nicely dressed schoolchildren and their parents are often carrying flowers everywhere. When the "First Bell" rings, traditionally a first grade girl is lifted on the shoulders of a 12th grade male pupil, and paraded around, ringing the first bell of the school year. Many proud parents come together with their children to enjoy a day of traditional celebrations. On this day bells are rung in every school, college, institute or university, announcing the beginning of an academic year. However, the beginning of the school year also means that

KPO LAUNCHES "BACK TO SCHOOL" CAMPAIGN

there are many more children on the roads on their way to schools located in various parts of the town.

In cooperation with the Aksai Road Police, KPO has launched a 'Back to School' Campaign to alert children, parents and drivers to road hazards. This campaign involves:

- ◆ Regular road safety messages on Radio Aksai.

- ◆ Road Safety commercials on the large TV screen opposite Trnava supermarket.

- ◆ Road safety messages on Aksai buses.

- ◆ The installation of seven 'cut-out' children around Aksai to alert drivers of the presence of children.

- ◆ A safety message from the KPO Services Director to children on Radio Aksai.

The road safety campaign is one of the many ways in which KPO is working to improve road safety in Aksai. This safety initiative of KPO is firstly aimed at reducing road risks within KPO and the Aksai community. Other aspects of the KPO initiative include improving driving standards within KPO, road safety billboards, radio commercials, new zebra crossings and daily radio competitions for children.

It is necessary to note that over the last few years KPO has conducted a series of road safety shows in all five Aksai schools. After each show, volunteers from KPO spoke to the children and handed out road safety gifts, including reflective flickers to help visibility in the dark winter mornings and evenings.

