

KPO wins two top awards at BG Chairman's Awards 2009

On Wednesday 13 May, KPO once again excelled at the BG Group Chairman's Awards winning both the Safety Performance and Safety Innovation categories. The Venture also received a highly commended in the Environmental Initiative category.

In total, 129 entries in seven categories were received this year from across BG's portfolio. KPO's recognition is an outstanding achievement and testament to the company's ongoing efforts in these areas.

In the Safety Performance category, KPO was recognised for its achievement in recording 20 million man-hours without a lost time injury in November 2008. Today, KPO is tracking at well above 30 million man hours LTI free, which is a very significant milestone. This unprecedented safety performance was achieved as a result of combined proactive and reactive measures which facilitated a step change across every sector of the business.

Emissions. Through the development of a five year Strategic HSE Plan, KPO has produced a GHG Reduction Strategy which aims to achieve a reduction of one million tonnes of CO₂e over five years using specific objectives and targets.

Commenting on the Awards, Sir Robert Wilson, BG Group Chairman, said: "I believe that the Awards process has been effective over the years as a means of reinforcing our corporate ethos. We share a commitment to try to do the right thing for our employees, for the communities which host our operations and for the environment. The Awards are an opportunity to celebrate and share some of the best practices emerging across the Group."

"The entries show BG Group's continued focus on developing new approaches to managing risk. Entries from across the categories of Environment, Health, Safety, Social Performance and People demonstrate



Sir Robert Wilson and Aigul Sultangaleeva.

In the Safety Innovation category, the Project Development Directorate was recognised for its use of Trench Boxes during excavation works on site. The hazards associated with excavation work are great and can be fatal. KPO developed a trench box system which is simple but robust. The modular units facilitate a quick installation, provide reliable shoring whilst giving total protection for workers when in the trench.

In the Environmental Initiative category, KPO received a highly commended for its work on reducing Greenhouse Gas

the integration of the Awards with our Business Principles and core business."

KPO General Director, Roger Fox, also congratulated KPO teams for their success at the ceremony and thanked them all for their efforts.

The Chairman's Awards recognise excellence in health and safety, environmental management and other areas of corporate responsibility. The official 2009 Award Ceremony was held at Hampton Court Palace in the UK.

ENI DELEGATION VISITED KARACHAGANAK

In late April, a delegation of eighteen senior management representatives from Eni headed by Umberto Vergine, Executive Vice President South Europe, Central Asia, Far East and Pacific, arrived at Karachaganak for a four-day working visit.

During the visit the dignitaries toured the production facilities of the Karachaganak oil and gas condensate field and held a number of working meetings with KPO management who provided a detailed field overview and an update on performance to date. They were also briefed on the company's contribution to the social and economic development of the region.



Eni delegation at KPC

RoK EMERGENCY REPRESENTATIVES VISIT KARACHAGANAK

On 11 April, KPO hosted a high level delegation from the RoK Ministry of Emergency Situations headed by the Chief of Staff, Seitkazhe Okasov. The delegation was also accompanied by senior representatives of the WKO Agency for Emergency Situations and the Burlin District.

The main purpose of their visit to Karachaganak was to check the operational readiness of KPO's fire units, and its Emergency Services.

During their visit, the delegation was given a tour of Karachaganak's fire fighting facilities by KPO senior management. Giovanni Salvini, KPO Field Manager, and Murray Harrison, Field HSE Manager briefed them on KPO rescuer facilities, emergency procedures and accident preventive measures taken by KPO rescuer services in case of an emergency.

The visit also included a tour of the KPO Fire Station 31 and the Unit 3 testing site. KPO contractor, Ort Sondyrushi, demonstrated its professionalism in the prevention and elimination of emergencies and extinguishing fires at the testing site.

The Kazakh delegation was impressed by the performance of the fire fighting contractor and paid tribute to the KPO team for their efforts. It was also noted that emergency-rescue and fire prevention service training was held to a high level, and demonstrated complete preparedness of KPO for the elimination of different types of accidents on site.



Unit 3 testing site.

UGP - one million man-hours LTI Free

On 2 May, KPO and its main contractor-company "KazStroyService" (KSS) which is currently involved in the construction of the Uralsk Gas Pipeline (UGP) – a 148 kilometre major infrastructure project to link Karachaganak field with the West Kazakhstan Oblast centre of Uralsk, celebrated one million man-hours without a Lost Time Incident (LTI).

KPO Operations Director Antonio Baldassarre, together with Managers, Gary Morgan, Rocco Catalano, and Fulvio Pilotti arrived at the construction site to congratulate the crew on their excellent safety record and to present commemorative plaques to those who contributed immensely to this safety achievement.

Welcoming more than 100 people from across KPO and the contracting company, Antonio Baldassarre congratulated everyone on this excellent safety performance and encouraged them to continue to strive for excellence in safety awareness and performance.

Speaking about the ongoing construction of the pipeline, Antonio noted that it was continuing according to the established timetable and budget. He stated, "At present, more than 50 per cent of construction works have been completed."

KPO holds the Comprehensive Program for Developing Intercultural Diversity

KPO's Training Centre has recently hosted a number of training sessions for its personnel which aim to develop intercultural diversity. Course participants had the opportunity to work on communication patterns and experience issues related to working in intercultural environments such as KPO. On the whole, the programme provided opportunities for personal development and served to assist staff in integrating and working in a multicultural society.

The basic tenets of this Programme are numerous and include, maximising the benefits of cultural diversity and developing intercultural competence in staff. The programme also aims to reduce prejudice and intolerance and improve everyday cross-cultural interaction and communication by providing training to assist managers and employees in improving their ability to lead productive multicultural teams.

It is expected that this program will be delivered not only to all KPO employees but also to selected KMG and RoK officials.



Course participants at a training session

KPO HOSTS GENERAL DIRECTOR HSE ANNUAL AWARDS

On 4 April, Karachaganak Petroleum Operating B.V. (KPO) hosted the 2008 KPO General Director's Health, Safety and Environment Awards. KPO Czech Camp in Aksai again became the sitting for a memorable evening of ceremony and celebrations for the winners. Welcoming more than 70 guests from across KPO and contractor companies, as well as dignitaries from the Burlin District, KPO General Director Roger Fox extended his sincere congratulations to awardees. In his keynote address to nominees, Roger Fox said: "You are here representing your teams, who

tonight are recognised for their outstanding contributions to KPO's Health, Safety, and Environmental performance".

"2008 was an outstanding year for KPO. Just a few months we celebrated one year without a lost time incident (LTI) – a first in KPO's history, and an outstanding achievement which is a credit to every KPO employee and contractor."

This record is notable in its own right, but what makes it especially significant is that this was achieved over a period of intense work. During the past year, KPO has completed a major facility

shutdown safely, on time and within budget. The Venture has continued with the construction of two major infrastructure projects – Train 4 and the Uralsk Gas Pipeline - and it continued to produce at record levels.

Addressing the guests Roger Fox said: "Each year we recognise outstanding efforts in HSE, and for the second time, we are gathered here to recognise the culmination of these efforts."

There were eight categories in total which covered health, safety, security, environment, people and social development.



Group picture with Roger Fox

Maksat Khabiev wins ILM Learner of the Year

Maksat Khabiev, KPO Occupational Health & Hygiene Section Head, recently completed an International Management Qualification (IMQ) Diploma and was honoured at the 2009 Institute of Leadership & Management (ILM) Awards for Excellence.

On the 24 April at a special event hosted at Wembley Stadium in London, Maksat received the most prestigious ILM award entitled "ILM Learner of the Year Award". This is an exceptional achievement for Maksat and demonstrates his commitment to both his professional and personal development. Maksat is the first Kazakhstani employee ever to have won such an award and KPO is tremendously proud of his achievements.

Judges were impressed by

asked him a few questions.

- Maksat, first of all, please accept our sincere congratulation with the ILM Learner of the Year Award 2009. Can you tell us about yourself, your background, when you started your career with KPO?

Thank you very much. Born and raised in Western Kazakhstan, I finished a secondary school in 1990. I graduated from the Almaty Medical Institute in 1996 and from 1996 to 1998 I worked as a doctor in Almaty. In 1998 I returned to Western Kazakhstan and worked as an interpreter at KPO, a new joint venture that had just started developing the Karachaganak Field. A year later I was appointed as a paramedic in the field (Unit 3).

A lot of knowledge and experience has been shared with me by my elder colleagues: Drs Domenico Garbellini, Daniele Pasquino, Derek Storey, Ilham Khalilbekov, Askar Bekmuhammed, Vladimir Pan and many others.

You will agree with me that personnel are the most valuable resource for any company, and accordingly, the effectiveness of KPO's work depends on them. What can you tell about KPO investments in developing professional skills of its national staff?

KPO invests intensively in a various training programmes for the national staff. Importantly, there is also a great chance for those nationals who wish to build their career and to develop their skills in a number of areas. National KPO employees are given tremendous opportunities to gain professional qualifications in Finance, Human Resources, Business Administration, Safety and Environment, and Management.

At the present time, KPO staff includes many Kazakhstani experts holding key top management positions.

Let's go back to ILM. Can you tell us more about ILM and its awards celebration?

I new that the ILM was a major organisation in its field, but I did not know just how big it was. The fact that it is Europe's leading management institution speaks volumes and it is a great honour to have been selected the award winner.

I had excellent course tutors in Michael Derry and Mary Brooks, who were instrumental in my success.

The award ceremony at Wembley Stadium was fantastic and we had a great reception from the ILM members and executives.

Maksat, many thanks for your time and the interview. The newspaper "Karachaganak News" again congratulates you with this excellent achievement and wishes you and your staff all the best and good luck.

Thank you. I would also like to pass on my sincere thanks to organisers of this Programme for excellent training that I received. I can not say that this training was always fun because it was hard work, but I would definitely recommend this programme to anyone hoping to improve their skills and professionalism.

My special thanks go to HR Controller Sergio Zanovello, the Training Department, Visa and Permits Section and Travel Section for arranging my trip to London to receive the award.



Maksat with ILM representative and his wife.

the speed with which he gained a detailed understanding of the mechanics of his company, before making changes that resulted in major improvements to risk control, planning, performance monitoring and financial management which allowed for huge savings for KPO. At the same time the work carried out by his health and hygiene team expanded – with new programmes in hearing, pregnancy health and food safety.

During the award ceremony, Penny de Valk, Chief Executive of ILM, speaking about Maksat's achievement, said: "Maksat has demonstrated how valuable investment in training can be in building these vital qualities. These skills and characteristics will help individuals and, as a consequence, their organisations, to survive the downturn and emerge stronger."

Roger Fox, General Director of KPO, described Maksat's commitment and achievements as an example to follow within the organisation. Roger stated: "I am in no doubt that Maksat has a promising future within KPO and his rise through the ranks is providing a standard for others to follow."

On his arrival home, the newspaper "Karachaganak News" contacted Maksat Khabiev and

The medical service constantly grew until in 2002 we became emergency doctors. I had spent seven years in the medical emergency sector before being transferred to the office in 2006. I was appointed an occupational health doctor, and then, took over from an expatriate Occupational Health and Hygiene Section Head. I and my back-to-back, Galiya Sagitova, inherited a team of 17 people and a licensed Sanitary Laboratory. I am married and have two children.

Can you tell us about the work of Health department, your main responsibilities as a Section Head and your colleagues?

The Health Department has two sections, Medical Support and Occupational Health and Hygiene. My main responsibility as a Section Head is the management of Occupational Health activities which include Health Risk Assessments, Health Surveillance, Sickness Absence, Sanitary Compliance Monitoring, Food and Potable Water Safety and Health Promotion. Our team features excellent professionals whose expertise and experience make the Section Head's job so much easier. I owe a great deal of my success to them.

PDD Celebrates Safety

The outstanding safety achievements of KPO were celebrated in the UK in March. With the announcement of 12 months with no LTI, PDD took the opportunity to recognise all the accomplishments of 2008 and 2009.

Recognition of the project's commitment and ongoing dedication to safety awareness both at site and within office environments was made by John Stubbs, Filippo Capurso (Eni) and Peter Dranfield (BG). Mr. Dranfield made reference to the important of ensuring

that complacency doesn't lead to accidents and encouraged staff to remain diligent and aware of the importance of safety – particularly on large scale development projects.

Through hard work, dedication, innovation and reflection, KPO recently achieved 30 million manhours without a lost time incident (LTI). PDD alone were responsible for over five million of these manhours: 17.2% of the total. PDD personnel assembled in Cardinal Place for a celebratory cake and refreshments which provided a chance to reflect on a years worth of focused attention on the importance of safety.

PDD's safety commitment has been reflected in the BG awards. Two awards were received last year; 4th Train Project: "Enhancing Asset Integrity - through maximising Best Practice" winner in the Asset Integrity category. The second received by Phase III Project – "Phase III ESIA - Social Performance" in the Social Performance Category.



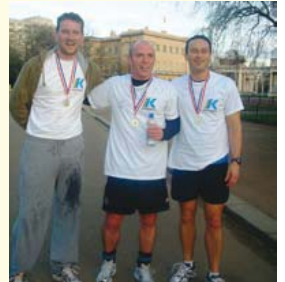
PDD celebrates its achievements

Charity Fun Run "Karachaganak 2009" in London

It is spring time in London and the end of March saw the first five kilometre Charity Fun Run "Karachaganak 2009" held in the city's Hyde Park. The run was in aid of children's charities in Aksai and Uralsk as well as SPARKS, a UK charity committed to medical research into infant death. Inspiration for the event came from KPDL Development Director Robert Kenison, who is a keen runner and Reservoir Engineer Jonathon Furniss, an avid supporter of SPARKS. Jonathon is also currently planning to cycle from the far north to the far south of the UK in order to raise additional funds later this year.

With over 45 entries the event was a resounding success, raising a grand total of £1403.40 from entry fees, sponsorship, donations and an auction. Gary Harlow, Logistics Coordinator, raised the most amount of £300 from friends, colleagues and family.

The five kilometre route was a flat run around the Serpentine Lake in central London. Despite a brisk wind, the weather stayed dry and spirits high. Those who were keen to participate but were not enthusiastic about running the course chose to walk or rollerblade. Participants and supporters gathered at the finish line to cheer



During the Charity Fun Run in London

on others as they completed, adding to the atmosphere of friendly competitiveness and team spirit.

The winning time of 20.47 minutes was achieved by Kenneth McIntosh, Completions Engineer. Among the ladies Ashley Ecker crossed the finishing line first with a winning time of 28.24 minutes.

Having received their medals, the competitors made their way to a local restaurant to celebrate. All money raised will go directly to the named causes. Money raised by PDD in their Christmas raffle will be incorporated into the donation to Aksai and Uralsk children charities.