



Kazakhstan President Nursultan Nazarbayev meets with Eni CEO Paolo Scaroni



On 31 May 2010 the President of the Republic of Kazakhstan, Nursultan Nazarbayev, met in Astana with Eni CEO, Paolo Scaroni to discuss strategies in the hydrocarbon sector within the current international energy environment.

At the meeting, which was conducted under a spirit of co-operation, the parties mainly discussed Eni's projects in the country, which were the result of the agreement signed last 5 November in Rome in the presence of President Nazarbayev himself and Italian

Prime Minister, Silvio Berlusconi.

Under the agreement, Eni and KazMunayGas (KMG) will jointly study the Isatay and Shagala exploration areas located in the Caspian Sea, the optimization of gas usage in the Republic of Kazakhstan, and a number of industrial initiatives including a gas sweetening plant, a gas turbine power plant, a dry-dock shipyard and the upgrading of the Pavlodar refinery.

Further update on the realization of these projects

will be provided by the end of the year.

Among other themes discussed during the meeting were the present situation in the Karachaganak field and the progress of activities in the Kashagan field.

Eni is expected to continue to strengthen its presence in the Republic of Kazakhstan, where it is co-operator in the Karachaganak field and equity partner in the Kashagan field. As a part of this project, Eni is responsible for the execution of the first phase of development.



KPO ISSUES THE 2009 SUSTAINABILITY REPORT

Karachaganak Petroleum Operating B.V. (KPO) recently announced that it issued its 2009 Sustainability Report.

In his introductory address, KPO General Director Giuseppe Pasi comments: "Sustainable development has become an integral part of the way KPO does business in Kazakhstan. Our partnerships with the republic and with national oil company KazMunaiGaz enable us to align our business with government objectives, which are to ensure that the development of the republic's natural resources provides sustainable advantages for the country as a whole."

Giuseppe Pasi also added that KPO's contribution to sustainable development is focused on maintaining world-class health, safety and environmental practices, applying robust corporate governance principles, adopting the best available technologies in our operations, and enhancing our programmes for nationalisation, local content and contributions to social development.

This is the second Sustainability Report which KPO produced and refers to KPO performance in 2009. The Report was independently verified and is available in three languages (Kazakh, Russian and English) from the company website (www.kpo.kz).

Giuseppe Pasi, KPO General Director

NEW APPOINTMENTS AT KPO



Gulnara Daulova, Corporate Safety Manager



Giuseppe Marino, Corporate Environment Manager



Ruslan Mukangaliyev, Corporate Environment Manager

KPO is pleased to announce the appointment of Gulnara Daulova as Corporate Safety Manager and Ruslan Mukangaliyev as Corporate Environment Manager of KPO.

Gulnara Daulova and Ruslan Mukangaliyev have been with the Venture for many years and proved themselves as dedicated and capable national employees.

Nowadays a number of talented national

staff occupy senior positions at KPO. Workforce nationalisation is a crucial building block in the creation of KPO's economic legacy, maximizing the number of local employment opportunities and investing in the workforce of Kazakhstan.

In 2009, 24 additional senior positions at KPO were nationalised. At the end of 2009, local employees filled all of the venture's skilled and clerical and 87% of professional and supervisory roles. At the managerial

level, 49% of positions are filled by local employees.

KPO is also pleased to announce that Giuseppe Marino will take over as Corporate Environment Manager from Louis Jacobs who has successfully and professionally lead the department for a number of years.

"Karachaganak News" congratulates Gulnara and Ruslan with their appointment and also is extending a very warm welcome to Giuseppe Marino.



Ken Lynch, HR Controller

New HR Controller at KPO

KPO is pleased to announce the appointment of Ken Lynch to the position of Human Resources Controller of KPO.

Ken has worked with BG for 24 years and brings a wealth of experience in human resources gained at a number of international locations. He has a long association with Kazakhstan that stretches back to the signing of the FPSA in 1997.

Ken has taken over as Human Resources Controller from James Clark who has successfully and professionally led the department for a number of years.

"Karachaganak News" newspaper congratulates Ken with his appointment and wishes him all the best and good luck in his new assignment.

Comprehensive Program for Developing Intercultural Diversity continues at KPO

KPO Training Department is continuing to hold cross-cultural courses for all KPO employees. The main purpose of the course is to develop intercultural diversity among the company's personnel.

These courses are the continuation of KPO initiative "The Comprehensive Program for Developing Intercultural Diversity in KPO" which was started by KPO with its sponsorship of the conference "Cultural Diversity and Intercultural Communication" held in 2007 in Astana.

"The Comprehensive Program for Developing Intercultural Diversity in KPO" was created by Dr. Milton Bennett, an expert in the field of cultural interaction and diversity and is currently is being delivered to

KPO employees.

The basic tenets of this Program are numerous and include, maximising the benefits of cultural diversity and developing intercultural competence in staff. The programme also aims to reduce prejudice and intolerance and improve everyday cross-cultural interaction and communication by providing training to assist managers and employees in improving their ability to lead productive multicultural teams.

The program which is strongly supported by KPO leadership was well received by all KPO employees, since it provides opportunities for personnel development and contributes to living peacefully and productively in a multicultural society.

KPO plans to implement total shutdown

In September 2010, KPO plans to undertake a major facility shutdown which is required in accordance with RoK law to complete Mandatory Vessel Inspections every two years.

The shutdown activities are common practice at oil and gas fields throughout the world. Its activities require a tremendous amount of resources and a huge team effort. Shutdown entirely disrupts the activities of normal business. Production is terminated and essential services may be suspended. In all cases there is high potential for



massive customer inconvenience and dissatisfaction. Because of this, a shutdown demands the very highest management attention.

While preparations have been ongoing for some time, it is expected that the shutdown is to commence in the Karachaganak field on the 11 September and it will take 35 days to complete.

Karachaganak is a sour gas condensate field which means that the hydrocarbons have high concentrations of hydrogen sulphide present – this represents a major technical challenge as H₂S is both extremely dangerous and also highly corrosive. Given these challenges and risks, it is vital that safety remains at the core of everything KPO does.

Each shutdown brings new challenges but KPO is focused on not only integrating the lessons learned from previous shutdown activities, but also meeting international best practice in this area

KPO being a flagship project for Kazakhstan's economy is doing its best to bring together expertise, state-of-the-art technologies, financial resources and a skilled workforce to realise the huge potential of Karachaganak.

KPO holds HSE Award ceremony



On 31 May KPO held HSE Awards ceremony and announced winners for the excellent HSE performance of first quarter 2010.

The awards to the winners were presented by KPO General Director Giuseppe Pasi. On behalf of the Steering Committee he expressed his gratitude to all nominees and the winners for their input into HSE during their day to day work.

"We all have a responsibility to ensure that we do everything we can to send people home safe. If we remember that no matter what work we are doing, if we apply appropriate control measures and

are aware of the hazards, we can ensure that everyone goes home safely to their family at the end of their shift," said Giuseppe Pasi.

He also encouraged all participants to be active in the

field, to share their experience and knowledge with each other.

"It is important for HSE Culture to become integral part of our life and professional work", added Giuseppe Pasi.



KPO improves emergency response system

KPO Field HSE/Emergency Response Department jointly with KPO Training and Development Department have started the project on modernization and development of the current Level 1 emergency response system.

The project is aimed to improve readiness of emergency response resources of the company, minimize sequences of potential emergencies, increase efficiency and operability in taking decisions and implementation of measures on protection of personnel, population and environment.

One of the key elements in ensuring safety to units and personnel is readiness to potential emergencies of Level 1.

Implementation of the project will make it possible to significantly increase efficiency, operability and professionalism of Level 1 and Incident Control Teams during mitigation & elimination of incidents and emergencies as well as to have highly skilled expert and methodical support.



KPO holds Emergency Response exercise

On 28 May 2010 KPO held an Emergency Response exercise ECHO. This simulation exercise was aimed to practice the command, control and communication between the KPO response teams and all relevant external parties in case of an incident.

During the day there was a simulation of an incident which was managed with participation of emergency response groups of all levels.

The teams of I, II and III Levels including representatives of HR, Corporate Affairs and Parent companies took part in the Emergency Response exercise.

