

KPO receives "Paryz" Award as the "Best Socially Responsible Company"



Antonio Baldassarre receives "Paryz" award

The Annual "Paryz" Contest & Exhibition took place on 23 December 2008 in Astana and KPO was awarded the Bronze "Paryz" in the category of Best Socially Responsible Business.

Over 250 companies competed in three categories and KPO was named the third largest company in Kazakhstan in terms of commitment to its employees, community and the society as a whole.

During the exhibition that preceded the ceremony, the secondary school № 34 in Uralsk was presented to the President

of the Republic of Kazakhstan Nursultan Nazarbayev as one of KPO's Social Projects implemented recently. President Nazarbayev was briefed on the details of the project which is the largest secondary school in WKO. It was designed and constructed entirely by Kazakh contractors, furnished with modern equipment and a wide range of academic and sports facilities.

The President was impressed by the school model and expressed his satisfaction with the quality of the project. During his keynote address, he commented that the projects presented to him were examples of social responsibility, goodwill and outreach in support of the most vulnerable social groups.

The President extended his thanks to business leaders and called upon the Kazakhstan business community to demonstrate their maturity and support employees and local communities during these harsh times.

Commenting on the award, KPO Operations Director Antonio Baldassarre said: "At Karachaganak we are committed



Kazakhstan President Nursultan Nazarbayev with participants of the contest

to be a responsible citizen in the Republic of Kazakhstan, with the aim to contribute to the broader sustainable development agenda of the Republic.

Our commitment includes investing into the human capital of our employees, adopting best available technologies, protecting

our staff and the environment, realising projects and partnering with local vendors to establish a sustainable economic foundation for our business.

Such a high recognition of the Venture's contribution to the socio-economic development of the region is a result of the cooperation

between KPO and the authorities of West Kazakhstan Oblast. I would like to extend special thanks to all our employees and the contracting companies which have been involved in KPO's social programme for their dedication and efforts."

Five KPO employees receive state awards



Group picture with Akim of the Burlin District and KPO management

On 6 January, five employees of Karachaganak Petroleum Operating B.V. (KPO) were awarded Kurmet Diplomas.

Ermukhambet Davletov, Rig Superintendent; Berik Irgaliyev, Unit 2 Production Superintendent; Oleg Popov, Engineering Support Engineer; Serik Kaliyev, Lead Technician – Maintenance (Electrical) and Alexander Mansurov, Mechanical Technician, were honoured by the President of Kazakhstan Nursultan Nazarbayev with Kurmet Diplomas.

Bulat Shakimov, Akim of the Burlin District, congratulated the KPO employees and presented them the Kurmet Diplomas at an Award Ceremony which took place at the Burlin Akimat.

Roger Fox, KPO General Director, commenting on the award said: "These awards are recognition of the significant contributions which these individuals make to Republic of Kazakhstan, and specifically the WKO. I would also like to extend my sincere congratulations – they have made us very proud."

Ermukhambet Davletov, speaking on behalf of his colleagues, noted that that it was a great honour for him and his colleagues to be awarded Kurmet Diplomas.

"I believe that this award recognizes not only our achievements, but also the efforts of the many people that we are privileged to work with at Karachaganak", he said.

KPO ACHIEVES NEW SAFETY RECORD

On the eve of the new year Karachaganak Petroleum Operating B.V. (KPO) announced that it had achieved a new safety record exceeding 20 million man hours and eight months without a lost time incident (LTI).

Commenting on the event, KPO General Director, Roger Fox said: "These achievements signify KPO commitment to the best safety, health, and environmental practices and standards, and demonstrate our vision to have an incident-free workplace."

"Since 1997, KPO has been actively promoting a culture where the ownership of safety is shared across the organisation. KPO aims to further improve its HSE performance through compliance with HSE standards, managing workplace risks and careful planning and monitoring of our operations," added Roger Fox.

This safety record has been made possible through KPO's ongoing investment in raising the awareness of safe working practices for all Karachaganak personnel. As is well known, KPO has been actively implementing a



Behavioural Based Safety process, which encourages all employees to observe safe behaviour, provide positive feedback for safe work, and immediately help to correct all safety problems that have been observed.

In recent years, KPO has implemented a number of successful safety initiatives, integrated into an overall HSE Improvement Plan.

Leading industrial indicators, in terms of following safety regulations are not only the prerogative of the KPO staff and management, but for the contractors, suppliers and all those connected with industrial production. This is because safety and environmental standards at Karachaganak are the same for everyone.

Unit 3 – three years without an LTI



Unit 3 team

On the eve of the new 2009 year, the KPO Unit 3 team, along with the Gathering and Karachaganak-Orenburg Transportation System (KOTS) teams, surpassed an important milestone having exceeded three years without a recordable or lost time injury for all KPO and contractor employees.

KPO Operations Director Antonio Baldassarre, KPO Services Director Colin Orr Burns and other KPO management were on site to congratulate the team and award them a Certificate of Merit in recognition of their excellent safety record.

Also Roger Fox, General Director of KPO, on behalf of the KPO leadership team, extended his congratulations to the teams on this excellent achievement.

"This milestone reinforces the work which we have been doing with respect to safety awareness across our business. Approximately 490 employees work at this facility and over the last three years, well over a thousand different contractor employees have been involved in various activities at this site. We have had peaks of up to 800 at any one time. Considering this, three years without incident is no small feat."

"The team at Unit 3 is an excellent example of what it means to ensure safety is at the core of what we do each day. Congratulations and many thanks for your efforts."

KPO selected winner in the category "Project of the Year"



In late 2008 the annual 'Person of the Year' contest was held in Aksai and KPO was selected as 'Project of the Year'.

The contest which is traditionally held at the end of each year is the initiative of the local newspaper "Aksai News" and radio company "Aksai-Radio". The contest also enjoys the support of local authorities and businesses.

According to the organisers, the main purpose of the contest is to identify a local person who has achieved outstanding results in sports, culture, education or arts, or who has continually demonstrated professionalism in management and proved their potential in a certain sphere. The content also considers local businesses which are acknowledged for the development of projects in the local community.

The Award ceremony was held at Arman club and it was attended by the Akim of the Burlin District, Bolat Shakimov, together with high ranking officials of the WKO administration, public figures, cultural workers, honoured local artists and sportspeople.

From a total of 12 nominations, KPO was selected as the winner of 'Project of the Year' for its work on the Aksai Road Safety school project which targets all high schools in Aksai. The initiative is aimed at reducing road risks within KPO and the Aksai community. The project was organised jointly by the KPO Services, Safety and Community Relations Departments.

Receiving the award on behalf of KPO, Corporate Safety Manager Rocco Catalano said: "We at KPO are very proud to receive this prestigious award. Safety is our main priority at KPO and our employees are focused not only on their own safety, but that of contractors and the general public in Aksai. We work very closely with local organisations including law-enforcement bodies to this end."

In closing, Rocco Catalano congratulated all the awardees and expressed his gratitude to the contest organisers.



Rocco Catalano at the Award ceremony

Project Development Offices Merge

In November 2008 the two London based offices merged into Cardinal Place, Victoria. The new, expanded office now houses the Well Engineering team, Phase 3 Operations, Project Services, Finance, HR, KIMS, IT & T, Office Services, Business Development, Subsurface, Marketing, Value Assurance and KMG.

The move marks a new start and new energy for the projects team with an emerging new Phase 3 concept and outstanding safety performance



KPO office at Cardinal Place

with new innovations in Train 4.

Prior to the move, the office at Cardinal Place required expansion. New floors, ceilings, paint and kitchen services were fitted. The disruption to daily project life was

limited, construction only evident when walls separating the two areas had to be removed. The move of the former Millbank based teams to Cardinal Place involved an intricate strategy between office services, IT & T and the move coordinator, Sarah Brough.

Not only did all personnel and their equipment belongings have to be moved but computers and telephone systems had to be re-installed. A number of the KPO IT & T and Office Service representatives worked several weekends to ensure that returning personnel had a fully functioning desk on Monday morning.

Feedback from the various teams was positive and those involved in coordinating and instigating the task were applauded for the smooth transition and dedication to the challenge.

The Epiphany holiday is widely celebrated each year on 19 January by Orthodox Christians throughout the world.

Epiphany celebrations in Aksai led Russian Orthodox followers from all over the District to swim in the Utva River, nearby to Aksai. Despite your religious beliefs, participating in this event is just a question of the strength of your soul.

Epiphany swimming in Aksai usually starts with a water blessing ceremony held by a local priest who, according to the established tradition, should arrive first. As soon as the blessing ceremony is completed people are allowed to jump into water.

Despite the cold winter morning in Aksai, on this day many local residents and a few overseas visitors who work at KPO had the courage to jump into the ice-cold water.

EPIPHANY SWIMMING



Epiphany swimming in Aksai

KPO HOLDS ROAD SAFETY CAMPAIGN IN AKSAI



At the beginning of December 2008, KPO conducted a series of road safety shows in all five Aksai schools. These were organised jointly by Community Relations, Safety Department and Services Department.

Two shows were performed at each school - one show for juniors (aged 7-10) and one for seniors (aged 11-13). The first show, using clowns and dancers, was directed at younger children and the key messages were about the hazards

children face from cars. They were reminded of the basic rules of safety and how to cross the road. A second show focused on hazards more common to teenagers, such as use of mobile phones or iPods whilst crossing the road. This senior road safety show made use of break-dancers and actors from Aksai schools as well as a DJ from Radio Aksai.

After each show, volunteers from KPO spoke to the children and handed out road safety gifts, including reflective flickers to help visibility in the dark winter mornings and evenings.

The children's road safety campaign is part of a larger road safety initiative within KPO aimed at reducing road risks within KPO and the Aksai community. Other aspects of the initiative include improving driving standards within KPO, road safety billboards, radio commercials, new zebra crossings and daily radio competitions for children.

Peter Joyce and his team

KPO ecologists at the International environmental seminar in Norway

In late 2008 representatives from the Corporate Environment department, together with the state representatives from Ministry of Energy and Mineral Resources, Ministry of Environmental Protection, JSC KazMunayGas and Zhaik-Caspian Environmental Protection department attended an international training seminar which was held in Oslo and Stavanger, Norway.

The main purpose of the seminar was familiarisation with 'Norway's Best Practices in Utilisation of Natural and Associated Gas'. Norway has one of the longest running off-shore oil and gas industries in the world and an international reputation for reducing gas flaring and air emissions from its operations.

Commenting upon this trip outcome, Louis Jacobs, KPO Corporate Environment Manager said: "Study trips like this offer an excellent opportunity to work



together with KMG and senior representatives from ROK Ministries which regulate KPO's operations. We've received significant support from parent companies in Norway and all those who participated in the visit found the programme very interesting. We have all learnt a great deal about the management of gas flaring in Norway and we are thinking about how we can apply some of the lessons learned to our

operations in Kazakhstan."

The training seminar included a study materials review, meetings and seminars with the Norwegian state authorities responsible for the regulation of the oil and gas industry, where in the course of discussion participants could exchange their own experiences relating to management of gas flaring and its regulation.