

# KPO SENIOR MANAGEMENT CHANGES

Karachaganak Petroleum Operating B.V. (KPO) is pleased to announce on two senior management appointments.

Over the coming three years, KPO will be led by Mr Damiano Ratti, who has taken over from Giuseppe Pasi as the new KPO General Director. Damiano will have responsibility for the day to day management and operation of Karachaganak and will also oversee the implementation of the consortium's broader development objectives, which involve the continued expansion of the Karachaganak field.

Damiano joined BG Group in 2006 and worked as Chief



Operating Officer and most recently as Chief Executive Officer & Chairman of BG Italy.

He has valuable experience in managing business activities ranging from exploration, power, gas marketing and LNG.

Prior to moving to BG Group, he held various senior roles with Shell in Holland, France and Italy, including that of General Manager Natural Gas, responsible for strategy formulation and business development in Italy, France and Central and Eastern Europe countries.

Working with Damiano, Mr Luca Vignati has assumed the role of Operations Director. Luca will have responsibility for the day to day Operations



of Karachaganak including production, well operations,

reservoir and petroleum engineering and plant enhancement.

Luca has considerable experience in executive roles and has a solid technical and managerial background combined with international experience gained in various overseas assignments such as in Norway, Tunisia, UK and Turkmenistan.

Prior to this appointment Luca was General Manager and Managing Director of Agiba – Egypt, a joint venture between Eni and the Egyptian Oil State owned Company, operating both onshore and offshore fields.

## THE BEST FIELD FIRE STATION ANNOUNCED

On 26 March, KPO Field HSE Emergency Response Department held an award ceremony following an annual contest "The Best Field Fire Station" within the Karachaganak field.

The contest was participated by four Field fire stations which included KPC, Unit-2, Unit-3 and Pilot Camp. Professional qualifications of the fire fighters, level of emergency response, performance of emergency-rescue equipment and tools, level of interaction between the locations and level of fire prevention were subject to the assessment.

As per quarter and annual evaluations of 2011 the

best performance has been demonstrated by the Fire Station №31 which was found to be "The Best Fire Station of the Year 2011."

During the award ceremony Acting Field Manager Andrew Wiper presented with a traditional trophy "Golden Fireman Axe" to the winner of the contest. It was noted that over the last year the Fire Station №31 achieved the best KPI by results of 2011 in the field of professional qualification, carrying out preventive measures and emergency response. It is also a sign of high appreciation of work performed by fire stations' personnel in the field of fire safety

provision, ES prevention and elimination.

The best fire station is defined annually on the basis of conducted inspections according to Plan of Assessment of Key Performance Indicators regarding activity and development of fire stations' personnel.

In the course of firemen assessment the following aspects were taken into account: professional qualification, emergency response and actions of firemen during emergency response, keeping in working condition of emergency-rescue equipment and tools, ER interaction with KPO units and contractors, carrying out of



preventive measures in the Field on elimination of fires.

KPO management also expressed appreciation to emergency response and fire fighting groups for their high professional qualification, contribution in maintaining of fire safety and responding to emergencies in all KPO facilities in the field.

Also Field HSE Manager Steve Nahurski presented an award certificate "The Best Fire Station of 2011" to the contest winner for its high professional indicators. The Emergency Response Team Leader Alexander Okhripenko noted that the integrated exercise

on elimination of possible ES had been conducted in the Field in June, 2011 with involvement of forces and facilities of all KPO emergency response services and units. This exercise was attended by representatives of WKO ES Department, KPO management and visitors from CIS countries as part of International Civil Defence Organisation, who had highly appreciated professional qualification of KPO emergency response units. Awarding of Fire Station 31 has become one more significant event in KPO and it is also stimulation for further fruitful work in the area of emergency prevention and elimination.



KPO is pleased to announce the winners of the HSE incentive scheme for the fourth quarter 2011:

1. Best Individual Proactive observation – Fattakhov Marat (KPO, Bolshoi Chagan Pumping Station, Maintenance Supervisor).

Marat revealed that the truck drive was in the vehicle body during

lifting activities carrying out.

Actions taken:

- Marat stopped the work;
- Truck driver left the hazardous area;
- Toolbox talk was held and

hazard factors were explained to the driver.

2. Best Individual HSE performance of KPO employee – Vaschuk Andrey (KPO, Eco centre, Eco centre Superintendent).

While controlling the new Industrial Solid Waste Burial Polygon (Landfill) prior to its release into operation it was found out that entrance ways, particularly in winter time are not safe (roadsides are not clearly distinguished and the road surface is slippery; thus there is a risk of rolling over and falling down into the cell).

Actions taken:

- Andrey proposed to buy and to install water filled road blocks along the entrance ways to the cell especially on the ramp and on the unloading spot. Water filled road block is intended for erection of

temporary road guards in places of potential risks;

- Water filled road blocks were installed.

3. Best Individual HSE Performance of Contractor or Sub-Contractor employee – Vokunov Alexey (Expro, Well Operations Department).

During visit to work site Alexey noticed that pressure regulator valve on air compressor failed to work properly at low temperature. This could result in rupture of pressure vessel.

Actions taken:

- Well Test Supervisor was immediately informed;
- Pressure regulator valve was replaced.

4. Best Individual Driver Performance – Kumarov Bauyrzhan (AksaiAutoTrans, Transport

Department, driver).

In the morning on the 23rd of November 2011, Baurzhan (Aksai-KPC Toyota Coaster shuttle bus driver) was driving on his way to KPC along Aksai-Field road when he was stopped by a man standing by another stationary Toyota Coaster bus on the side of the road. When he stopped, he was told that the stationary bus driver suddenly felt bad himself and first aid was required. Baurzhan rendered first aid to another Coaster driver before Ambulance arrived.

Safety remains our primary concern and company apply every effort in order to make KPO a safer place to work and implement a highly visible recognition for HSE performance throughout the organisation.



## Introduction from the new General Director of KPO



Dear colleagues,

My name is Damiano Ratti, and on my first day as your General Director I would like to introduce myself.

I have been with BG over 6 years where I worked as Chief Executive Officer and Chairman of BG Italy.

My home is in Milan where I graduated in Business Administration at Bocconi University.

I am married with Paola with 1 daughter, Camilla and 1 son, Filippo.

I am immensely proud and excited to be joining KPO. Particularly at this time when there is much to be done to shape our future direction.

I am very happy to be in Kazakhstan and I am already impressed by the warmth of the welcome I have received.

I would like to take this opportunity to thank Giuseppe Pasi. There are many achievements that have been delivered under his leadership, and I know he has been tireless in moving Karachaganak forwards during his tenure. I am sure you would join me in wishing him all the best for the future.

Also joining KPO at this time will be our new Operations Director Luca Vignati. I will allow him to introduce himself of course, but I look forward to working together and delivering against a challenging set of targets for 2012 and beyond.

During the past two weeks I met with many of KPO staff from various departments which allowed me to get an overall picture of the Venture's ongoing activity. I was genuinely impressed by the magnitude and complexity of Karachaganak, but most of all, by the knowledge and dedication of the KPO team which is uniquely multinational and culturally diverse.

In the next few days I will revert to you with a video address on Intranet and share with you my thoughts and plans for the Venture looking forward.

As I commence my assignment with KPO I look very much forward to being able to build on the foundation created by my predecessors and to contribute to the success of a world class operation that Karachaganak truly is.

Thank you!  
Damiano Ratti  
General Director

### Kazakhstan plans to increase oil and gas condensate production to 90 ml tons by 2015



Kazakhstan plans to produce about 90 million tons of oil and gas condensate a year by 2015, said Kazakh Oil and Gas Minister Sauat Mynbayev.

"According to the Geology Committee, the recoverable reserves are estimated at about 5.3 billion tons. Annually, we produce 81 million tons. We expect the production to increase to 90 million tons by 2015 and, probably, to 120 million tons by 2020," he told a Wednesday meeting of the Majilis (the lower chamber of the Kazakh parliament) in Astana.

According to the minister, the reserves will last for as long as 40-45 years if Kazakhstan produces 120 million tons a year.

"Taking into consideration the fact that the production rate usually declines at later stages, this may last even 50 or 60 years," he noted.

Sauat Mynbayev said that probable resources may reach 17 billion tons.

As reported, in 2011 Kazakhstan extracted 80.1 million tons of oil and gas condensate and expects to produce 81 million tons in 2012.

### Results of pilot project for waste paper collection and recycling for 2011

Infrastructure and Services department of KPO is pleased to announce the results of the pilot project for waste paper collection and recycling for 2011.

To date, 22,820 tons of paper and cardboard have been collected. Thus, this volume of municipal solid waste has been taken out to Aksai's landfill..

In 2011, the project involved employees located in the Main KPO Office, KazBurGas, Gas Rescue and RGP blocks, and also employees from other KPO offices collected waste paper on their own initiatives.

As part of the KPO obligation to collect and recycle paper waste, in 2012 this project will be further implemented in all company's offices in Aksai.

## KPO programmes to support Kazakhstan universities

"Karachaganak News" is continuing to report on cooperation of KPO with Kazakhstan educational institutions. In this issue we will provide you more detailed information on each programme to support Kazakhstan universities.

### KPO Scholarship Programme for Kazakhstan Universities Students

This Programme was created in 2003 to provide financial support to some of the best students attending Kazakhstan Universities. Every year the best students of 7 Kazakhstan Universities take part in

this competition. They are: Kazakh National Technical University after K.Satpayev, Kazakh-British Technical University, Rudnyi Industrial Institute, Aktobe Social-Technical Institute "Dunie", WK Agrarian-Technical University after Zhanqir Khan, WK State University after M. Utemissov, WK Engineering-Humanitarian University.

The Program will give students an incentive to improve their knowledge and professional skills in Oil and Gas related areas of study. In 2008 there were some changes in the Programme. The

amount of awards was increased by 50%. The Scholarship Programme provides for 15 Grants with a total value of \$45,000 (6 105 000 tenge) per annum. The amount for each winner is \$3,000 or 407 000 tenge.

### KPO Student Placement Programme

KPO cooperates with the educational institutions of Kazakhstan making its contribution into prospective youth training. Work experience in an international company prepares students for real jobs, gives them an opportunity to consolidate theoretical knowledge, familiarize themselves with main business approaches on best world standards. Every year over 500 students from about 30 educational institutions undergo student Internship in KPO.

### KPO Apprenticeship Programme

The KPO Apprenticeship Programme, which was launched in November 2007, is aimed at supporting in training and development national students in qualifying as Operators and Technicians from local Burlin Professional Technical Lyceum №15 and Burlin Agricultural College. HR budget is \$15,000



annually. Since 2007, 61 students took part in this Programme and were sponsored in the amount of 10 mln tenge in general. The participants of this Programme are provided English language lessons and excursions to Karachaganak Field and placed on practice in KPO.

### KPO Financial Support Programme

This Programme is aimed to strengthen a material and technical base of West Kazakhstan educational Institutions and

to improve the professional knowledge of their teachers. Since 2002 to 2011 KPO spent \$500,000 US for this purpose. Starting from 2009 teachers of Oil & Gas, Electro supply, Ecologist specialties of WK Agrarian-Technical University and Burlin Agricultural College have on-the-job training in Production & Maintenance and Corporate Environment departments of KPO. Teachers and students of foreign languages faculty of WK State and WK Agrarian-Technical Universities, pass trainings in the Training & Development Centre of KPO.