

# Nauryz, Celebrating the Coming of Spring and Abundance

Celebrating of Nauryz holiday in Aksai together with local residents has become a good tradition for all KPO employees. As in previous years, on 22 March, KPO top managers headed by the General Director Damiano Ratti arrived at the Gasmen Municipal Park of Aksai to congratulate the residents of the city.

KPO General Director Damiano Ratti congratulated heartily all the city residents on this bright spring holiday, wishing them all of the best. In particular, addressing all the gathered people, Damiano Ratti said: "Dear Friends! On behalf of KPO multinational team I would like to congratulate all of you with Nauryz Meiramy!

Stemming from the early centuries, Nauryz symbolises eternal spring, renovation of nature and regeneration of life. From ancient times up until now, people have wished each other peace, good fortune and happiness. It was believed that the Nauryz celebration brings good fortune for the entire year.

It would be no exaggeration to say that the Nauryz holiday has at this time become one of the favorite national holidays of the Karachaganak Petroleum Operating Company.

On this festive day, we reflect on our achievements, make plans for future, and make foundations for further creation for the new phase of our development.

Karachaganak celebrates Nauryz 2013 with record production levels, innovative technologies, achievements in development of local economy and social infrastructure, impressive environmental performance, and advancement of national employees and contractors' potential.

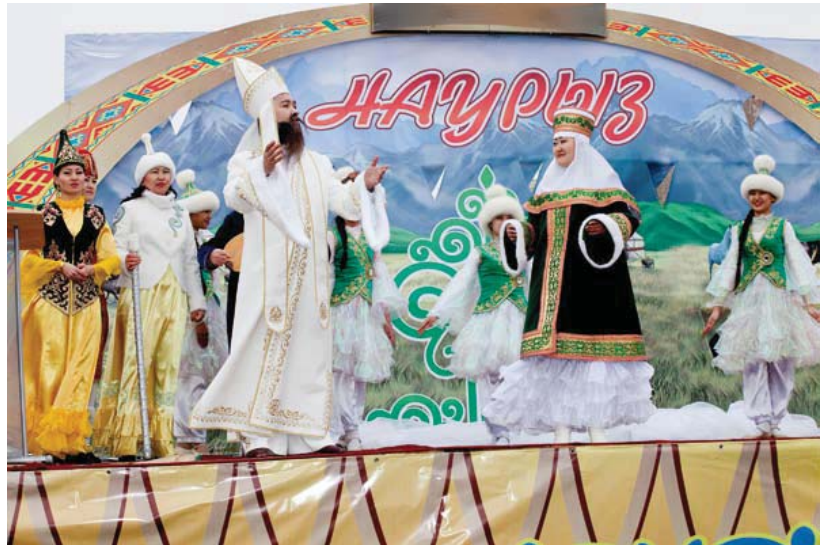
We are proud that every year KPO invests 10 mln dollars into development of Aksai, the place where we live and work. The success of Karachaganak has become possible due to strong collaborative partnerships between the Republic of Kazakhstan, Karachaganak Partners and local community. Congratulations!"

Nauryz is one of the oldest holidays on Earth. This holiday of spring and the renewed life of the Earth has been celebrated for over five thousand years by many cultures of the Middle and Central Asia.

Historical records referring to this holiday can be found in ancient and middle age documents. In the oriental chronology, it corresponds to Navruz, the Iranian New Year. Kazakhs, Uzbeks and Uighurs passed the Nauryz traditions from generation to generation. The roots of this holiday can be traced to old pagan rituals. The celebration was meant to reflect people's love to nature. People have preserved the rituals, and today the holiday has acquired new spiritual and ethical meaning.

This holiday has been celebrated on 22 March, the day of the spring equinox. That's why the Kazakhs call the month of March Nauryz. It was celebrated as the day of the renewed life which comes with the spring. It was the day when the first spring thunder strikes, buds are swelling on the trees and vegetation grows wildly. Nauryz as a non-religious celebration of the spring and renewal is closely linked to some other Kazakh holidays, such as a "farewell to winter" festival.

The March snow is usually soft and particularly white. Beautiful girls were often compared to the



white snow of Nauryz. In the past, the Kazakh called Nauryz the Day of the People or the Great Day of the People. People believed, the more generous the celebration of Nauryz was the happier the year would be. Therefore, there are so many rituals and festivities related to this holiday. On the eve of the holiday, people would clean their homes, pay back their debts and reconciled with their opponents because, as the old people used to say, if Nauryz entered the house, all diseases and failures would pass it by. On the night before the festival, all vessels in the house would be filled with milk, airan (plain yogurt), grain, and spring water because it meant that people would have a lot of milk, good yield and plenty of rain during the coming year.

During the day, everybody tried to be in good spirits, would give a big hug to each other and wish good fortune and happiness to others. The celebrations would begin with sunrise. There is an old ritual "If you see a spring, clean up its source". At dawn, all adults, youngsters and children would pick up spades, go to an agreed place near a spring or aryk (small water canal) and clean it. There, they would also plant trees under the supervision of respectable old people. During the process, they had to say: "Let a man leave a tree rather than a herd in the people's memory" and "If you cut one tree, you will have to plant ten!"

The Kazakhs attached special importance to the number of seven

during the Nauryz celebrations because it symbolized the seven days of the week, which was considered to be a time unit of the universal eternity. Seven bowls with the Nauryz-kozhe drink (made from seven sorts of seven types of herbs) would be put in front of the aksakals (respectable old people). The meals were composed of seven components, usually meat, salt, fat, onions, wheat, kurt (a type of cheese) and irimshik (a kind of cottage cheese).

The celebration always included mass games, traditional horse races and other competitions. The most famous and favourite were the games of "Aikysh-uishysh" (towards each other) and "Audaryspek" where dzhigits (skilful horsemen) had to pull each other down from their saddles. Sport competitions were popular and both boys and girls could take part in them. A girl would invite a dzhigit to have a go and compete with her on one condition: if he wins, he would have the right to marry her, and if she wins he would have to obey her and execute her every desire.

Hence, Nauryz would often turn into a wedding celebration. All people regardless of their gender, age and social position were excused from daily duties and took an equal part in the fun and games. Various ethical bans regarding relations between men and women were lifted during this time, even the relations between the oldest brother-in-law and sister-in-law. (Scientists link this game to free

dating and mass entertainment which was widespread when two clans were intermarrying at the time when nature came back to life. Then, all bans and restrictions in the relations between men and women were lifted for a short period of time.) A poetic show would complete the day: two Akyns (poets) took part in a song competition. The competition would be over with the sunset when, according to a common belief, the good defeated the evil. Then, people would start a fire and, carrying torches lit from the fire, would go around the village, sing and dance. That was the end of the festival celebrating the spring renewal and equinox. The history of Nauryz has been complicated. The totalitarian Soviet system did not recognize the existence of any national identity and any reference to traditional heritage was considered to be an anachronism and remnants of the past. Nauryz was cancelled in 1926. It was first recreated in Kazakhstan only in 1988 and was extremely popular. Officially, Nauryz was recognized on 15 March 1991 by a Presidential Decree. The President declared 22 March, the day of the spring equinox, a holiday.

Nowadays, it has become a truly national holiday of spring, work and unity. It is dear to all the peoples living in the multinational Kazakhstan. The ancient holiday of Nauryz has naturally become a part of the modern life, preserving the old traditions.



## INTERNATIONAL CIVIL DEFENCE ORGANISATION (ICDO) WORKSHOP CONDUCTED IN ATYRAU

A workshop was organised by the International Civil Defence Organisation (ICDO) on 18 - 21 February, 2013, in Atyrau. The workshop was attended by representatives of the ICDO members, observers (Leaders of Fire and Emergency Rescue Services), and representatives of the ES Department of Atyrau region.

The major objectives of the ICDO: "Support and interaction with countries-members of ICDO focusing on protection, prevention, and control of natural and man-made disasters; development of Civil Defence; provision of humanitarian aids to the countries suffered during large-scale emergencies".

As part of the ICDO's workshop, professionals of KPO Field HSE Department/ER Team organised and demonstrated Special Tactical Emergency Response Exercises (STE) on 20 February, 2013, at the Atyrau-Terminal facility.

The purpose of the STE was to demonstrate the level

of readiness of KPO Emergency Response services and teams, interaction between ER teams, Incident Management Centre of the facility and governmental emergency response services.

Under scenario emergency and rescue services and teams, firemen eliminated oil spill fire within minutes, ensured oil spill recovery, deployed inflatable tent at a safe area to stage emergency management centre at the scene of emergency and rescue operations.

ESD representatives of Atyrau region and ICDO members expressed their high opinion of coherent actions and interaction between rescuers, fire-fighters and KPO Terminal Atyrau management.

The actions performed proved once again that Emergency Response and Rescue Services have good experience and potential to prevent and handle man-caused and natural emergency situations.



# KPO Reports 2012 Performance

On 20 February KPO announced the operation results of 2012.

Last year KPO produced 139.5 million barrels of oil equivalent of stabilised and unstabilised liquid hydrocarbons, gas and fuel gas.

8.6 million cubic meters of sour dry gas were re-injected to maintain reservoir pressure, which is approximately 49% of the total volume of produced gas.

KPO General Director, Damiano Ratti, said: "As of today, KPO's partners have invested more than \$17 billion into the development of Karachaganak. At the same time, direct payments into the RoK budget reached \$8.8 billion".

"In developing the Karachaganak project, KPO has utilised leading production and hydrocarbon processing technology to enhance hydrocarbon recovery and ensuring maximum economic return for the Republic of Kazakhstan and the project partners", added Damiano Ratti.

Karachaganak is one of the largest and most complex fields to operate in Kazakhstan. Currently, there are 96 production and 16 re-injection wells in operation at the Karachaganak field, out of a total of 377 wells.

In 2012, KPO has drilled and completed some of the best liquid producing wells ever undertaken. Besides, KPO hooked up the highest absolute number of wells in the history of the Karachaganak in any one year.

KPO is committed to sustainable development and the highest standards for environment

protection in all aspects of its activity.

Since 1997, KPO's investments into environmental activities have exceeded \$239.4 million. KPO fully supports initiative of the Republic of Kazakhstan regarding transition to "a green economy". Last year, the gas utilisation rate at Karachaganak totalled 99.87%, which is a world class achievement.

In 2012, the volume of gas flaring was a mere 0.13% of the total volume of gas produced, or 0.78 tonnes per thousand tonnes of extracted raw materials. A comparison of these figures with averages achieved by international and European oil and gas companies demonstrates KPO's leadership in this area.

KPO has developed and implemented its Greenhouse Gases Management Strategy, which assumes a voluntary obligation to reduce greenhouse gas emissions over a period of five years. As a result of this strategy, more than 1 million tonnes of greenhouse gas emissions have been eliminated.

Emissions from the industrial operation of KPO facilities are monitored by an automatic data collection and environmental monitoring system installed at the field as well as the borders of the sanitary protection zone. In addition, KPO monitors the air quality in areas near the Karachaganak field.

As the largest employer in the region, KPO is fulfilling its obligations for the protection of employees' health and for

the creation of long-term jobs with highly competitive salaries. Besides, KPO puts programmes into place that are focused on promoting the professional level of local employees.

Personnel nationalisation is an important structural element in the creation of KPO's economic heritage. Its goal is to maximise employment opportunities for local people and invest into the professional development of Kazakh employees. Recognising the importance of this issue, KPO has developed and adopted a local employee development system to promote them to the management level in all business units.

KPO focuses on the development of talented and dedicated Kazakhstani employees, and contributes to their on-going professional development.

As a result of KPO's efforts to substitute foreign specialists with local professionals, today, local employees make up 93% of the total staff. Overall, KPO's Kazakhstani employees fill 69% of all management positions and 95% of the lower levels of management and skilled professions.

During 2012, about three thousand Kazakhstani specialists from KPO were enrolled in industrial safety, technical competence, management development programmes as well as personal and language skills training courses.

The total duration of training during 2012 was 346,000 hours. KPO invested \$13 million into this

area. Overall, in recent years KPO has put more than \$168 million into training and development of Kazakhstani professionals using international experience, own educational resources, and though cooperation with well-known universities.

Also, KPO is actively promoting the development of suppliers of local goods and services, and implementing a number of projects to support local production.

KPO is one of the first companies in Kazakhstan to successfully introduce a local content programme. The implementation of the Local Content Development Programme has allowed involving more than three thousand Kazakhstani companies into the development of Karachaganak. These companies have received orders from KPO for over \$4 billion.

In 2012, the proportion of local content in KPO contracts for the supply of goods and services reached 56% or \$336 million in monetary term.

As Damiano Ratti has noted, "Today, Karachaganak plays a significant role in the social, economic and cultural development of the West Kazakhstan Oblast".

"KPO's social projects are a good example of our corporate responsibility and successful cooperation with local authorities ensuring the efficient use of Karachaganak's potential", added Damiano Ratti.

As the result of this established



partnership, a large number of new schools, kindergartens, hospitals, as well as social and community-purpose buildings were constructed in recent years. Hundreds of kilometres of roads were also laid. As of today, KPO's investments into development of WKO social infrastructure have totalled over \$240 million.

The list and priorities for KPO's social projects are determined together with the Akimat of the West Kazakhstan Oblast. All projects are carried out in full compliance with the laws of the Republic of Kazakhstan. They also conform to building regulations and KPO's internal procedures.

It should be noted that all KPO social projects are executed solely using Kazakhstani contractors, and therefore have 100% local content.

KPO's efforts to develop of the region's social infrastructure have been recognized at the national Paryz Corporate Social Responsibility Competition where KPO has won an award in the Best Social Project category.

## Winners of HSE Card Programme Awards - Quarter IV, 2012

HSEQ Controllershship is expressing its deep gratitude to all participants to the HSE Incentive Scheme and would like to congratulate all winners on the results of the Q4 2012 HSE Card Programme. Once again the KPO Top Management recognizes the strategic importance of this programme, participating in the ceremony and prizing the winners of the four categories.

The winners are:

1. Best Behaviour Observation (with intervention) 1st Place (\$500) – Marat Tastemirov (KPO, Production and Maintenance, Trunk Pipeline Operator).

Marat had stopped the works after revealing that contractor's personnel were going to carry out welding activities within the protection zone of product pipelines without a PTW and other work authorization documents. As a result Contractor's Management and HSE Department were invited and informed of the identified non-compliance and it was proposed to take actions to prevent recurrence of such situation in future.

Best Behaviour Observation (with intervention) 2nd Place (\$250) – Sergey Kalutskiy (KPO, General Projects, Welding and NDE Inspector).

During lifting operations at worksite the workers found to be within the zone of crane operation when leaving the shop as there were no barriers or signs inside. Sergei warned the workers and immediately installed barrier tape in front



of the exit. Supervisor instructed to Performing Authority, crane operator and riggers to apply safe lifting practices and information on barricading off lifting area.

Best Behaviour Observation (with intervention) 3rd Place (\$100) – Yermek Tasmagambetov (Schlumberger, Well Operations, Field specialist).

While unloading well logging equipment from MAZ flat truck Yermek noticed that one operator was staying under the load which was hung up with crane. Yermek immediately asked him to stay away from the load and explained him to be more careful and always watch the crane boom position to know the location of safe zone. This case was discussed at Weekly Safety Meeting and at the HSE Card Committee.

Best Behaviour Observation (with intervention) 3rd Place (\$100) – Alybek Tazhiyev (KPO, Infrastructure & Services/HSE, Patrolman).

The work was being carried out without PTW in place in absence of Performing Authority, and instructions to the slingers. Alybek stopped loading operations and explained the plan of loading and fixing the load on the transport. He clarified that Client should control that all required PTW documents are obtained and all instructions are checked prior to the work.

2. Best Hazard Observation 1st place (\$500) – Renat Tazhiyev (KPO, Field/Production/Chemical Laboratories, Sampling operator).

Renat reported to his Management on the falls and trips hazards as well as drop of equipment into tank during drainage of liquid waste to the underground tank and proposed to install metal lattice onto manholes. Supervisors informed Laboratory employees and raised request to fabricate metal lattices for manholes which were installed later on.

Best Hazard Observation 2nd place (\$250) - Nurlan Bazarbayev (KPO, Production & Maintenance/Warehouse Materials & Management, Warehouse Supervisor).

Nurlan noticed the Contractor failed to follow safe transportation requirements when transporting 24 inches diameter pipe. Further transportation was ceased. As a result this non-compliance was discussed with Contractor's personnel and Contract owner department was informed.

Best Hazard Observation 3rd place (\$100) – Rail Valiyev (KPO, Contracts and Procurement, Contracts and Procurement Expert).

Having seen that electric wires were left lying on the floor without any warning signs during reconstruction of room 302 Rail immediately posted warning sign and notified Space Planning and Accommodation Superintendent. Supervisor



informed FM Electrical group and as a result the cable was installed in a proper way and the wires were removed.

3. Best HSE Suggestion 1st place (\$500) - Askhat Nuradinov (KPO, Production and Maintenance/ Chemical laboratories, Sampling Operations Supervisor).

Askhat proposed to temporarily remove Elix-10 device from service as it drained water to the hazardous waste drainage system and to prepare materials for process water drainage connection to the system of household sewage. As result Elix-10 equipment was isolated, warning signage was posted and supervisor raised a request to General Service.

4. Best Driver performance - Kuandyk Gabbassov (KPO, Transport department, driver).

Kuandyk Gabbassov has been working in KPO as a driver for 13 years with overall experience of 36 years. He has always showed serious attitude and professionalism throughout his work. Kuandyk has demonstrated good performance having acquired a reputation of industrious, responsible and careful driver.

Pictures from the award ceremony can be found by this hyperlink.

Once again we congratulate all the winners with the well-deserved rewards. Safety remains our primary objective. Company applies every effort to make KPO a safer place to work and implements a highly visible recognition scheme for HSE achievements throughout the organisation.

Regards,  
HSEQ Controllershship

## WKO Entrepreneurs' Association and Industrial companies' representatives visited Karachaganak

On 13 March a working meeting of the WKO Entrepreneurs Association representatives and industrial companies was held with the management of Karachaganak Petroleum Operating B.V. (KPO).

The main purpose of the meeting was to familiarize WKO industrial companies with the Karachaganak field and review the progress of the current phase of the Project.

The guests were also briefed about the ongoing field development activities, as well as further plans for the development of the Karachaganak field and

Vendor Development programs.

KPO Local Content Development Controller Kairat Kapashov briefed the delegation on the company's active participation in the development of Kazakh suppliers by implementing a number of initiatives.

As part of the local content development, KPO together with the WKO Entrepreneurs Association has implemented a localization project for goods and services production with the regional companies participation. The project is aimed at conditions generation for development of

local production of goods and services demanded by the oil and gas industry in the long term.

"KPO implements projects, helping to produce in Kazakhstan spare parts and equipment needed in daily activities at Karachaganak. Such projects stimulate cooperation between foreign and Kazakhstani manufacturers; they create opportunities for national companies' development and encourage the transfer of the best available technology into Kazakhstan's industrial sector", - added Kairat Kapashov.

Kairat Kapashov noted: "The



use of Kazakhstan's goods and services is central to the way we work at KPO. It also positively impacts the development of national and regional economies".

According to Kairat Kapashov, use of local goods and service is a priority for the Company in frames of its activity's efficiency and has a positive impact on the regional and national economy development.

"It was an important meeting with the KPO local content development management. We talked about the possibilities of our industry for the production of products that can fit the standards and requirements of KPO. In turn, the company has expressed its interest in supporting local suppliers, small and medium businesses as well as in further cooperation with the WKO Entrepreneurs Association of local

content development," - said Anis Istelyuev, president of "WKO Entrepreneurs Association."

KPO is one of the first companies in Kazakhstan to successfully introduce a local content programme. The implementation of the Local Content Development Programme has allowed involving more than three thousand Kazakhstani companies into the development of Karachaganak.

These companies have received orders from KPO for over \$4 billion.

In 2012, the proportion of local content in KPO contracts for the supply of goods and services reached 56% or \$336 million in monetary term.

Following the meeting, the parties agreed to take concrete steps and actions to increase the local content in provision of goods and services.



## KPO Employees Complete Certified Management Programme

On 8 February KPO announced that 38 Kazakhstani employees have successfully completed a certified management programme delivered by the UK Institute of Leadership & Management (ILM). As the result of program completion, 9 of them received a Diploma and 29 - International Certificates in Management.

As KPO General Director, Damiano Ratti emphasised, "The training and professional development of Kazakhstani staff

is one of KPO's main priorities.

"KPO's national staff is a key to KPO's success. Over the years, KPO has invested more than \$168 million into the training and development of national employees using the international expertise of the KPO partners, appropriate classroom training and renowned educational institutions", added Damiano Ratti. KPO is developing talented and motivated national employees so they can take on larger roles



with more responsibility within the company. As a result of KPO Nationalisation Programme and systematic efforts to reduce the number of foreign experts, Kazakhstani employees now account for 93 per cent of the total KPO staff.

Overall, 95 per cent of the professional and supervisory

roles, and 69 per cent of the managerial positions at KPO are filled by national staff. From 2006 to the present, about 300 national employees have been trained as part of the certified management programme and received international diplomas and certificates.

The KPO Local Personnel

Development Programme is based on individual training and development needs.

The training budget is defined from the viewpoint of employees' individual educational requirements. On average, the budget for personnel development and training is some \$ 14 million per year.



## KPO lends a helping hand on time

The head of the Emergency Situations Department of West Kazakhstan Oblast Mr Bisembayev has sent a letter of thanks to the General Director of KPO Damiano Ratti.

In his letter Mr Bisembayev said the following: Emergency Situations Department of West Kazakhstan Oblast expresses appreciation for your active

participation in the activities for prevention and elimination of emergency situations related to evacuation of vehicles and people who stuck in snow in the period from 7 to 9 March 2013.

As a result of prompt response, on 9 March 2013 3 ladies from Zhanatalap village requiring emergency medical care were timely delivered to central regional

hospital in Aksai.

With joint efforts of Burlin district emergency situations department and KPO emergency response team, 11 vehicle units were evacuated and 38 people were rescued from snow blockage.

We are looking forward to cooperation with KPO.

