

## BG Group wins "Best Foreign Investor" Award

During the 20th Plenary session of the Foreign Investors' Council held in December last year in Almaty, the President of the Republic of Kazakhstan presented BG Group Chief Executive Officer Frank Chapman with the Grand Prix Award, recognising BG Group as the "Best Foreign Investor in Kazakhstan – 2008".

This award is testimony to the close co-operation between BG Group and the Republic, dating back almost 16 years. In the early 1990s, the company became one of the first foreign investors to establish a presence in Kazakhstan, and has played a leading role in the development of the oil and gas sector.

In accepting this award, Mr Chapman highlighted the role of foreign investment in providing employment and new skills to help diversify the economy. He emphasized, "KPO employs some 4000 people locally and has stimulated the creation of up to 20 times that number of indirect jobs."

Foreign companies, including joint ventures, which have had a presence in Kazakhstan for three years or more were eligible to participate. The Contest, which is held every three years, recognises the contribution of foreign investors to Kazakhstan's economic development.



BG Group Chief Executive Officer Frank Chapman

## KPO Surpasses One Year Without an LTI

On 21 March, for the first time in its history, KPO surpassed one year without a lost time incident (LTI). This represents some 30 million man hours LTI free.

Addressing KPO employees, Roger Fox, KPO General Director stated: "It is a truly outstanding, world class achievement and I would like to extend my congratulations and sincere thanks to each of you for your contribution to this milestone."

"I believe that your personal leadership, ownership and enthusiasm have had a huge impact on our safety performance and culture. Together we have made a real difference, which has had a positive impact on our business. Going forward, the challenge is to maintain a culture which supports our continued learning in this area. It is vital that safety lessons are captured and our experiences are shared both within KPO and also with our contracting partners."

"When it comes to safety, there will always be work to do but with your continued commitment and support we can go a long way to achieving our goal of zero injuries."

It is also important to note that this truly world class safety performance was achieved just before the Nauryz Festival holiday. The newspaper "Karachaganak News" congratulates the management and all staff of KPO and their contractors on this outstanding achievement.



## KPO Safety Awards for 25 Million Man Hours without an LTI

On 11 February, KPO and their contractor companies marked another significant safety record achieving 25 million man hours without a lost time incident (LTI).

To celebrate this significant milestone and congratulate the departments and individuals who contributed to this milestone, KPO hosted a Safety Awards Ceremony with the participation of senior representatives from BG Group and Eni.

KPO General Director Roger Fox was given the privilege of introducing Umberto Vergine, Eni Senior Vice President for Central Asia, Russia, Far East

and Pacific, and Mark Carne, BG Group Executive Vice President for Europe & Central Asia. Roger also extended a special welcome to Paolo Campelli of Eni who was the former KPO General Director.

Welcoming more than 100 guests from across KPO and contractor companies, Umberto Vergine congratulated everyone at KPO on the excellent safety performance and commended the contribution which every department at KPO had made to this outstanding achievement.

"It is not just the efforts of one unit or one department which produces such a result. It is the



Unit 3 team with Mark Carne



Umberto Vergine and Mark Carne present an individual award

combined efforts of all of us in what ever role we play within KPO which makes achievements like this possible", said Umberto.

Mark Carne also extended his congratulations and sincere thanks stating: "As we move into 2009, we are all faced with a difficult global financial situation, and it is important that in times like this we stay focused on what we are trying to achieve here – and

most importantly.....we achieve it safely."

Speaking about KPO employees and contractor companies who contributed to this milestone, Mark Carne said: "Without your hard work and dedication, Karachaganak would not be the success it is."

In closing, Mark Carne invited Roger Fox and Wayne Johnson, KPO Corporate Safety Manager to receive a commemorative plaque

in recognition of 25 million man-hours without an LTI.

During the Safety Awards ceremony a number of KPO departments, units, contractor companies and individuals were recognised for their contribution to this milestone and presented with commemorative plaques by Umberto Vergine and Mark Carne.

## Russian Ambassador to Kazakhstan visits Karachaganak

On 23 February, KPO hosted a high level delegation from the Russian Embassy and Consulate in the Republic of Kazakhstan headed by Russian Ambassador, Mikhail Bocharnikov. During their visit, they met with KPO senior management and toured the Karachaganak facilities. During a meeting with KPO representatives the delegation was briefed on Karachaganak field development activities as well as the company's contribution to the social and economic development of the region.

When visiting the Karachaganak Processing Complex (KPC) Mr Bocharnikov was also briefed on the operation of the facility

and the human resources required to manage such a complex. He was also updated on the excellent progress of the Uralsk Gas Pipeline Project that was launched as per President Nazarbayev's instruction.

The Russian ambassador was impressed by the current performance of Karachaganak and paid tribute to the KPO team for their efforts.

During his visit, Mr Bocharnikov also met with LUKOIL representatives working at KPO.

Russian Ambassador Mikhail Bocharnikov



## Marketing teams hold First Joint offsite Meeting in Uralsk

On the initiative of KPO Marketing Director Peter Costello, the KPO Marketing Directorate including both Aksai and London staff held their first Joint Offsite Meeting in Uralsk in late January.

The major purpose of the offsite meeting was to discuss opportunities and challenges for the marketing group in the coming years and to share information with their colleagues on current activities and achievements.

During the meeting Peter Costello briefed participants on the further development of Karachaganak focusing on the key milestones anticipated by the Venture. In particular, he noted some strategically important areas that marketing would be concentrating on including the expansion of export capacity after the completion of the Fourth



Brainstorming session

Stabilisation Train.

In addition, marketing managers presented detailed reports on their current activities with respect

to existing and future oil export routes.

Along with the marketing team the meeting was also attended by

Trina Fahey, KPO Corporate Affairs Manager and Richard Bregonje, Director Tax and Legal Services of PriceWaterhouseCoopers, who kindly agreed to make presentations on social, political and economic issues.

According to the organisers of the meeting, "Uralsk is a perfect location as it provides an opportunity for both teams to reap the advantages of time saved, and increased convenience especially for those ones travelling from overseas. In addition, Uralsk is not only the main city of Western Kazakhstan Oblast but it is the historical and cultural centre of the Oblast.

According to the participants, this offsite meeting provided them a valuable opportunity to understand both internal and external factors impacting their business and to

solicit feedback on key issues.

In closing, participants held brainstorming sessions which were designed to generate a large number of possible solutions to key issues. Once the brainstorming session was completed, the results were analysed by the participants and the best solutions were explored.

The marketing team play a critical role in ensuring that Karachaganak hydrocarbons reach market via the most advantageous routes. The marketing team at KPO works across both the main operations in Aksai and also in London. While the local team in Aksai is primarily focused on existing operations, the main activities of the London team are to develop commercial agreements and investigate new export routes.

## FIRST MEETING OF KAZAKHSTAN OIL AND GAS OPERATORS ASSOCIATION

On 4 March, KPO jointly with the Ministry of Emergency Situations of the Republic of Kazakhstan (MES) conducted the first meeting of the Kazakhstan Oil and Gas Operators Association (KOGOA) in Astana. On behalf of KPO the meeting was attended by Paul Meech, Field Manager, Ray Thompson, Maintenance Manager, and Yuri Bayashev, HSE Compliance Manager.



Paul Meech, Field Manager

The establishment of KOGOA was agreed at the First Asset Integrity and Industrial Safety Conference which was held in Aksai in late November 2008.

The first meeting of KOGOA was attended by representatives of the State Control Committee for Emergency Situations and Industrial Safety of RoK MES, international oil companies, national technical institutes who came to discuss challenges of safe operations of industrial facilities the oil and gas industry.

The major purposes of the meeting were to develop the organisational guidelines, select the KOGOA leadership and establish working groups to address the primary activities of the Association.

Commenting on the event, KPO Operations Director Antonio Baldassarre said: "KPO is very proud that our joint work with the RoK MES, KazMunaiGas and other Kazakhstan operators including North Caspian Operating B.V. and Tengizchevroil has led to the creation of KOGOA. The Association will serve as a forum for representatives of operating companies and other industry related organisations to share best practice in the area of Asset Integrity and Industrial Safety and also to jointly develop solutions to common issues and problems. This association will also provide a unique opportunity to interface with the legislative framework within the Republic of Kazakhstan at a time when this legislation is moving towards a more risk based approach to the prevention of emergency situations."

Speaking about the meeting, Paul Meech, said: "KPO has a lot to share with our industry colleagues. For example, last year we significantly improved our safety performance by having achieved a lost time injury frequency rate of 0.11. Two main drivers to our safety performance are attention to the human factor and adoption of a risk management approach to Asset Integrity in strict conformance with international best practice. We were very proud to have our progress recognised at the annual DuPont Safety Awards in Switzerland. In addition, KPO has recently reached 25 million man hours without LTI which is truly a remarkable achievement."

KPO is committed to environmental protection and creation of a workplace which is injury free. In addition to ISO 14001 Certification for our Environmental Management System which was received in 2008, the company has set a goal of achieving OHSAS 18001 certification during the course of 2009. This will further demonstrate the company's commitment to controlling risk and improving HSE performance.

## Bonatti Celebrates Safety Milestone

Early in March Bonatti, one of KPO's major contractors, celebrated some four million man hours without a Lost Time Injury (LTI).

This is truly a world class safety performance and a particularly impressive feat considering that in 2008 Karachaganak undertook a major maintenance shutdown which was undertaken safely, ahead of the agreed timescale and within budget. The shutdown required the support of some 1,200 Bonatti staff who undertook 90 per cent of all mechanical work required at KPC, Unit 2 and within the gathering system.

In recognition of this major achievement, Bonatti hosted a Health Safety & Environment (HSE) Award ceremony in Arman restaurant on 7 March. The ceremony was attended by senior management from Bonatti, KPO and other local firms as well as dignitaries from the Burilin District.

Welcoming guests and addressing Bonatti employees, Roger Fox said: "These achievements reflect your personal commitment to safety and your proven desire to make safety a way of life which embedded in Bonatti's culture."

"I would like to pass on my sincere congratulations for your efforts and inputs to date. However, we have to recognise that there is always work to do when it comes to safety and together we have to continue to strive for improvements in this area."

"Bonatti is an important contributor to the operations at Karachaganak and I am grateful for your efforts in supporting KPO and improving your own HSE performance. Tonight is an excellent way of celebrating and recognising your contribution."

During the HSE Awards ceremony a number of Bonatti employees were also recognised for their outstanding contribution to HSE performance and presented with commemorative plaques.



Bonatti celebrates HSE Award ceremony



## BURN'S SUPPER IN AKSAI

Earlier this year, KPO Management officially launched a charity initiative which will raise money for Aksai based charitable organisations over the course of the year. KPO has done much to support the local community and many of its staff personally contribute to charities in the Burilin district.

On 13 February, for the first charity event, the KPO Scottish community in Aksai hosted a traditional Scottish Burn's Supper in the Czech Camp Canteen. Burn's Supper

is a celebration of the life and poetry of the great Scottish poet Robert Burns, author of many famous poems like "Auld Lang Syne", which is generally sung as a folk song at Hogmanay and other New Year celebrations around the world. The suppers are normally held on or near the poet's birthday, 25 January, sometimes also known as Robert Burns Day or Burns Night, although they may in principle be held at any time of the year.

Burns suppers are most common in Scotland, but they occur wherever there are Burns Clubs, Scottish Societies, expatriate Scots, or lovers of Burns' poetry.

The KPO Burn's Supper was open to all KPO employees and contractors on a first come, first serve basis and all funds raised will be donated to local charities. Those who attended Burn's Supper had a pleasure of listening to a traditional Scottish pipe band, which was invited by KPO especially for this charity event. In addition, everybody had the pleasure of practicing traditional Scottish country dancing.

In closing, a raffle of a number of items was run during the dinner. Among the prizes were return tickets to Bangkok and London. Thanks to the organisers and those who donated, an impressive KZT 3,068,875 (equivalent to some \$20,459) was raised for charity.

The newspaper "Karachaganak News" also takes this opportunity to thank all KPO staff, contractor companies, and individuals who donated funds and prizes for this event.



Burn's Supper in the Czech Camp Canteen