

MR PAOLO REPETTI SERVICES DIRECTOR

As Services Director of Karachaganak Petroleum Operating B.V. (KPO), Paolo Repetti has responsibility for the day to day management of service support functions to the giant Karachaganak oil and gas condensate field located in the West Kazakhstan Oblast.

Paolo's Directorate manages contracts and procurement, information technology and telecommunications as well as KPO infrastructure and service requirements. Paolo also oversees implementation of SAP and the Aksai Consolidation Project.

Paolo is based in Aksai, West Kazakhstan Oblast.

Paolo joined Eni S.p.A in 2001 and has been working for KPO for five years. Prior to his recent appointment, Paolo was KPO's Business Governance Controller. In this position, Paolo was responsible for the overall Governance of the Venture and specifically coordinating and managing key relationships with Venture partners and the Authority, KazMunaiGas.

The Business Governance Controllershhip was responsible for facilitating key Venture decision making bodies including the Joint Operating Committee, the Contracting Companies Committee and the Operators Committee among others. Prior to this Paolo held a number of positions within KPO's



Internal Audit function.

Paolo brings with him a wealth of experience in finance and audit, as well as project and general management. He has worked and lived in a number of countries including Kazakhstan, the United Kingdom and Italy.

MR TONY MULGROVE FINANCE DIRECTOR

As Finance Director of Karachaganak Petroleum Operating B.V. (KPO), Tony Mulgrove has overall responsibility for the financial management of KPO's activities as they relate to the operation and development of the giant Karachaganak oil and gas condensate field located in the West Kazakhstan Oblast.

Tony is responsible for managing KPO's financial position and associated obligations, including the distribution of revenues and taxes. Tony is also responsible for financial reporting.

Tony is based in Aksai, West Kazakhstan Oblast.

Tony has been employed by BG Group for some 22 years. Prior to his recent appointment, he was Chief Financial Officer (CFO) for the Egyptian Liquefied Natural Gas (ELNG) Project in Cairo. Reporting to the Chief Executive Officer, Tony was responsible for the Venture's financial management activities and specifically led a large refinancing initiative during his tenure.

Prior to moving to ELNG, Tony held a number of finance roles relating to Karachaganak's activities. During construction of the second development phase, Tony was KPO Financial Controller and subsequently Business Planning Manager. He then moved to Moscow where he was Deputy Finance Director for the Caspian Pipeline Consortium before taking up a post with BG Kazakhstan in Astana as Finance Manager.



Tony brings with him a wealth of financial experience in exploration and production. He has strong technical and reporting skills with extensive budgeting, forecasting and management reporting experience. Tony has worked and lived in numerous countries including Egypt, Kazakhstan, Italy, Russia, Bulgaria and the United Kingdom.

BG Kazakhstan signs Cooperation Agreement with KazTransGas

On Friday 28 August KazTransGas (subsidiary of NC "KazMunaiGas") and BG Kazakhstan signed a Cooperation Agreement to establish a pilot project, aimed at converting motor vehicles in Almaty to compressed natural gas (CNG).

The Agreement was signed by Bolat Nazarov, General Director on behalf of KazTransGas and Giorgio Battistini, Deputy County Manager on behalf of BG Kazakhstan.

The main aim of the Agreement is for the installation of compressor equipment at auto refuelling stations to allow the use of CNG as a fuel in motor vehicles, in order to improve the air quality in Almaty.

Converting motor vehicles to natural gas will help to improve the ecological situation in the biggest metropolis in the country, which is considered to be the ninth most polluted city in the world.

The project will be implemented with the support of the Akimat (Mayor) of Almaty City.

Initially the Project will include the conversion of public transport vehicles, with subsequent conversion of all other municipal vehicles to CNG – the most ecologically friendly fossil fuel.



During the signing ceremony

Language Day at KPO

On 24 September, KPO celebrated Language Day of the People of Kazakhstan which was held in the Czech Camp Fitness Centre. The event, which was organised by the KPO Language Project team, was marked with a contest of songs and poems in different languages.

The mission of the Languages team is to develop, implement and maintain a robust approach for the management of languages in KPO. This is to ensure KPO's compliance with legislative requirements and to allow KPO to develop its cultural diversity through the promotion of languages and maintenance of high standards.



UK ambassador to Kazakhstan presents certificates to KPO staff

In a recent visit to KPO in Aksai, Bernie Wilson, the Head of Trade and Investment at the British Embassy in Astana, and Goulnar Gabdulova, the Deputy Head of Trade and Investment, participated in the presentation of Practitioner Corporate Awards Programme

certificates to KPO staff working at the Contracts and Procurement Department.

Prior to this event, the British ambassador to Kazakhstan Paul Brummell who also visited Karachaganak for a two-day working visit, presented certificates to a number of KPO

staff representing the Contracts and Procurement Department.

The Programme is delivered by the Chartered Institute of Purchasing and Supply (Stamford, UK) within the framework of the local staff professional development programme initiated by KPO.

Improving road safety for Aksai residents

KPO has improved the road safety for local communities by implementing a number of road infrastructure projects over the past six months.

HSE employees from KPO's Services Department are currently engaged in the construction of 19 bus stops in Aksai. Considering that catching the community bus requires people to walk some distance, Services HSE is planning to build the bus stops in the most convenient places across the township of Aksai.

A number of the bus stops have already been erected and are proving very useful for residents. It is also expected that several old bus stops will be replaced with the new ones.



KPO HOSTS OPITO GRADUATION CEREMONY

On 4 August KPO held an OPITO graduation ceremony in Aksai which was attended by high-ranking guests from the RoK Ministry of Labour, KazMunaiGas, and the WKO and Burlin Akimats.

This year some 98 Kazakh trainees have been awarded with Higher International Certificates from the OPITO Oil & Gas Academy.

The Production Operators and Maintenance Technicians Professional Development Programme based on UK Oil & Gas Academy's Modern Apprenticeship Scheme (OPITO) is the most reputable international professional institution in oil and gas industry. KPO is the first company in the CIS to provide OPITO certified training.

At the Graduation Ceremony, welcoming the graduates and dignitaries from the RoK Ministry of Labour, KazMunaiGas, WKO and Burlin Akimats, KPO General Director, Roger Fox said: "At Karachaganak we aim to share our knowledge and expertise with our Kazakh colleagues, partners and contractors. Capacity building through sustainable development and skills transfer are central to the way we work."

"We have put in place long term development programmes and we are pushing forward with



our nationalisation agenda. Since signing the FPSA, KPO has invested over US\$96 million in training and development initiatives. Currently," added Roger Fox.

Abiroy Technical Training General Director, Dastan Kokeyev said: "The programme we delivered in Kazakhstan completely follows the methodology, structure and

content of OPITO scheme. All trainees are selected through aptitude testing, looking for abilities to learn technical disciplines."

"On average, trainees take some

80 exams during theoretical part of the programme. Upon completion of the Higher International Certificate (HIC) and Petroleum Processing Technology Certificate (PPTC), trainees are assigned for on-the-job training. The training scheme provides an opportunity for high performing individuals to secure employment with KPO. To date 14 trainees are now working directly for KPO," added Dastan Kokeyev.

In June 2009, 113 trainees started the OPITO Programme. Earlier this year, 19 local employees of the company successfully completed a certified programme in management, delivered by the UK Institute of Leadership & Management (ILM).

In addition, 19 KPO employees have received the internationally recognised National Examining Board for Occupational Safety and Health (NEBOSH) certificate. To date 80 national KPO staff holds this prestigious qualification. In addition to formal education, KPO also utilises 'on-the-job' training and parent company placements. In total during 2008 and 2009 KPO trained 40,908 people, including contractors.

KPO holds joint emergency exercise at Zharsuat village

This summer KPO, in compliance with the "Karachaganak Field Development Project", held a joint emergency simulation exercise with rural officials in Zharsuat village.

The main purpose of the exercise was to check the readiness and efficiency of Zharsuat village officials and the KPO incident management team. Most importantly however, it was an opportunity to practice skills gained from many years of cooperation.

Prior to this event, KPO, together with the district Akimat, has developed an Evacuation Action Plan for the Zharsuat village in order to protect the population of the village in the event of an emergency situation.

The emergency exercise was managed very professionally and demonstrated the preparedness of the both the community and KPO.



Emergency simulation exercise in Zharsuat village.

Developing and enhancing HSE systems

The KPO Health, Safety and Environment Management System (HSE-MS) Manual has recently been issued for the use within the company. The development and issue of the Manual has been the culmination of at least three years work in developing and enhancing HSE systems, procedures, standards and guidelines at KPO.

The HSE-MS Manual is a management document which has been developed to ensure the effective implementation of KPO HSE Management System. It comprises the minimum corporate HSE standards and expectations and includes the integrated requirements of the Environmental Management System Manual, Parent Company Framework Document and the internationally recognised Environmental and Health and Safety Management System Standards (ISO 14001 and OHSAS 18001).

The HSE-MS Manual should be used as a reference tool to ensure that the minimum requirements of the HSE-MS standards are implemented at all levels within KPO to enable the effective and efficient management of HSE risks, continual improvement in HSE performance and to support and promote good HSE practices.

KPO General Director Roger Fox urged everyone at KPO to support the implementation and communication of the HSE MS Manual and its requirements to further enhance the management of HSE within KPO.

KPO employees at Elbrus mountain peak



Azizbek Gabdullin at the Elbrus mountain peak

Three KPO employees and members of the Aksai Ski Club, Oleg Tendentnik, Azizbek Gabdullin and Valeriy Zdorov successfully climbed the western peak of the Elbrus mountain located in South West Russia (height of 5,642 m) on 23 July 2009.

The climbing group of 10 people set out from base camp at 03.50 and reached the summit at 11.28. Elbrus is the highest peak in Europe, which is some 800 meters more than Mont-Blanc in the Alps. It is also a major centre for mountaineering and tourism in the Caucasus region.

KPO and the newspaper "Karachaganak News" congratulate the explorers of the highest peak in Europe. We are proud of such a great achievement, which indicates the outstanding fitness, stamina and fortitude of our colleagues.



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KPO supports journalists to attend KPA media workshop

On 28 August, KPO facilitated the participation of three journalists from WKO in the 7th Annual Media workshop organised by the Kazakhstan Petroleum Association (KPA) held at the Hyatt Regency in Almaty.

The seminar's programme focused on current issues facing the Kazakhstan oil and gas sector including export duty taxes and other topics related to the oil and gas development in Kazakhstan.

The seminar was also attended by KPO representative Gulnara Sharibayeva who is also the Chairperson of the KPA External Affairs Committee.

KPO maintains close relationships with regional and national media and often provides opportunities for journalists to visit the Karachaganak field and meet

senior management of parent companies overseas.

The Kazakhstan Petroleum Association (KPA) unites 61 companies from 20 countries working in Kazakhstan that are being involved in the exploration and production of hydrocarbons as well as in the service sector for the oil and gas industry of Kazakhstan. KPA opened its representative office in Almaty in 1998.

The main goals of KPA are to facilitate exploration and production activity, share information between member companies and the Government with the view to advancing investment and enhancing the operating climate for the industry in Kazakhstan and to monitor legislative developments affecting oil and gas industry.