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On behalf of the Tengizchevroil (TCO) leadership team, we are pleased to share with you our 2019 Year in Review.

For more than a quarter of a century, our purpose has been – and continues to be – to fuel progress in Kazakhstan. We accomplish this by relentlessly focusing on safe and reliable operations and delivering on our commitments to the Republic of Kazakhstan, our shareholders, our employees and the communities where we live and work.

Last year, we worked hard to improve our performance. We achieved new records in production by improving processing plant reliability and successfully executing our drilling campaign. We met key milestones in the next major expansion project of the Tengiz field, the Future Growth Project – Wellhead Pressure Management Project (FGP-WPMP). And we continued our digital transformation journey to unlock new value from our assets.

Our company’s success in 2019 would not have been possible without the unwavering dedication of our
Looking to our exciting future, FGP-WPMP continues to make progress and is ramping up its execution activities at Tengiz. FGP-WPMP is a project of national importance that will create superior value for the Republic of Kazakhstan by increasing oil and gas production, introducing new oilfield technology, using local goods and services and creating jobs. At the end of 2019, FGP-WPMP had exceeded 74% cumulative progress.

Our strong performance in 2019 enabled us to meet our commitments to the Republic of Kazakhstan, our shareholders, our employees and the communities where we work.

Some of the highlights of TCO’s performance in 2019 are included below:

- **136 million** man-hours with low Days Away from Work (DAFW) rate.
- **29.8 million** tons of oil produced in 2019.
- Plant reliability remained high and production efficiency achieved **96.5%**.
- In September 2019, approximately **9,400 specialists** safely completed the largest, mega-complex turnaround in TCO’s history at the KTL plant.
- Direct financial payments to the Republic of Kazakhstan totaled more than **$10.6 billion**.
- TCO spent over **$4.6 billion** on Kazakhstani goods and services, including over **$3.25 billion** for FGP-WPMP.
- TCO completed **eight important social infrastructure projects** in Atyrau Oblast and continued successful implementation of Community Investment Program in Atyrau and Mangystau Oblasts.

2020 is the next opportunity for TCO to reach new heights in performance and continue our journey of being the safest, most efficient and profitable oil and gas enterprise in Kazakhstan and the world.

For more information go to our website [www.tengizchevroil.com](http://www.tengizchevroil.com).
2019 Year in Review

**PRODUCTION**

Crude oil – 29.8 million tons

**FUTURE GROWTH PROJECT – WELLHEAD PRESSURE MANAGEMENT PROJECT**

Project progress is more than 74% complete

Engineering progress is more than 97% complete

FGP-WPMP KC spend since project start is $8.4 billion

**ENVIRONMENT**

TCO's gas utilization rate in 2019 – 98.7%

Total water reuse rate in 2019 – 40%

Waste recycling/reuse rate in 2019 – 64%

**PRODUCT SALES**

Liquefied Petroleum Gas – 1.3 million tons

Dry Gas – 7.9 billion m³

Sulfur – 2.6 million tons

**SAFETY**

Man-hours worked – 136 million

Kilometers driven – 209 million

**RELIABILITY**

In September 2019, the largest turnaround in TCO’s history was completed safely with no serious injuries and two days ahead of schedule.
INVESTING IN OUR PEOPLE

International and Domestic Assignments – 51

Kazakhstani employees in Base Business – 89%

Including FGP-WPMP – 80%

Kazakhstani managers and supervisors – 80%

Kazakhstani citizens replaced foreign colleagues at managerial and technical positions since 2007 – 198

TCO’s investment into development of national workforce since 2008 – $80 million

INVESTING IN OUR COMMUNITY

TCO’s investment into social projects and programs in Atyrau Oblast since 1993 – over $1.9 billion

Number of infrastructure projects completed in 2019 – 8

Egilik budget for 2019 - $25 million

CIP budget for 2019 – over $2 million

CONTRIBUTIONS TO KAZAKHSTAN’S ECONOMY

Spend on Kazakhstani Content (KC) – $4.6 billion

Total payment to Kazakhstan – $10.6 billion
TCO continues to achieve industry-leading safety results in standard industrial safety measurements such as Days Away from Work (DAFW) and Total Recordable Incidents (TRI). Working safely is a TCO core value and everyone’s responsibility. We achieved excellent outcomes in process safety and made significant progress with our Fatality Prevention deliverables.

In 2019, TCO had the longest period of ZERO Tier 1 LOC (Loss of Containment) in TCO’s history.

Ensuring the safety of our workforce remains our top priority. In 2019, TCO worked 136 million man-hours with low DAFW rate. In 2019, we had the highest man-hours worked in TCO ever, as well as the largest number of miles driven in TCO’s history – over 209 million km by end of 2019.
In 2019, TCO had the longest period of ZERO Tier 1 LOC in TCO’s history.
Protecting the environment is one of TCO’s core values and we take seriously our obligation on environmental performance and RoK environmental requirements.

TCO has implemented an Environmental Process to provide a consistent, methodical approach for improving environmental performance and reducing potential impacts over an asset’s life-cycle. The Environmental Process drives effective management of potential impacts and identifies beneficial environmental improvement opportunities for consideration during the business planning process.

Since 2000, TCO has invested over $3.1 billion on projects to minimize environmental impact at Tengiz. This investment has enabled TCO to achieve reductions in flaring and air emissions, enhance waste management, improve waste water treatment and support an increase in water reuse.

**73%**
Total air emissions generated per ton of oil produced have decreased by 73%.

**98.7%**
TCO’s gas utilization rate in 2019 was 98.7%.
Total TCO water reuse rate in 2019 was 40%. TCO continues its water conservation efforts by recycling domestic wastewater effluent, as well as treating and reusing it for industrial purposes.

TCO sends more than 35 types of waste for recycling. In 2019, total TCO waste reuse/recycling rate was 64%.

Since 2000 TCO reduced air emissions per metric ton of crude oil produced by 73%.
29.8 million
TCO’s production remains strong and has exceeded historical production record, with 29.8 million tons of crude oil produced.

96.5%
Plant reliability continues to remain high and production efficiency is at 96.5%. Investments in maintenance turnarounds that are focused on the integrity and reliability plant equipment underpin these achievements.

9,400 specialists
In September 2019, approximately 9,400 specialists safely completed the annual turnaround which was the largest, mega-complex turnaround in TCO’s history. The team achieved great results and delivered the turnaround two days ahead of schedule, on budget and without serious incidents and DAFW cases.
CONTRIBUTIONS TO KAZAKHSTAN’S ECONOMY

Our primary purpose is to create value for our shareholders and for the country. We continually strive to meet our commitments to the Republic of Kazakhstan and contribute to its economic progress and future.

146 billion
Since 1993, TCO has made direct financial payments of $146 billion to Kazakhstan. The company has invested over $1.9 billion on employee and social programs, including over $300 million on social infrastructure.

10.6 billion
In 2019 alone, TCO has made direct financial payments of over $10.6 billion to Kazakhstan.
Payments to Employees and Kazakhstan Goods & Services
Distribution to Kazakhstan
Taxes and Royalties

billion USD

Spend on Kazakhstani Goods and Services

4.6 billion

In 2019, TCO had a record year in Kazakhstani Content (KC) spend, with over $4.6 billion.

The company has made some great progress around its major OEMs (Original Equipment Manufacturers) investing in Kazakhstan and TCO’s investments to support the domestic machine building sector.

TCO believes that sustainable local companies are beneficial to the economy and society and we support businesses to help them enhance their capabilities and to prosper.

32.9 billion

Kazakhstani Goods and Services cumulative payments since 1993 exceeded $32.9 billion.

TCO continues to make it a priority to support regional industrialization, localization of international products, encouraging joint ventures with Kazakhstani companies and encouraging nationalization and sourcing of local goods and services.

TCO is an active participant in the RoK Ministry of Energy’s Machine Building initiative, providing local manufacturers with information and support needed to meet TCO business needs and specifications.

Additionally, TCO is working to develop goods and services with the RoK. This support includes developing more than 75 new RoK companies to provide goods to TCO and creating KC plans with over 100 current suppliers to improve their KC investment, nationalization, training, and local procurement.
### Tengizchevroil

$15$ billion KC spend across Kazakhstan in 2015-2019 (MM USD)

<table>
<thead>
<tr>
<th>Region</th>
<th>Spend (MM USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akmola</td>
<td>1,630</td>
</tr>
<tr>
<td>Mangystau</td>
<td>2,952</td>
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<tr>
<td>Almaty</td>
<td>9,373</td>
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<tr>
<td>West Kazakhstan</td>
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<tr>
<td>Aktobe</td>
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<tr>
<td>Zhambyl</td>
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<tr>
<td>Karagandy</td>
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<td>Turkestan</td>
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<tr>
<td>Pavlodar</td>
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</tr>
<tr>
<td>East Kazakhstan</td>
<td>0.15</td>
</tr>
<tr>
<td>North Kazakhstan</td>
<td>0.15</td>
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<tr>
<td>Kostanay</td>
<td>0.05</td>
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</tbody>
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- **Total Spend**: $15 billion
STRATEGIC WORKFORCE DEVELOPMENT

80% Today, local personnel account for about 89% of the company with 80% of the management team being citizens of Kazakhstan.

2,000 So far in 2019, more than 2,000 employees have gone through different development and training programs.

198 TCO has placed an emphasis on nationalization: 198 KZ employees have replaced expats in key technical (87) and managerial (111) positions since 2007.

TCO has increased development opportunities for employees. The company has gone from 41 to 51 people currently on international and domestic development assignments. Current assignments include Philippines, China, Kazakhstan, South Korea, the US and UK. From 1993 through 2019, over 350 TCO employees took international assignments with different business units in Chevron.

43% In 2019, TCO rolled out a new medical insurance program for its employees. The company increased its budget for the medical insurance program by 43%, adding new services under a Premium program available to all TCO employees and their eligible family members. The total cost of the “Premium” package will be covered by TCO.
more than 350 Employees sent on international and domestic development assignments since 1993

more than 198 KZ employees replaced expats at key technical and managerial positions since 2007

more than 2,000 Employees went through training and development programs

51 employees on International & Domestic assignments in 2019 and growing

<table>
<thead>
<tr>
<th>Country</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
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</tr>
<tr>
<td>China</td>
<td>1</td>
</tr>
<tr>
<td>South Korea</td>
<td>10</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>12</td>
</tr>
<tr>
<td>UK</td>
<td>9</td>
</tr>
<tr>
<td>US</td>
<td>18</td>
</tr>
</tbody>
</table>

TCO Kazakhstani Employees in Base Business

9% 2%
89% 80%

Managers & Supervisors

Total TCO Kazakhstani Employees incl. FGP

17% 3%
80% 25%

Managers & Supervisors

Kazakhstani
CIS
Expatriate
The Future Growth Project (FGP) and Wellhead Pressure Management Project (WPMP) are two integrated projects that are being executed simultaneously to expand Tengiz production and to maintain full production rates at the existing Tengiz facilities. One of the global energy industry’s largest major capital projects, the FGP-WPMP is anticipated to increase Tengiz crude oil production capacity by approximately 12 million tonnes per year, raising TCO’s total production to **39 million tons of oil per year**.

FGP-WPMP will deliver further benefits to Kazakhstan through the extensive use of Kazakhstani goods, services and creation of jobs. In the course of the Project a selection of worker training programs are offered, and new oilfield technology and engineering solutions are introduced to the country, building the capacity and capability of local businesses.
PROJECT PROGRESS IN 2019

Overall Project progress is more than 74% complete.

60 million
TCO’s commitment to safe execution of FGP-WPMP remains unchanged. Within the company’s operating boundaries in safety, in 2019 the project had a good year, achieving over 60 million man-hours.

41,000
Today, there are over 41,000 Kazakhstanis working on FGP-WPMP in country, which is 91% of the total project workforce in Kazakhstan.

8.4 billion
TCO has engaged Kazakhstani entities to participate in FGP-WPMP in engineering, procurement and fabrication services. Spend on Kazakhstani Content since the beginning of the Project is $8.4 billion.
One of TCO’s core values is to operate in a socially responsible manner and to invest in the communities where we work.

Since 1993, TCO has invested more than $1.9 billion to fund social projects and programs in the Atyrau Oblast for the community and employees.

“Egilik” Voluntary Social Infrastructure Program

Working in partnership with the Akimat of Atyrau Oblast, TCO continues to make significant investments in the community through Egilik.

Since 1999, the Egilik program has provided over $300 million in funding for social infrastructure projects. In total, 96 projects have been completed, creating over 1,000 new jobs.

In 2019, TCO allocated another $25 million for the Egilik for the construction of schools, kindergartens and other social facilities in Atyrau Oblast.

Completed projects in 2019 in Atyrau Oblast

- Community Center (200 seats) in Bodene
- Community Center (300 seats) in Yesbol
- School (624 seats) in Atyrau, Zhuldyz District
- Kindergarten (100-seats) in Maikomgen
- Health and Fitness Center in Maikomgen
- Kursay River Clean-Up/Embankment in Kulsary
- Dormitory (100 seats) for Energy and Construction College
- Kindergarten (280-seats) in Dossor
Craft Training Program for Atyrau and Mangystau Oblast residents

TCO initiated craft training courses for unemployed residents of Atyrau and Mangystau Oblasts in support of the State Comprehensive Program for social and economic development of the regions. Upon agreement with Akimats of Atyrau and Mangystau Oblasts, TCO plans to train 700 unemployed residents of Atyrau Oblast in 2019-2020 and 250 unemployed residents of Mangystau Oblast from 2019 to 2021.

Training for unemployed residents of Atyrau and Mangystau Oblasts was organized on the premises of Aktau and Atyrau Training Centers. APEC PetroTechnic Higher College (APEC) and Aktau Training Center are currently involved for this purpose. This program is carried out in partnership with local authorities. Participants can enroll into this program at job centers. The courses vary from 2 to 3 months depending on the major discipline and are split 30:70 between theory and practice. TCO provides accommodation, three meals a day and training materials for practical exercises. The program offers six most demanded specialties such as electric fitter, structural welder, pipe fitter, structural steel erector, scaffold and rigger.

In Atyrau Oblast in 2019, 196 people completed courses and received standard certificates during Phase 1 of this program. In Mangystau Oblast, 224 residents completed courses in July-December 2019 during Phases 1 and 2. This program in the regions will continue through 2020.
The Community Investment Program (CIP), launched in 2010, is TCO’s initiative aimed at improving health, education and social entrepreneurship in Atyrau Oblast. TCO has also been executing this Program in Mangystau Oblast since 2018.

**Key focus areas of CIP include:**

1. Improving capabilities of local citizens and organizations to benefit the community and TCO
2. Providing educational workshops, training sessions and socio-economic development programs in the regions
3. Promoting a healthy lifestyle and supporting initiatives to improve quality of life
4. Improving environmental literacy and supporting environmental initiatives

**2010-2019**

- **80 projects**
- **$9 million**

From 2010 to 2019, TCO executed 80 CIP projects totaling over $9 million with NGOs.

**2019**

- **16 projects**
- **$2 million**

In 2019 alone, TCO implemented 16 CIP projects both in Atyrau and Mangystau Oblasts worth over $2 million.
Sponsorship Support in 2019

TCO continuously provides sponsorship support to Atyrau and Mangystau Oblast communities.

Some of the highlights of sponsorship in 2019 are included below:

In February 2019, medical equipment and ambulance vehicles to Zhlyoi Central District Hospital in Kulsary totaling approximately $1 million.

In March 2019, 50 passenger buses to Atyrau Oblast worth over $5 million.

In May 2019, two soccer fields to Borankul village, Mangystau Oblast.

In August 2019, drones, radios, binoculars, trail cameras and trailers to Kyzylsai State Regional Nature Park.

In September 2019, robotics equipment to Kuryk village school #1, Mangystau Oblast.
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