

KPO ECO - Centre wins the BG Chairman's Award 2010

On Wednesday, 19 May, at the annual BG Group Chairman's Awards ceremony which was held in the Glasshouse at the Royal Horticultural Society's garden at Wisley in the UK, Karachaganak Petroleum Operating B.V. (KPO) took the top honour collecting a winning award in the Environment category for its KPO Eco Centre and the application of Best Available Best Techniques to Kazakhstan.

The Award winners were welcomed and announced by BG Group Chairman, Sir Robert Wilson. The Chairman's Awards recognise excellence in health and safety, environmental management and corporate responsibility. This

year BG Group, one of the four partners in the Karachaganak venture, received a total of 122 entries.

BG Group Chairman, Sir Robert Wilson, commenting of the Awards said: "We were impressed by the range of entries which reflect our Business Principles and core business, and demonstrate how BG Group's priority for managing risk is being implemented across the categories of Environment, Health, Safety and Social Performance."

"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 in the Group."

KPO General Director Giuseppe Pasi also congratulated KPO team for their success at the BG Chairman's Awards and thanked them all for the submitted nomination for the Awards.

"I would ask everyone at KPO to join with me in congratulating all those involved in making it happen", said Giuseppe.

Speaking about KPO's winning entry, Giuseppe Pasi said: "KPO's winning award in the Environment category is the recognition of our exceptional performance and initiatives. KPO Eco Centre was built as part of our commitment to environmental protection and efficient use of natural resources, we have implemented a robust waste management treatment process through which we can further improve our environmental performance and increase our operating efficiency."

"The Eco-Centre is a significant improvement in KPO's ability to reduce waste production and improve waste treatment. With the launch of the Eco-Centre in October 2009, KPO is now able, among other things, to recover and reuse expensive base oil, which composes 65% of the oil-based mud, and to separate base oil and water from cuttings, thus reducing the volume of waste deposited at the storage site", continued Giuseppe.

KPO Eco Centre is a world class complex for recycling, treatment and disposal of drilling fluids and waste in an environmental friendly way. The Eco-Centre consists of the Thermo-Mechanical Cuttings Cleaning (TCC) facility, which



KPO representatives at BG Group Chairman's Awards ceremony



BG Group Chairman, Sir Robert Wilson congratulates Raymond Gogan

enables the safe and efficient treatment of oil base mud cuttings, the Liquid Mud Plant (LMP), the processing facility for mixing and treating of drilling mud, the Liquid Treatment Plant (LTP), which enables treatment of hydrocarbon contaminated water, recycling of brines used for work-over operations and reconditioning of water based mud used on top hole drilling operations, and the Rotary Kiln Incinerator (RKI), which is used to process oil contaminated soil and materials other than drilling cuttings. Ongoing projects are a new Landfill site adjacent to the Eco Centre and a new General Purpose Incinerator for municipal solid waste.

This year BG Group celebrated

the twelfth annual Chairman's Awards. The purposes of the Awards are firstly to reiterate the commitment of the Board and Group Executive to improving HSSE performance for the BG Group workforce and that neighbouring communities benefit from its presence; and secondly to encourage innovation, continuous improvement and to recognise as well as stimulate best practice sharing.

On KPO behalf, BG Group Chairman's Awards ceremony was attended by Eco Centre Managers Raymond Gogan and Vincenzo Mattia, HSE MS Section Head Damesh Bektaliyeva, and Waste Management Specialist Saule Gabdeyeva.

Chief State Inspector of RoK President's Administration visits Karachaganak

On 19 May KPO hosted a visit from Mr Altai Kulginov, Curator of WKO, Chief State Inspector of RoK President's Administration. The high-ranking official from Astana was accompanied by Mr Nurlan Nogayev, First Deputy Akim of WKO, and Mr Bolat Shakimov, Akim of Burlin district.

The main purpose of his visit was to familiarise himself with the Karachaganak oil and gas field.



Altai Kulginov, Curator of WKO and Nurlan Nogayev, First Deputy Akim of WKO.

KPO announces scholarship programme for national employees and their children

KPO Human Resources Department has recently announced the scholarship programme for KPO national employees and their children for 2010. It is expected that through this Programme KPO will improve professional knowledge and skills of deserving nationals, preparing them for future leadership roles.

The scholarship programme provides for 40 scholarship grants per year. 15 scholarships are available annually for employees and 25 scholarships available for children of KPO employees.

In 2009, 27 employees and 44 children of employees received scholarships from KPO, for a total of USD140,000. Since 2002, when this programme started, 79 employees and 179 children have received scholarships, for a total of USD 780,000.

The period to apply for the Scholarship Programme is from 1 to 31 July 2010. All applications and required documentation should be submitted to HR Coordinator.



KPC celebrates canteen extension opening



KPO employees at the Grand Opening of KPC Canteen Extension

On Sunday, 15 May, KPO Infrastructure & Services department held the Grand Opening of the newly built KPC Canteen Extension in the Karachaganak field. The existing KPC canteen was renovated and extended with a new canteen building.

The opening ceremony followed by ribbon cutting was attended by KPO senior managers.

KPO Infrastructure and Services Manager Stephen Grayson and Maintenance Manager Giovanni Russo

expressed their appreciation to construction team's hard work and KPO General Projects who managed this project. They also noted the importance of KPC canteen extension which is now able to accommodate more people working in the field.

The canteen is an essential element of a productive work environment and it will give full satisfaction to all KPO employees with the highest standards at all times.

WASTE MANAGEMENT SUPPLIER FORUM HELD IN ATYRAU

On 20 May, KAZENERGY, the Kazakhstan Association of Oil and Gas Companies, and three major oil and gas operators in Kazakhstan – the North Caspian Operating Company B.V. (NCOC), Tengizchevroil LLP (TCO), and Karachaganak Petroleum Operating B. V. (KPO) - were joined by more than 70 companies for a waste management supplier forum in Atyrau.

waste management operations. The organizing companies also shared their requirements for contracting and procurement, as well as procedures for the prequalification and evaluation of waste management companies.

In his keynote speech at the forum, KAZENERGY Executive Director Aliakpar B. Matishev said: "Forums like this provide an excellent opportunity to share best

legislation of the Republic of Kazakhstan". Speaking at the Forum about KPO's experience in waste management, Corporate Environment Manager Louis Jacobs, said: "As part of our commitment to environmental protection, we have recently implemented a world class waste management treatment process, called Eco-Centre. KPO has utilized best available techniques



Waste management supplier forum in Atyrau

The co-hosted forum was arranged to help attract the latest waste management technologies and solutions to the Kazakhstan oil and gas sector, and develop local service providers. The organizers hope that it will promote foreign investment in the Republic of Kazakhstan (RoK) waste management sector, and encourage international best practices, knowledge and experience to be shared with companies in Kazakhstan.

The event offered valuable insights into the RoK's strategy for managing waste produced by the energy sector. It highlighted RoK waste management regulations and requirements, and environmental aspects of RoK

practices in the sphere of waste management. We should step up efforts to manage waste from the oil and gas sector in order to minimize any impact on the environment."

Commenting at the forum, TCO director-general Todd Levy said: "Tengizchevroil's goal is to be a leader in environmental performance and we are very interested in seeing the introduction of new waste technologies and capabilities in Kazakhstan."

Robert Gabert, NCOC HSE General Manager said; "NCOC is committed to managing its business in a sustainable way. It is therefore important that there is local capacity to handle the waste from our operations in line with the standards set in applicable

with regards to safe handling and drilling waste, placing KPO among the worldwide industry leaders in this field."

The forum brought together some 250 people, including representatives from the RoK ministries of environment, oil and gas, industry and new technologies, and from KazMunaiGas (KMG), the Akimats of Atyrau, West Kazakhstan and Mangistau oblasts, as well as Kazakhstani and international waste management experts.

The event was initiated and agreed between three major operators – KPO, TCO and NCOC in the frame of joint local content development initiatives as the previous two events were successful.

Safety – the core of our business

Developing and operating the Karachaganak field requires thousands of dedicated and capable national employees in a wide range of disciplines. KPO invests heavily in the development of its national workforce, using the international expertise of its Partners in the Venture. Nowadays a number of talented national staff occupy senior positions at KPO.

In order to know more about KPO's safety performance a correspondent of "Karachaganak News" recently met with Gulnara Daulova, KPO Corporate Safety Manager, and asked her a few questions on KPO safety performance.

- **Gulnara, what is safety for KPO and what is safety for you personally?**

- At KPO, safety is central to all that we do and it will continue to be a focus area for all KPO employees in 2010. Our employees really engage in safety in the workplace and make a concerted effort to ensure work is completed safely. Year on year we are moving closer to our vision of an incident-free workplace. The outstanding effort and commitment made by everyone in KPO in working towards making KPO a safer place to work is something to be truly proud of.

KPO management is determined that this performance is continued, and the foundation of the safety culture that exists in the Company continues to be built upon.

My personal opinion about safety is that Safety should be a key topic of conversation whenever the opportunity arises. Discussion of safety issues with personnel provides the opportunity for everyone to share and learn from each other and is a route to the next level of safety performance. Having attended the recent Safety Leadership sessions, it really confirmed to me that leadership and self-correction are key elements for achieving operating excellence. I have to say these sessions helped me to better focus on my role as KPO Corporate Safety Manager.

- **Could you please tell us about Safety Leadership Training conducted at KPO? Who delivered the training? Who and how many KPO employees will attend the courses?**

- As part of KPO's 2010 Safety plan which focuses on four key areas of improvement Safety Leadership, Hazard Awareness, Contractor HSE Management, Monitoring and Review, KPO has commenced a series of Safety Leadership Training courses. These are planned to continue through 2010 and all supervisors and managers will attend, including representatives from contractor companies.

At the beginning of 2010, under Safety Leadership we conducted a series of one day sessions for all KPO Managers and Supervisors. We have the target to cover around 400 KPO Managers and Supervisors during these sessions. Each session examines the following aspects: Safety Leadership and Intervention Technique.

These sessions were delivered by an independent consultant, internationally recognised expert – Dr. Bruce Staley who has rich experience of delivering these sessions in a number of international progressive oil and gas companies (e.g. Eni, BP, Shell etc) around the world. He helps us to understand what safety means and how we can all become more effective safety leaders. To date over half of the KPO supervisors, managers and senior contractor personnel have attended this course and are now successfully applying what they learnt on training during their HSE tours.

Bruce was in Aksai in February, April and June delivering the sessions that include 16 Managers or Supervisors each day. In April we also conducted practical exercises on intervention techniques at Unit 2, KPC, Train 4 and Bonatti yard.

Apart from Gulnara Daulova, "Karachaganak News" correspondent also approached HSE superintendent Andrey Okhrimenko, Project Services Managers Saniya Kovach and Svetlana Khomyakova, who also attended the Safety Leadership Training.

- **Andrey, could you please tell me what the Safety Leadership Training personally meant for you? What benefit did you receive?**

- For me personally it was an important training that helped me in bringing the real understanding of what Safety Leadership means and how it could be improved. Safety remains at the core of everything we do and I have to say that Karachaganak challenges us every day in this respect.

- **Saniya, in your opinion what is a great Safety Leader?**

- Safety's position can only be maintained through good leadership. Management commitment is not effective if it is simply expressed in words, it requires action that is consistent and sincere, demonstrating a genuine concern for the safety and well-being of the workforce. A Safety Leader, in my opinion, should demonstrate his interest in people and the importance of safety.

- **Svetlana, what makes a great safety Leader?**

A Safety Leader should communicate to his personnel openly, verifying work practices with the people who perform them, the experts at what they do. A leader who understands and skilfully applies the knowledge and abilities of their workforce will achieve far safer and more efficient performance. Knowing your workforce and developing their safety competencies will produce benefits in all areas of the operation. A Safety Leader should demonstrate his personal interest; ask how he can help and what support he can give.

I also have to say that it is not sufficient for a leader to express their commitment to safety in words; it requires action that is consistent and sincere, demonstrating a genuine concern for the well-being of their workforce

