



KPO Management Changes

Later this year and in accordance with Venture requirements, a number of the senior managers at KPO will change. Recently a number of new appointments were announced within the Venture.

Giuseppe Pasi will assume the position of General Director. Giuseppe has been with Eni for 24 years, in a variety of senior positions within Italy and abroad. He has cross functional and general management experience in operations and finance as well as major project implementation. His most recent post was Chief Operating Officer and Deputy General Manager for Eni's joint venture operating business in Egypt, responsible for all operations and developments.

Graham Scotton will take up the post of Operations Director and Deputy General Director. Graham recently joined BG from BP and brings with him more than 30 years' experience in the oil and gas industry. Recent roles have included Head of Operations, The Americas; Managing Director, Egypt and, most recently, General Manager, Angola.

Fabio Di Majo will become Marketing Director. As you will know, Fabio has been Oil Export Manager at KPO since October 2007. For the previous two years, he was Transportation Project Controls manager on Kashagan. He has been with Eni for over ten years in a variety of financial and commercial positions working in the UK and Italy.

Tony Mulgrove will take up the post of Finance Director. Tony joins from his current position as Chief Financial Officer of Egyptian LNG in Cairo. Tony has a long international finance career with BG including previous roles in both Russia and Kazakhstan, latterly as Kazakhstan Asset Finance Director in Astana.

Paolo Repetti will become Services Director. Again, as you will know, Paolo has been Business Governance Controller at KPO since October 2007 and for the previous two years was Corporate Governance and Audit Manager, having now been at KPO for over five years. He has been with Eni for over eight years and has previously held a number of posts in finance and economic analysis working in the UK and Italy.

Alfredo D'Agostino will take up the post of Development Director based in London. Alfredo has held a number of distinguished positions in his career with the Eni group of companies. Most latterly he was Chairman and Chief Executive Officer of Technomare, a position he held for ten years. Prior to that he held the post of Senior Vice President responsible for Engineering and Project Management at Eni's headquarters.



Carlo Fossa will become Project Execution Director. Carlo has been with BG since 2006, formerly as Project Manager for Brindisi LNG and for the past year as KPC2 Project Manager. Previous to this Carlo worked for AMEC for 20 years in a series of major project delivery roles in a number of locations.

Karachaganak News would like to congratulate the new management team and wish them every success in their new roles.

KPO announces winners of the Environmental Photo Contest



Roger Fox congratulates KPO Marketing Coordinator Elvira Kostromova

Earlier this year, the KPO Corporate Environment Department launched an employee environmental awareness campaign for all KPO personnel. The Environmental Photo Contest was dedicated to the World Environment Day which traditionally takes place each year on 5 June. The purpose of the photo contest was to showcase the beauty of nature.

As it is known, KPO places a lot of emphasis on environmental protection issues, and a number of environmental initiatives and improvements are being implemented by the company.

Nominations were received in a number of categories including: Magic Flora World; Wonderful Fauna World; Water World; In Harmony with Nature; and Environmental SOS.

During the award ceremony which was held on the World Environment Day, the winners were awarded with gifts and certificates, and all the participants whose competitive photos were accepted were presented with commemorative prizes.

KPO General Director Roger Fox congratulated award nominees and recipients stating: "This event demonstrates your appreciation for the nature and the importance of ensuring ongoing environmental protection – which is also aligned with KPO's objectives. Photography is an excellent way of demonstrating the beauty of Kazakhstan and particularly the area in which we work."

KPO announced new OPITO intake

On 1 July, the KPO Training and Development department announced the beginning of the Production Operators and Maintenance Technicians Professional Development Programme which is based on OPITO (UK Oil & Gas Academy) standards.

This year the opening ceremony was attended by 120 trainees representing WKO technical institutes. At the opening

ceremony trainees were welcomed by Paul Meech, Field Manager, who offered the trainees his best wishes in their studies and expressed his eagerness to see them at the field as well prepared and competent technical specialists upon completion of the programme.

KPO is very proud that it is the first company, not only in Kazakhstan but in the CIS countries, to run the OPITO programme which has proven to

be a great success. Through this programme, young technicians are acquiring the correct basic skills to help them within the Oil and Gas Extraction Industry.

The course has proven to be a great success for getting young technicians with the correct basic skills into the Oil and Gas Industry. One of the main reasons for collaboration with OPITO was the increasingly difficult task of recruiting young technicians with the right basic skills profile to start in the industry.

The programmes are regularly reviewed by technical experts from the Oil & Gas industry within the disciplines of mechanical, electrical, instrumentation and process operations to ensure it is delivering according to client needs. This programme is delivered for KPO by Abiroy Technical Training, which is the only provider in the CIS that is authorized by OPITO to deliver technical training in Russian.

The programme includes regular examinations to assess trainees according to international technical standards. The exam results are assessed by OPITO



Paul Meech (in the middle) welcomes the trainees



At OPITO opening ceremony

in the UK. Those trainees who achieve the appropriate level of competence, knowledge and skills will be awarded with an OPITO Internationally Accredited Certificate.

OPITO exists to deliver innovative skills solutions that assist the oil and gas extraction industry in developing a safe workforce of the appropriate size and ability to meet business demands and sustain the industry in the long term. The real strength of OPITO is its connectivity with the upstream industry both in the UK and overseas. By listening to the industry employers OPITO

gains a clear understanding of the technical skills which are needed in the workplace now, as well as those anticipated in the future. By working within a framework of stakeholder collaboration, OPITO ensures that all its standards reflect the needs of the employers. This unique and much valued connectivity also enables OPITO to effectively target its resources and provide cost effective, valued and focused skills solutions. OPITO supports the continued development of safety, technical and leadership skills within the industry in response to identified needs.

KPO holds conference for the contractor companies



During the conference

KPO recently hosted a conference for contractor companies entitled "The System-based Approach to Quality Management in Project Execution" in Aksai.

The conference was organized to assist Contractors in improving their existing Quality Management Systems (QMS) when they execute contracts on KPO's projects. The conference brought together over thirty local suppliers and contractors from the West Kazakhstan Oblast.

The agenda focused on identification of systems and processes, their classification, determination of criteria to evaluate efficiency of existing processes, assessment and development of relevant supervisory solutions that would further help to improve the quality of services while executing KPO projects.

The conference was opened by KPO QA & QC Manager Saltanat Zhassimova. Participants also shared their experience with Quality Management Systems and discussed some other important issues related to their cooperation with KPO.

REPRESENTATIVES OF LOCAL BUSINESSES ATTEND KPO WORKSHOP

On 3 July 2009, representatives from 60 enterprises based within the Western Kazakhstan region attended a workshop hosted by Karachaganak Petroleum Operating B.V. (KPO).

The aim of the workshop was to increase the awareness of Kazakh companies about the specifics of KPO's tender process and procurement needs as well as to communicate the requirements that company places on its vendors with the regards to compliance with health, safety and environment protection regulations during both the tender process and contractual work.

KPO General Director Roger FOX said: "We believe that local companies and KPO share the same desire to grow and contribute to the sustainable development of the West Kazakhstan Oblast."

In order to increase the role of local vendors in the development of the Karachaganak field and to provide them with necessary technical support and consultation, KPO has established a Vendor Development and Qualification office in Uralsk.

As is known, at the recent business forum in Uralsk "Partnership for Prosperity", KPO publicly signed a range of contracts and memorandums with enterprises from the Western Kazakhstan



Kazakh vendors at KPO workshop

region. A Memorandum of Understanding was also signed which established a Working Group consisting of representatives from the WKO Akimat, KazMunayGas, local businesses and KPO. The task of this group is to explore ways in which the parties can work together to further enhance local capacity and competition in the region.

KPO intends to conduct workshops for Kazakh vendors on various topics on a monthly basis with regard to the specifics of tender processes at KPO's and procurement needs of various KPO departments. This will ensure that existing and potential Kazakh vendors will

have an opportunity to directly meet with the representatives of the KPO commercial and technical departments and receive necessary information from them, including consultations on tenders conducted by KPO.

Some 2,400 Kazakh vendors are currently registered on the KPO's supplier database. Since beginning of the FPSA in 1997, the local content level in all contracts assigned has exceeded \$2.5 billion. KPO believes the benefits of a diversified and competitive supplier base extend well beyond the reach of Karachaganak and deliver long term benefits to the local and regional economies.

"Gracia" wins international tournament

The Uralsk Women's Volleyball team, Gracia, which enjoys KPO's support, recently won an International Volleyball tournament which was held in July in Poland.

The tournament was attended by 12 teams representing Europe and Asia. Despite tough competition, the Gracia team played hard and showed excellent form.

This is the first time the Uralsk Women's Volleyball team has won an international competition. According to Gracia's coach Gubashev, "It was a great effort and they played very well as a team. In my opinion, during this competition, they played better than they have in the past so their future is very bright."



Uralsk Volleyball team "Gracia"

KPO holds UGPP public hearing

On 10 July, KPO and its Contractor Company "KazStroiService" held a joint public hearing at Fedorovka village which is located nearby Aksai. The meeting provided local residents with information related to the ongoing development of the Karachaganak-Uralsk Gas pipeline Project and provided an opportunities for residents to raise any issues or queries they may have had.

Along with KPO and "KazStroiService" representatives the hearing was also attended by members of the local authorities, journalists and village residents.

The 150 kilometre Uralsk Gas Pipeline project is a key social development project which will link the giant Karachaganak field to Uralsk and surrounding communities. It is currently scheduled for completion in December 2009.



Fedorovka village

Launch of Development Directorate Intranet site

KPO has announced the launch of the intranet site for the London Development Directorate.

The new site represents information relevant to Project Development Directorate and provides useful tools and guidance for employees. The site is available both in English and Russian languages.