

KPA hosts workshop for media



АССОЦИАЦИЯ
КАЗАХСТАН ПЕТРОЛЕУМ
НЫ СПОСОБСТВУЕМ РАЗВИТИЮ
НЕФТНОЙ ПРОМЫШЛЕННОСТИ
В КАЗАХСТАНЕ

KPO has recently facilitated the participation of three journalists from WKO in the 8th Annual Media workshop organised by the Kazakhstan Petroleum association (KPA) held at Hyatt regency in Almaty.

The seminar programme focused on current issues facing the Kazakhstan oil and gas industry including export duty taxes and other topics related to the oil and gas development in Kazakhstan. The seminar was also attended by KPO representative Gulnar 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 Karachaganak field and meet senior management of parent companies overseas.

Language guarantees unity

Every year on the third week of September KPO celebrates an outstanding day, Languages day of the peoples of Kazakhstan. The holiday was held in the Czech Camp, Fitness Center. To celebrate this event, all KPO employees were invited to participate in the contest of poems and songs.

The great Kazakh poet Abai said: "A person who knows language and culture of other nation stands equal to that nation...and behaves more openly."



Every nation has its own culture, customs and traditions, but language makes the basis of everything. Through knowledge of languages people learn to understand spiritual culture, customs and traditions of a different nation.

It has become a tradition within the company to organize events dedicated to the Languages day. Contest goals are to give opportunity to KPO employees to show their talents by singing or reciting a poem in different languages. Development of strong creative relationships between departments and paying tribute to languages of different nations makes this event special.

As the result of the contest the following winners are identified:

- Best Song Performance – Bazanova Anar, Project Execution, General Projects
- Best Poem Performance – Sidaleyev Jambul, Human Resources
- Best Audience Award – Bekturganova Sholpan, Project Execution, General Projects

Owing to the enthusiasm of KPO employees all the attendees of the



contest witnessed a warm and beautiful event. Once again it proved a strong unity, high corporate culture, professionalism and talents of company employees.

KPO General Director Giuseppe Pasi addressing KPO employees extended his sincere greetings on the Languages Day of the Peoples of Kazakhstan.

"This holiday is a symbol of the unity and friendship of different nations of Kazakhstan that live in peace and harmony. The development of the State language is one of the strategic objectives of our company as the language itself also promotes friendship and consent of peoples."

"KPO provides Kazakh language training courses available to every KPO employee and also carries out other activities to promote the development of languages. Taking this opportunity, I wish all KPO employees and their families' good health and much happiness on this day", said Giuseppe Pasi.

Villagers express gratitude to KPO

On 15 September, a delegation of local communities representing Berezovka, Priuralny, Uspenovka and Zhanatalap villages which are closest neighbours in the rural area around the Karachaganak Field visited KPO main office to meet KPO General Director Giuseppe Pasi.

The main purpose of the visit initiated by the heads of village administrations was to thank

KPO management and personally Giuseppe Pasi for the brand new school busses donated to six villages of the Burlin district. The school buses were presented by KPO on the 1 of September during the celebration of the "Knowledge Day."

During the meeting, Giuseppe Pasi said: "KPO would continue to support the needs of the community's most vulnerable

groups and initiatives in the areas of education, arts, culture, sports and youth development."

KPO established and maintained close interaction with residents of villages that are located near the Karachaganak field. For many years, the company has been sponsoring health treatment for veterans and schoolchildren from rural schools in the best health resorts of Western Kazakhstan.



Meeting with the General Director of KPO



Lubricants and LOSAP program

Any enterprise or a plant of the modern industrial world uses different types of lubricating oils during their engineering processes, such as: gear oil, motor oil, turbine oil, hydraulic oil, compressor oil and etc. They ensure operability of different mechanical equipment. KPO is not excluded from this. Therefore, constant, strict monitoring over the life cycle of lubricating oil should be established throughout the entire period of its use. At this step, high precision instruments of qualitative and quantitative determination of oil composition are of invaluable help to a qualified specialist.

To meet that needs of highly accurate measurement of life cycle of lubricant oil. KPO Chemical Laboratory was equipped with instruments which can help to define all needed parameters. In our laboratory apart from standard tests (viscosity determination, flash and cloud point determination, acid and base number determination) for detailed analysis and monitoring of life cycle of oils, we use precision, high-tech, world-wide acknowledged instruments, such as: Spectroil M oil analysis spectrometer, analytical ferrograph T2FM and electronic microscope Olympus BX-51. Accurate and easy in use Spectroil M is based on optical emission and designed for multiple and fast laboratory determination of different metals in lubricating oil. Instrument displays results in ppm wt. and detects 21

elements in a range 1 to 1000 ppm for only 25sec.

Whereas Spectroil M performs accurate element analysis, Ferrograph and Electronic Microscope can determine characteristic view, shape and dimension of every particle that can be found in lubricating oil, and even take its digital picture. The principle of Ferrograph operation can be described as retention of magnetic and nonmagnetic particles out of oil flowing down to a specially designed Microscope glass under the influence of strong magnetic field. Thereafter, an obtained ferrogram is studied on Microscope with 1000x magnification and focus depth up to 1um. Size of wear particle usually varies from 1um to 200um. Wear particles can consist of metals, their alloys, oxides and salts that can reveal magnetic or nonmagnetic properties. Shape and surface of particles helps to define wear type in contact zones and evaluate the technical state of a production unit.

Consequently with cooperation between KPO Laboratories and ENI a work program was established called LOSAP), that has provided professional and experienced ENI trainers for optimise and developed dedicated program for KPO mechanical equipment. With over mentioned instrument and program, Chemical Laboratory helps rotating machinery engineer (maintenance) to ensure proper control of rotating machine lubrication within all units at the field, avoiding or reducing necessity to export used lubricant to abroad.

Providing educational support for its employees

KPO Scholarship Committee has recently announced that 16 KPO employees and 27 children of employees will be provided financial support from KPO in 2010 for their future studies. Thus, KPO Scholarship Programme for national employees and their children not only encourages education and self-improvement of its deserving nationals, preparing them for future leadership roles but also supports their children to give them a better start in life.

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. KPO is committed the long term development of both its own employees and also their children.

The purpose of KPO Scholarship Programme is to improve the technical and professional knowledge and skills of national employees to ensure ongoing development of KPO's workforce and prepare staff for

future leadership roles. KPO also supports talented students from Kazakhstan universities who have chosen a field of study related to the oil and gas industry. Scholarships are advertised at the Kazakh universities, and members of KPO Scholarship Committee evaluate applications.

In 2009, 15 students were granted scholarship worth USD 3,000 each. To date, 114 students have received scholarships from KPO.

KPO participates in KIOGE 2010

On October 6-9 2010, Karachaganak Petroleum Operating B.V. (KPO) took part in KIOGE 2010, the largest international oil and gas exhibition and accompanying conference in the Caspian region and Central Asia, which is held in Almaty. KPO was awarded the top prize for best design of a corporate stand.

As Minister of Oil and Gas of Kazakhstan

Sauat Mynbayev noted in his welcoming letter, "the KIOGE 2010 Forum is a platform to showcase innovations in the oil and gas sector. The issues raised during the annual forum provide comprehensive coverage of present development results, and the potential for the oil and gas sector in Kazakhstan, and promotes a more intensive exchange of experience in the introduction



KPO was awarded the top prize for best design of a corporate stand



Group picture with Kazakhstan high ranking officials

of advanced technology, between foreign and domestic companies," said Sauat Mynbayev.

The KIOGE exhibition was attended by about 500 companies from 30 countries across the world. Visitors to the KPO stand could observe the results of our production operations.

Today, Karachaganak is one of the largest international projects in Kazakhstan, with total investments of over US \$14 billion. KPO's activity is performed in view of the state strategy for sustainable development, which is a guarantee for the sustainable development of natural resources of Karachaganak,

for the common benefit of Kazakhstan. In addition, the field development ensures the supply of significant revenue into the state budget, and makes a significant contribution to the development and diversification of Kazakhstan's economy, through the introduction of advanced technologies and the transfer of international experience to Kazakhstani employees and contractors.

Moreover, KPO also took part in the KIOGE Oil & Gas Job Fair – where professionals and college graduates looking for career opportunities were able to meet with consultants from KPO's Human Resources Department.

SaiPar Rig 249 achieves excellent results in drilling well 9828

On 18 September 2010, SaiPar Rig 249 and its crew successfully drilled and completed the horizontal well 9828 without a Lost Time Incident (LTI) or Total Recordable Incident (TRI). It is necessary to note that the well 9828 is the deepest, the fastest, and the cheapest well ever drilled by KPO in the Karachaganak Field.

In fact the well has been drilled at the total depth of 6356 m (MD) and completed in 77 days (including moving time), with an estimated cost of 20.5 million, that is: 12 days ahead the schedule, that has allowed 5.7 million US \$ saving compared to the AFE. It is also to be highlighted that this horizontal well have reached at the total depth an horizontal displacement, from the rig's vertical line, of 1330m, setting another record for the Field. These operational records have been achieved in this well without prejudice to HSE performances whose trend is in line with the previous wells.

Another important result is that the NPT's recorded in this well were only 7%. This record is significantly contributing to reduce the cumulative NPT's, in year 2010 to date, to 14.2%, that should allow to hit the 2010 target to contain the NPT's within the 13%. Thus, WEOP has fixed the very challenging target to halve the NPT's of 26% recorded



SaiPar Drilling Rig 249 team

in 2009.

Commenting on this outstanding achievement, KPO General Director Giuseppe Pasi said: "I am very proud of this result, which once again confirms professional skills and competences of our KPO personnel. You have managed to achieve fantastic results and you should be proud of yourself and your colleagues.

Please extend my appreciation to SaiPar team for their diligence and effort in conducting operations without prejudice to HSE performances." Finally, Giuseppe Pasi encouraged each member of the crew to continue to strive for excellence in operations and safety awareness.

For his turn, KPO Operations Director Graham Scotton addressing SaiPar well

operations crew and KPO team said: "Allow me to offer my congratulations to you and your teams on this achievement. I think the WEOP community has truly embraced the idea of continuous improvement which has been demonstrated consistently during recent years. I also think this an example which the wider KPO community should be made aware of. Once again thank you to all."

On this occasion, Well Operations Managers of KPO Sabatino Mazzei and Andy Swale also pointed out that these outstanding performances were the result of a combination of several factors: proper planning and design, implementation of lessons learnt, focused supervision, better contractors management, in which the whole WEOP/RPE team and Drilling Contractors team have contributed at each level and work places, i.e. Office, field and rigs.

SaiPar well operations team consists mainly of Kazakhstani employees and most supervisory and technical positions are also filled by Kazakhstan nationals.

The newspaper "Karachaganak News" congratulates the management and staff of SaiPar, their contractors and the KPO team, on this excellent achievement and would also like to wish them good luck.

KPO successfully completes the 2010 Total Shutdown



Karachaganak Petroleum Operating B.V. (KPO) has announced the successful completion of shutdown activities at the giant Karachaganak oil and gas and condensate field.

The milestone was achieved without any injury, any adverse impact on the environment, completing all work scope and ahead of the agreed timescale.

Speaking on the achievement the KPO Operations Director Graham Scotton extended his sincere thanks to everyone who was involved. In particular, he said: "Giuseppe and I would like to sincerely thank, and congratulate, all those who were involved and who have made the Shutdown a resounding success".

"This event, which occurs every 2 years, is a result of many months of planning and preparation on the part of many people. Over 800,000 man-hours of effort were put in, not

including the indirect man-hours of support staff such as Security and our drivers. We have worked almost 1.5 million man-hours in total. The Shutdown involves major inspection and modification to our facilities. 142 process vessels were inspected and repaired where necessary. 265 pressure safety valves (key safety-critical devices for the hydrocarbon processing system) were checked and recalibrated. We completed major modifications to the Unit 2 gas injection compressors, and the Materials Replacement Project at Unit 2 completed its scope of work in an exemplary way. We completed modifications to the system to enable Train 4 to start up in early 2011. Many jobs to improve safety and environmental standards were done. 30 cranes and 40 steam trucks were employed in the operation which illustrates just how intense the work has been".

"The shutdown was originally planned for 35 days. I am pleased to say that Karachaganak is now back on production and exporting oil and gas to its customers.... this occurred after just 26 days. But the main thing to be proud of is that all of this effort was done safely and without incident. The care and attention to safety has been at the forefront of everybody's mind throughout. This has paid huge dividends and we are very grateful indeed for everyone's contribution".

"So once again, to all of you involved, in so many areas, whether on the front line or in the support teams, KPO staff and contractors, Giuseppe and the Directors and all of KPO would like to thank you for your efforts and say well done. A truly real remarkable piece of teamwork and a world class example of planning and execution".