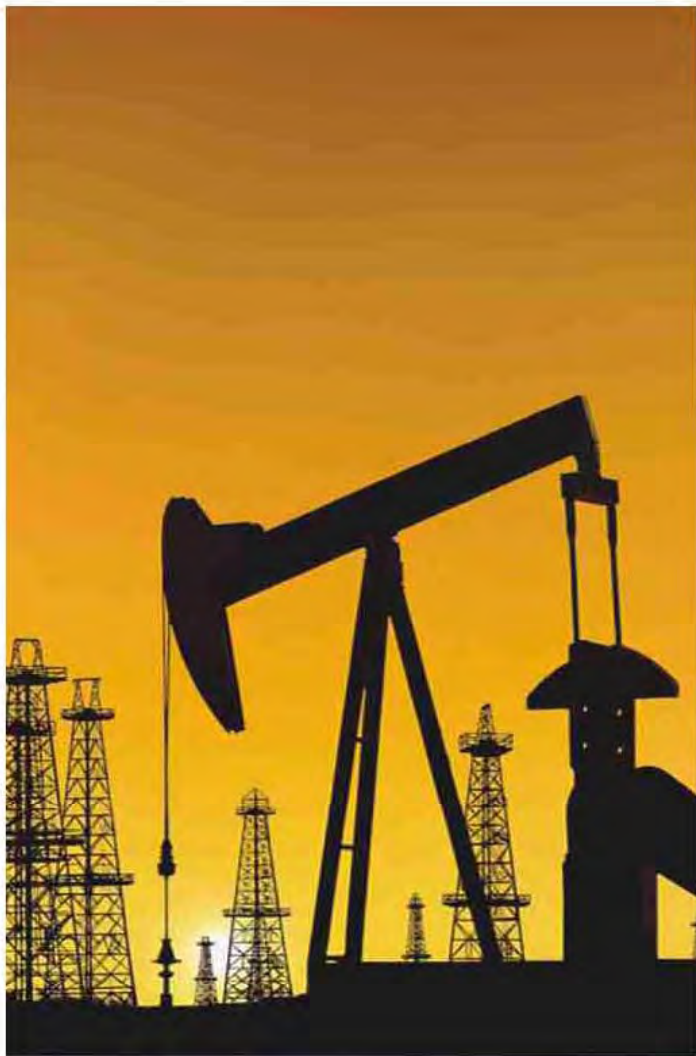




Kazakhstani oil and gas industry: overview

Maulen Namazbekov

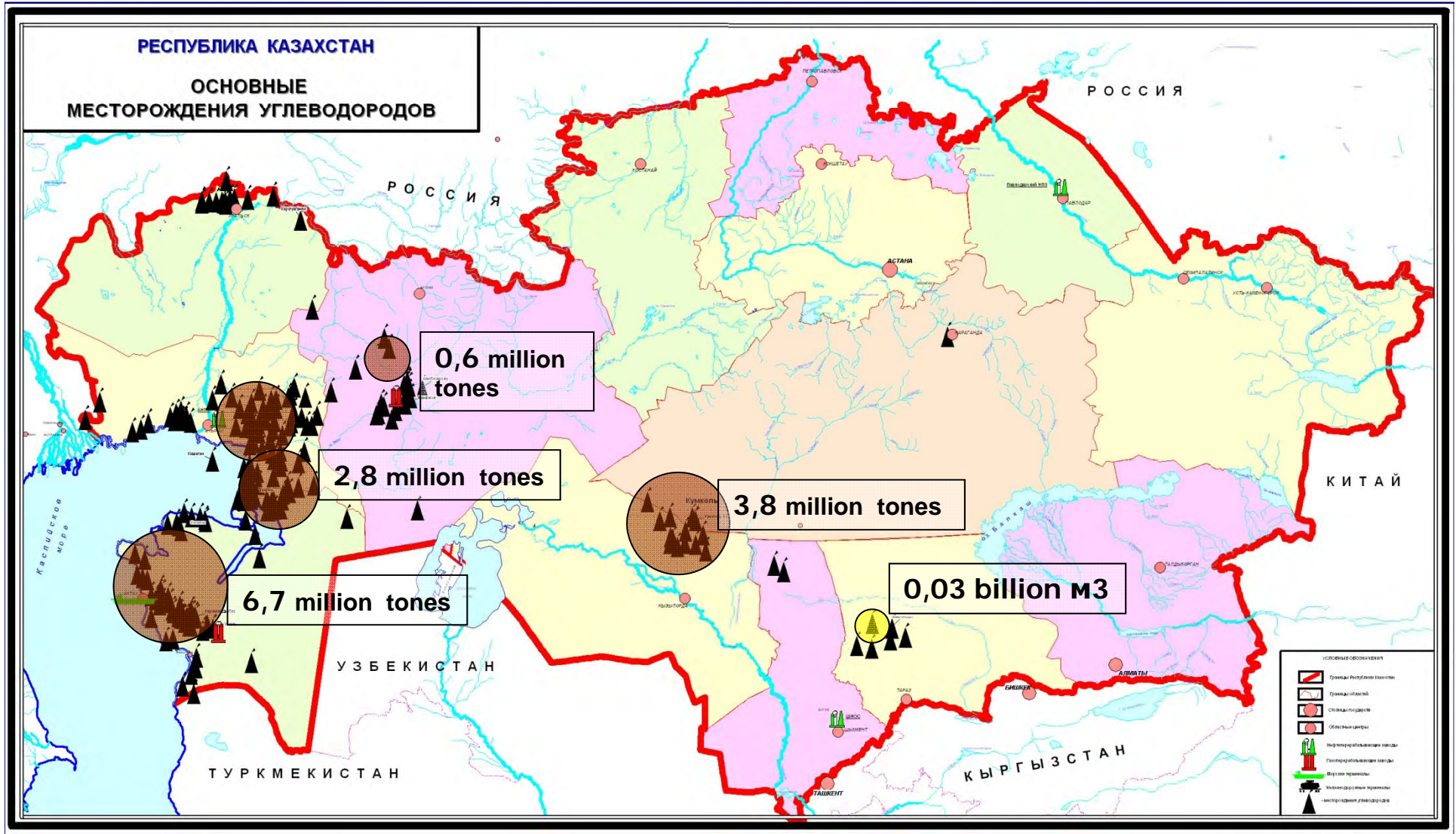
**Co-chairman of Coordinating Committee on EITI, KAZENERGY Association,
Director of Energy Focus LLP**



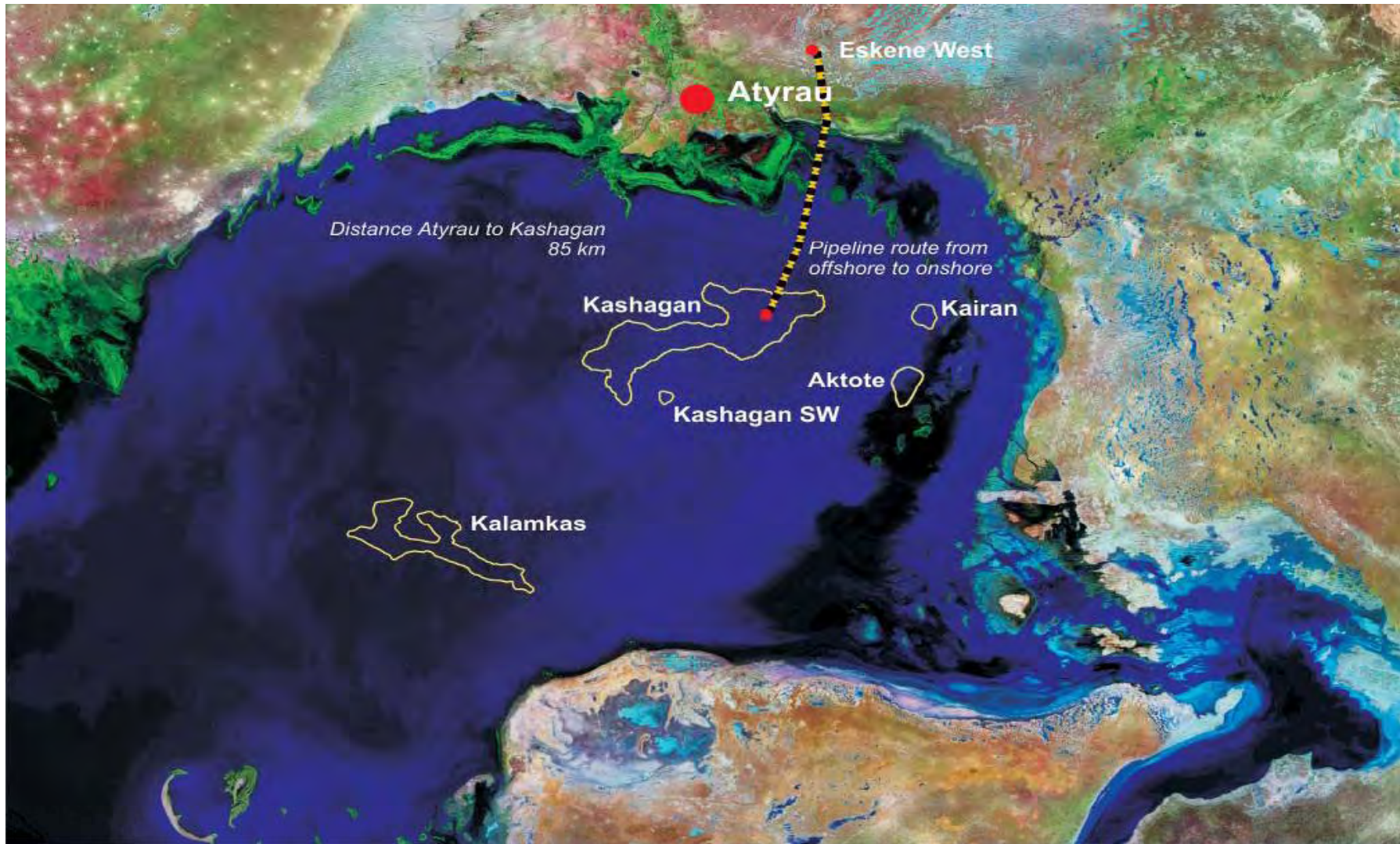
**Proven oil reserves –
within 5.5 billion tones or
39.8 billion barrels**

**Estimated oil reserves –
more than 17 billion
tones or 124.3 billion
barrels**

Main Carbohydrate Reserves of Kazakhstan



Kashagan



Oil and unstripped gas: Kazakhstan



Oil production:

2010 – 70 million tons per year;

2015 – 110 million tons.

Production of unstripped gas:

2010 – 40 billion cubic meters;

2015 – up till 70 billion cubic meters.

Growth of Kazakhstani oil production volume



Growth of Kazakhstani oil production volume is closely tied to two factors:

Firstly, considerable increase in foreign investments: in particular, direct foreign investments into oil producing industry.

Secondly, favorable carbohydrate market conditions in the world exercise considerable influence on situation of oil industry in Kazakhstani economy.

Major oil refinery plants - 1



Major oil refinery plants - 2



Pavlodar is the most complex refinery, relying on oil supplied from Russia

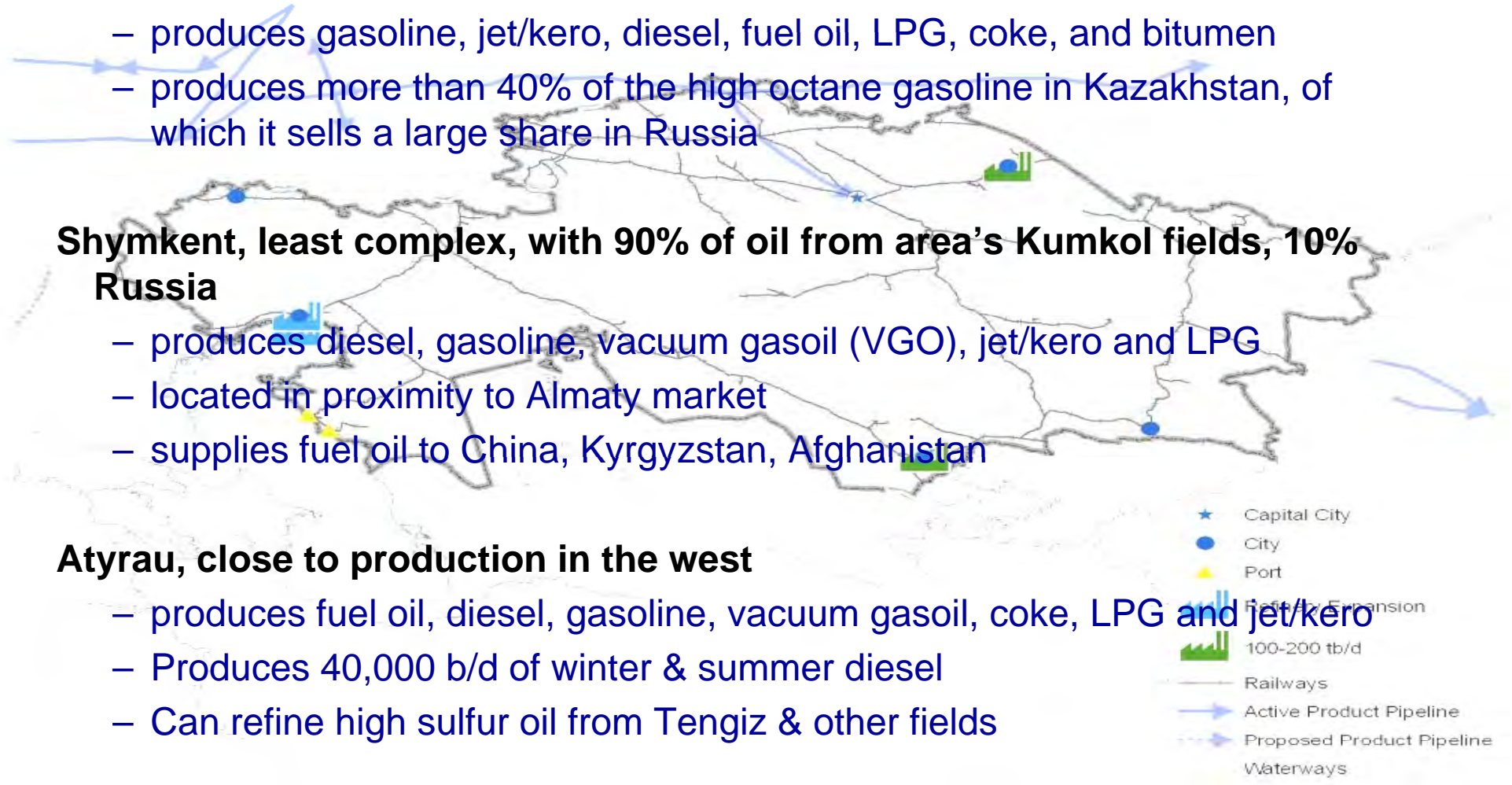
- produces gasoline, jet/kero, diesel, fuel oil, LPG, coke, and bitumen
- produces more than 40% of the high octane gasoline in Kazakhstan, of which it sells a large share in Russia

Shymkent, least complex, with 90% of oil from area's Kumkol fields, 10% Russia

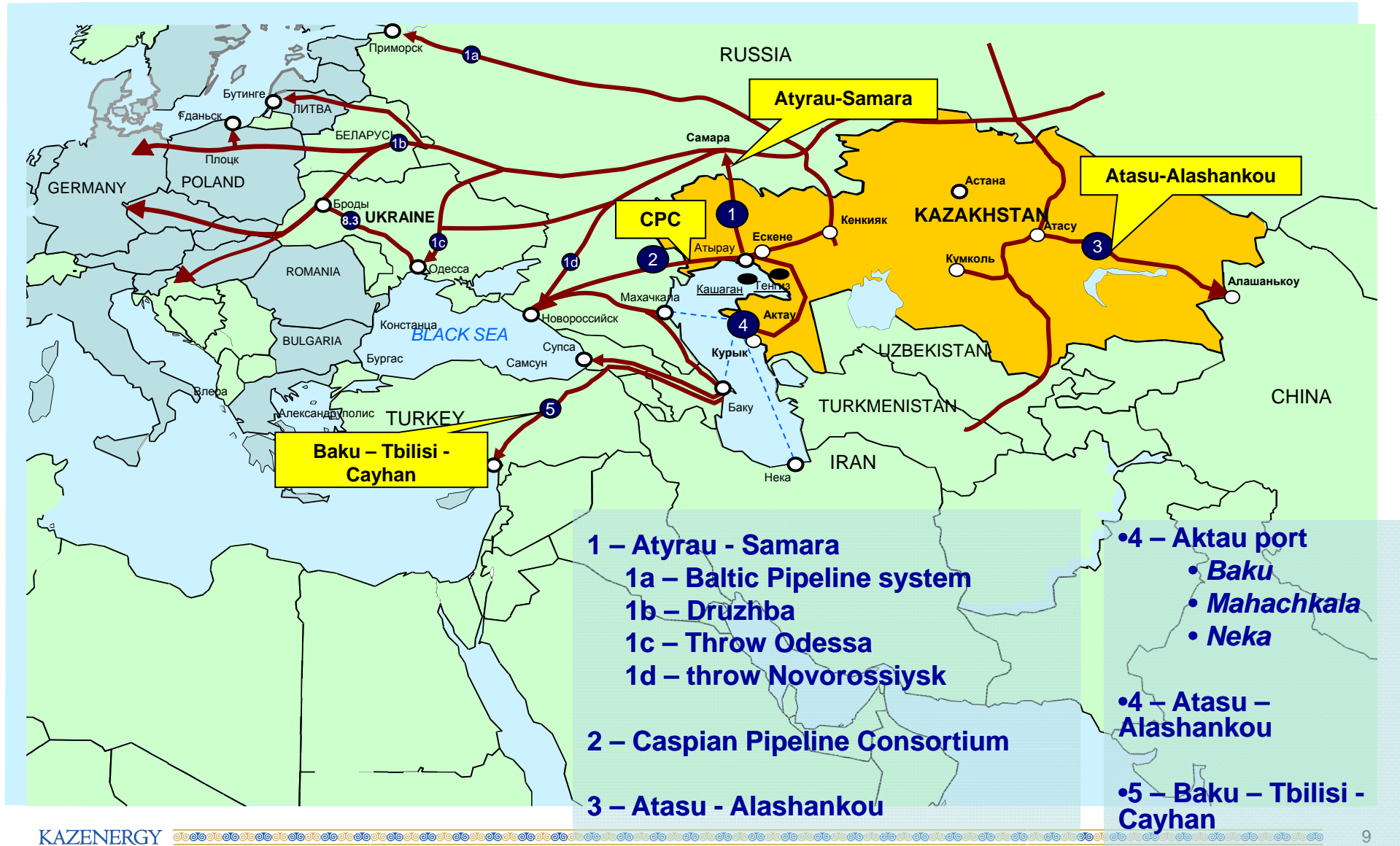
- produces diesel, gasoline, vacuum gasoil (VGO), jet/kero and LPG
- located in proximity to Almaty market
- supplies fuel oil to China, Kyrgyzstan, Afghanistan

Atyrau, close to production in the west

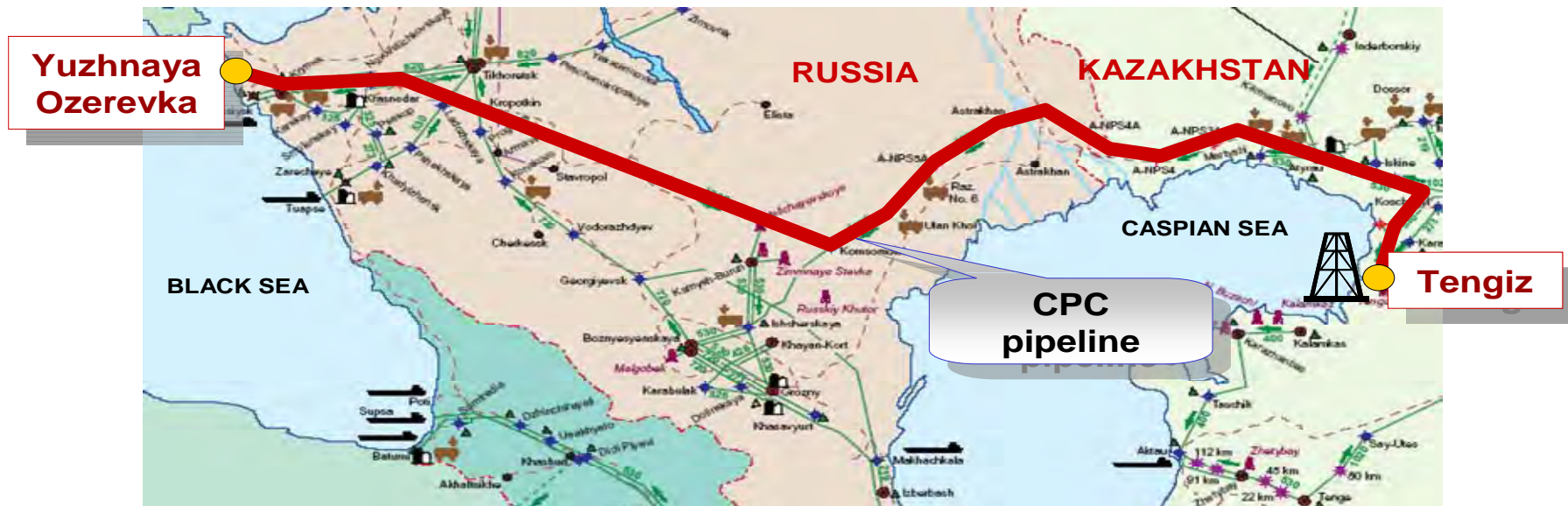
- produces fuel oil, diesel, gasoline, vacuum gasoil, coke, LPG and jet/kero
- Produces 40,000 b/d of winter & summer diesel
- Can refine high sulfur oil from Tengiz & other fields



Main export routes of the Kazakhstan oil



•Caspian Pipeline Consortium Project



- Designed throughput capacity of the Initial Construction Project– 28.2 mln. tons annually
- Current throughput capacity – over 30 mln. tons annually (*thanks to using AFP*)
- Since the beginning of operation (2001) 144.7 mln. tons have been transported, incl. 32.9 mln. tons – during 2007
- Designed capacity of the CPC Expansion Project – 67 mln. tons annually (incl. the Kazakh oil - 50 mln. tons)
- Currently, the shareholders acknowledge the necessity to increase cost efficiency through restructuring CPC's debt prior to implementation of the CPC Expansion Project
- In 2007, the shareholders made key decisions for implementation of the CPC Expansion Project:
 - ✓ *increase of the tariff to \$38*
 - ✓ *reduction of the interest rate on the debt to the shareholders to 6%*
 - ✓ *signing the Memorandum on Expansion by the end of 2008*

“Kazakhstan-China” Oil Pipeline Project



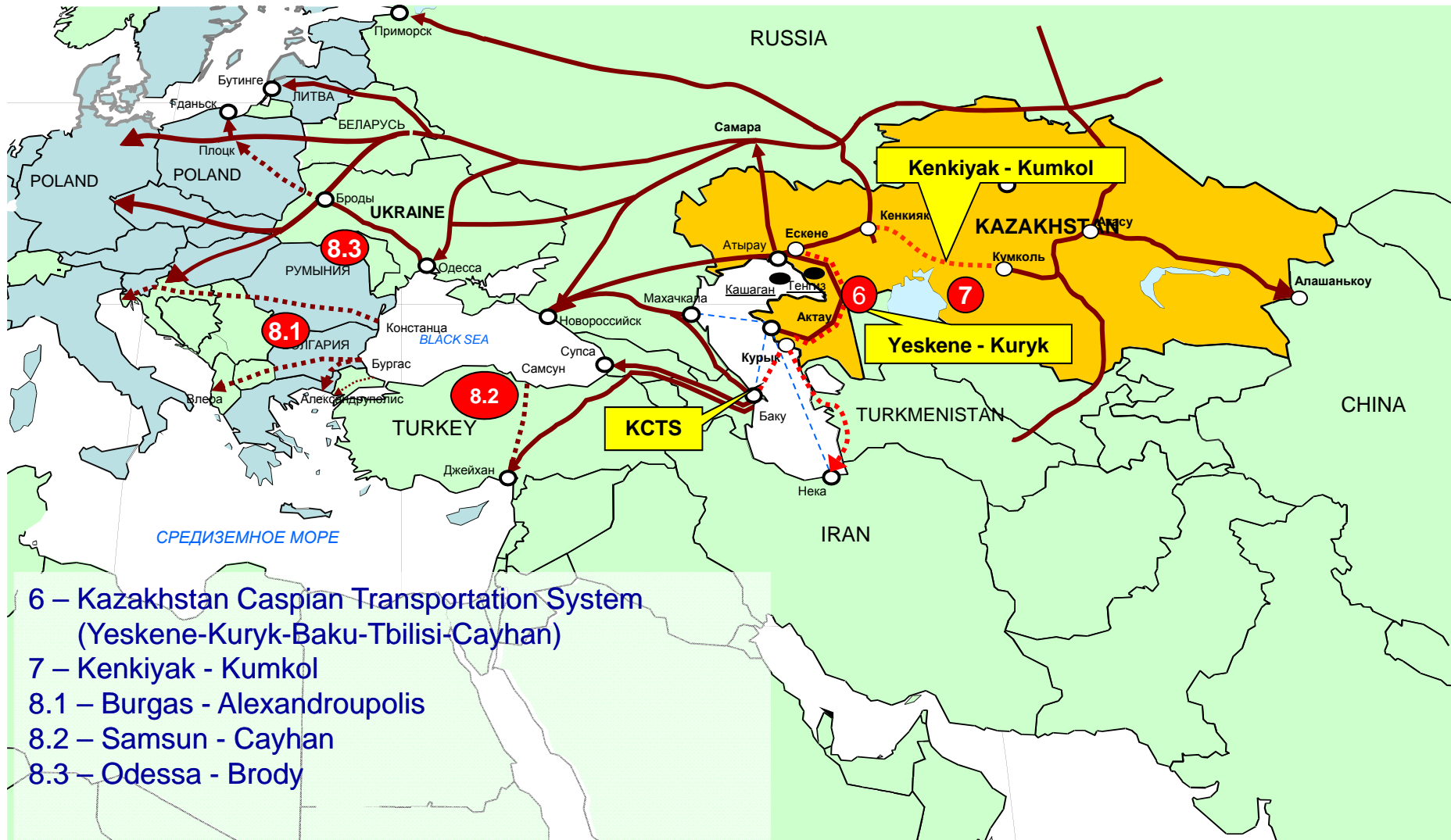
• Atasu-Alashankou Section

- Throughput capacity: 10 mln. tons annually
- Length: 962 km
- Completion of construction - 2005
- 2006-2007 –6.1 mln. tons pumped
- Forecast for 2008 – 5.7 mln. tons

• Kenkiyak-Kumkol Section

- Throughput capacity: 10 mln. tons annually
- Length: 761 km
- Completion of construction - 2009

Major projects in terms of developing oil transit



- 6 – Kazakhstan Caspian Transportation System (Yeskene-Kuryk-Baku-Tbilisi-Cayhan)
- 7 – Kenkiyak - Kumkol
- 8.1 – Burgas - Alexandroupolis
- 8.2 – Samsun - Cayhan
- 8.3 – Odessa - Brody

Kazakhstan-Caspian Transportation System Project



- KazMunayGas and Azerbaijani SOCAR signed Memorandum of Cooperation on the project in 2007.
- KCTS will be put on stream in 2012.
- Project concept will be submitted for consideration of the Interdepartmental Commission for approval and further implementation.



Balkan Oil Transit Pipeline Projects

