



Kazakhstan President briefed on realisation of Kazakh-Italian projects



On 5 November 2010 the President of Kazakhstan Nursultan Nazarbayev met with the General Director of Directorate of KazMunaiGas (KMG) Construction Enterprises Nurlan Balgimbayev in Astana.

During the meeting Nurlan Balgimbayev informed the President on the realisation of the Kazakh-Italian projects in the country. The Kazakh National Company KazMunaiGas and

Italian Eni signed an agreement on the realization of these projects in November, 2009 during the visit of Nursultan Nazarbayev to Italy. The agreement was signed in the presence of President Nazarbayev himself and Italian Prime Minister Silvio Berlusconi.

Under the agreement, KazMunaiGas and Eni are jointly study the Isatai and Shagala exploration areas located in the Caspian sea, the optimisation of gas usage in the republic of Kazakhstan, upgrading of the Pavlodar Oil Refinery, construction

of a dry-dock shipyard in the Caspian sea, and a number of industrial initiatives including the construction of the gas-turbine power plant in Uralsk, and a gas processing plant at Karachaganak.

"I informed the president on the realization of these projects. The work is done on schedule. This year we have completed a feasibility study where we defined all the parameters of our projects. Next year is going to be a next step of detailed planning and in 2012 we start the realisation of them", said Mr Balgimbayev.



Astana, Kazakhstan capital



Meeting at KPC Administration building

SENIOR BG EXECUTIVES VISIT KARACHAGANAK

On 2-4 November 2010 KPO hosted a visit from senior BG Group executives. The visit included Mark Rollins, BG Senior Vice President, Central Asia and Chris Finlayson who has recently been appointed Executive Vice-President for the BG's Europe and Central Asia Region and is therefore responsible for the Executive Board in BG for Karachaganak.

During their stay at Karachaganak they met with the KPO General Director Giuseppe Pasi and other senior representatives of the company, who provided the visiting group with a brief field

overview, and update on 2010 performance. After the meeting at the Administration building of KPC, BG executives also toured the production facilities of the Karachaganak oil and gas condensate field including KPC, Unit 2, Unit 3, Train 4 and Rig sites.

Chris Finlayson joined BG Group from Shell where he most recently held the position of Executive Vice-President, Shell Global Solutions, upstream. Chris brings with him 30 years of technical and commercial experience in the oil and gas industry, which he has gained in a variety of international settings and businesses.

KPO EMPLOYEES COMPLETE CERTIFIED MANAGEMENT PROGRAMME

Karachaganak Petroleum Operating B.V. (KPO) has recently announced that more than 70 local employees of the company have successfully completed a certified programme in management, delivered by the UK Institute of Leadership & Management (ILM). On this occasion, ILM Graduation & Awards Ceremony was held at the Renco Hotel in Aksai. Graduates were presented with certificates and presents. The ceremony was attended by KPO General Director Giuseppe Pasi and other top managers of the company.

In his welcoming speech, KPO General Director Giuseppe Pasi said: "KPO is an aspiring organisation that is growing on success. One of the leading factors to this success is investing in people, who are the company's biggest asset. KPO has a vision to be more effective and more efficient in a world class market by having the qualified and knowledgeable managers and leaders."

The Head of ILM Karen Read said: "The mission statement for ILM is that we believe good leadership and management hold the key to



Group photo with KPO Operations Director Graham Scotton



KPO HR Controller Ken Lynch

organisational effectiveness and social and economic prosperity. It is great organisations like KPO who make these words come true by their commitment to developing their teams and investing in their future to achieve prosperity for themselves, their people and

ultimately their country."

In closing, ILM Programme Director Mary Brooks, addressing the attendees pointed out: "The ILM course complements the professional training and development that KPO provides to its local personnel, as part of the

Nationalisation Programme. I am confident that the development of management skills will increase the professional competence of the participants of the programme and, as a result, will accelerate the development of their careers within KPO."

KPO wins top place among oil and gas companies in Kazakhstan

In a public survey called "Rating the performance of oil and gas companies operating in Kazakhstan," conducted by Kazakhstan's influential analysis magazine - Exclusive, Karachaganak Petroleum Operating B.V. took the second place.

As the report from Exclusive noted, the rankings were limited to the top ten firms. National Company KazMunaiGas was ranked first this year. Over 86% of respondents said they liked the company. The company also received a high score for having a recognizable image. Their black-and-blue logo is known to almost every Kazakh citizen, and the image of KMG is being strengthened more and more in the minds of citizens

each year. At the same time, KMG earned the highest score in the category, "Success in the Kazakhstani Market."

Karachaganak Petroleum Operating BV occupies second place, which can be attributed to the company's stable operation this year. It is worth noting that while ranking behind the overall leader, the company took the highest place specifically for the criteria, "Qualified leadership and reputation" (4.35%) and "Success in the Kazakh market" (4.75%).

The top three leaders included Tengizchevroil, where the management was replaced recently – as CEO Todd Levy stepped down from his position for Mr. Tim Miller.



KPC

In September the implementation of the SAP system within KPO moved forward with the approval of the project budget and the award of the Implementation Contract to SAP Kazakhstan. SAP is an industry standard system in use by all four Partner Companies and KMG and will replace the Maximo and SUN systems in KPO.

This is a strategic project for KPO which will impact staff across the organisation. Our objective is to adopt the best practice business processes that come with SAP and this will mean changes to many of our existing procedures. The change will not be



SAP Project Manager Paul Williams

easy, but we expect SAP will bring significant benefits for KPO such as company-wide standardised and integrated business processes, improved reporting, streamlined decision making procedure, reduced number of interfaces and increased accuracy of data.

The Planning and Preparation phase of the project has been successfully completed. The objective of this phase was to develop a detailed project plan, to gather the information required to start the Detailed Design and to complete the resourcing of the project team. The Detailed Design phase commenced this November and it aims to develop common understanding of detailed "To-Be" business process design, to document business requirements and to start data preparation activities for the following SAP system implementation.

The project is a great opportunity for all those who work with the Project team, and all those who will use SAP when it is implemented, to develop new skills and experience. There will be a comprehensive change programme to ensure we manage KPO through the transition to SAP and

KPO SAP Project gets underway



KPO SAP Project team

provide training to create the expertise and knowledge and experience required in the organisation. There will also be regular communication to keep you informed of the progress of the project.

The project will only be a success with the involvement and support of staff in all functions. We confident that by working together we can make this implementation a success for KPO!

KPO has recently announced the launch of the intranet site for the Information Technology and Telecommunications (IT&T) Department. The site is available both in English and Russian languages.

The site was prepared in accordance with KPO IT&T main mission - to be everyone's technology solutions service partner. IT&T services cover a wide range of state of the art solutions that range from innovative Pipeline Monitoring Systems, a venture wide Business Applications landscape, Complex PetroTechnical and Engineering Solutions, to Desk-Side, Mobile and Video technology.

In the website one can find any information related to IT&T services, including how to get them, user manuals, statistics and much more. Everyone at KPO is now able to become familiar with the IT&T daily work and to know what was done so far and there are lots more to come as the site will continue to be developed and updated. The IT&T management addressed all KPO employees to submit their suggestions and requests for the type of information that would be most useful to the user community.

The Information Technology and Telecommunications Department serves

KPO IT&T Intranet site launched



KPO IT&T team

all KPO departments through a series of services that include integrated computer systems, telephone and radio systems, coordinating and providing training, negotiating and managing information technology related contracts, and technology assistance and support. The department creates the technological environment that enables KPO employees to quickly access vital information using the most efficient and cost effective system hardware and software. The department provides leadership as an active partner in local and international telecommunications and data-sharing network.

The main duties of IT&T department are: data management, networking, computer engineering, database and software design, as well as the management and administration of IT systems.

The IT&T Department provides a broad range of information technology and telecoms services with an emphasis on network integration, network management, desktop support, and business software development - keeping pace with the continuously changing world of computer and Internet - based technologies.

New Project Development Director at KPO



KPO Human Resources Department is pleased to announce the appointment of Roberto Vanzini to the position of Project Development Director of Karachaganak Petroleum Operating B.V. (KPO) in London office.

Roberto Vanzini has taken over as Project Development Director from Alfredo D'Agostino who has successfully and professionally led the department for a number of years.

Prior to his new appointment Roberto was holding at Eni headquarter position of Vice President - Liaison Office for Sub Sahara Region, being full responsible for the overall activities related to Eni Subsidiaries operating in the area. He has accrued a 30-years experience in Oil & Gas business, working for Eni in Italy and several other countries. Thus, he brings a wealth of experience gained at a number of international locations and he will provide KPO with a huge contribution for the future development and management of projects.

Alfredo had a long and distinguished career in the oil and gas sector and has retired after more than 35 years entirely spent in Oil & Gas, during which he always showed a total commitment and passion.

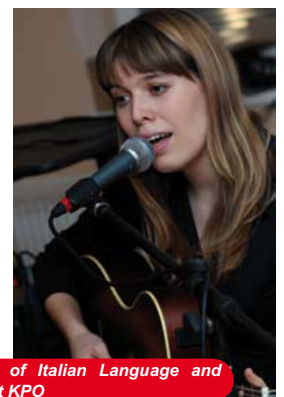
"Karachaganak News" newspaper congratulates Roberto with his new appointment and wishes him all the best and good luck in his new assignment. Also, on KPO and its staff behalf it says good luck to Alfredo!

KPO hosted the Day of Italian Language and Culture

In late October KPO hosted the Day of Italian Language and Culture which was initiated and organised by the Italian Embassy in Kazakhstan. On this occasion, an Italian music night with the participation of Italian musicians was held in the Czech Camp in Aksai. Free admission to the concert was open to all those who love Italian music and language. The concert

was opened by Services Director Paolo Repetti and attended by KPO employees and contractors who enjoyed live Italian music and wonderful atmosphere.

It is necessary to note that nowadays a lot of KPO national employees attend Italian language courses provided by native speakers. The courses are conducted at the Language School



The Day of Italian Language and Culture at KPO



located in the Czech Camp. Every year a number of KPO employees decide to attend the Italian language courses. They understand that speaking Italian means having access not only to an extremely valuable literary heritage, essential to the history of Europe and to extremely precious humanistic and scientific texts, but also to Italian theatre, music, opera, cinema and television.

