



ТШО ЖАҢАЛЫҚТАРЫ

НОВОСТИ ТШО

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TCO NEWS



Happy New Year!

2013

Dear friends and colleagues,
With the end of 2012, it is time to look back on the achievements of the people of the Republic of Kazakhstan. The memory of the outstanding performances of the Kazakh athletes at the London Olympics will remain as one of the enduring memories of 2012. We congratulate the athletes and thank them for the example they set for each of us.

The employees of Tengizchevroil also had a good year. Our Total Recordable Incident Rate (TRIR) declined for the fifth year in a row, we set a record for annual TCO Kazakh Content expenditures by spending \$1.8 billion last year and we successfully, and safely, executed the first major turnaround of the Sour Gas Injection (SGI) and Second Generation Plant (SGP). Our operating expenses met our business plan target and we met our permit volumes and conditions for gas flaring.

We also completed our acid gas flaring project, started the next set of projects to further reduce our flaring and emissions and were awarded the prestigious Excellence in Flaring Reduction Award at the 10th annual Global Gas Flaring Re-

duction Conference held in London. Since 2000, TCO has invested \$2.5 billion on projects to minimize environmental impact, which have enabled TCO to reduce total gas flaring volumes by 92 percent since 2000.

Our growth over the last two decades has been tremendous and has resulted in direct financial payments of \$74.2 billion to Kazakhstani entities since 1993. In addition to increasing our sulfur sales in 2012, TCO marked a major milestone in November when we reached production of 250,626,566 tonnes (2 billion barrels) of crude oil recovered from the Tengiz and Korolev fields in Kazakhstan since startup in 1993. In 2012, we achieved partner alignment on our Future Growth Project (FGP) / Wellhead Pressure Management Project (WPMP). FGP will expand TCO production by approximately 12 million tonnes (250,000-300,000 barrels) per year and FGP and WPMP together will require more than 20,000 positions at the peak of construction.

In 2013, Safety, Production, and Cost Management will continue to be key focus areas.

TCO's safety focus in 2013 will see the company looking to reduce the Day Away From

Work Rate, while safely progressing our queue of large and complex projects. TCO will also continue to work to advance several major capital projects, including the Future Growth Project and the Wellhead Pressure Management Project, in a capital efficient manner. The company will also have a strong focus on achieving its production target.

The year 2013 is special for Tengizchevroil, because in April we will celebrate the project's 20th anniversary. We are proud of the glorious path we have walked together, working every day to bring benefit to our families and the people of Kazakhstan. And we look forward to continuing to deliver on our commitments in a safe and environmentally responsible manner.

Please accept our heartfelt greetings for the New Year. Wishing you all the best of health, well-being to your families and excellent performance in business!

Tim Miller,
General Director of Tengizchevroil

Anuarbek Jackiyev,
Deputy General Director, Tengizchevroil

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Due to major Republic Holiday - Independence Day, Head of State Nursultan Nazarbayev has issued a decree on awarding state orders and medals to workers of oil and gas and energy field of Kazakhstan. Deputy General Director of TCO Anuarbek Jakiyev has been decorated with Kurmet Order.

FROM THE BOTTOM OF OUR HEARTS WE EXPRESS OUR CONGRATULATIONS TO ANUARBEK SABANBAYEVICH!



TCO Workforce Achieves 15 Million Hours without a DAFW Incident

On January 7, 2013 our TCO and Contractor workforce achieved 15 million hours worked without a Days Away From Work (DAFW) incident. My congratulations on this milestone!

This is an excellent achievement demonstrating the result of our workforce's collaborative efforts and commitment to incident-free operation.

I'd like to again remind everyone of winter hazards. Remember that severe road conditions during winter require extra vigilance and professionalism while driving. Your decisions are critical so please always en-

sure you drive to the road conditions vs the speed limit posted and consider journey planning before you start.

Another reminder is to focus on hot work this quarter: safe operation of heaters and use of glass fiber tarps for hot works requires special attention. Please continue to proactively use your stop work authority to ensure the worksites are safe.....even when things appear normal.

Thank you again for your commitment and support!

Tim Miller, General Director



David MacInnis,
Deputy General Manager Policy
Government and Public Affairs

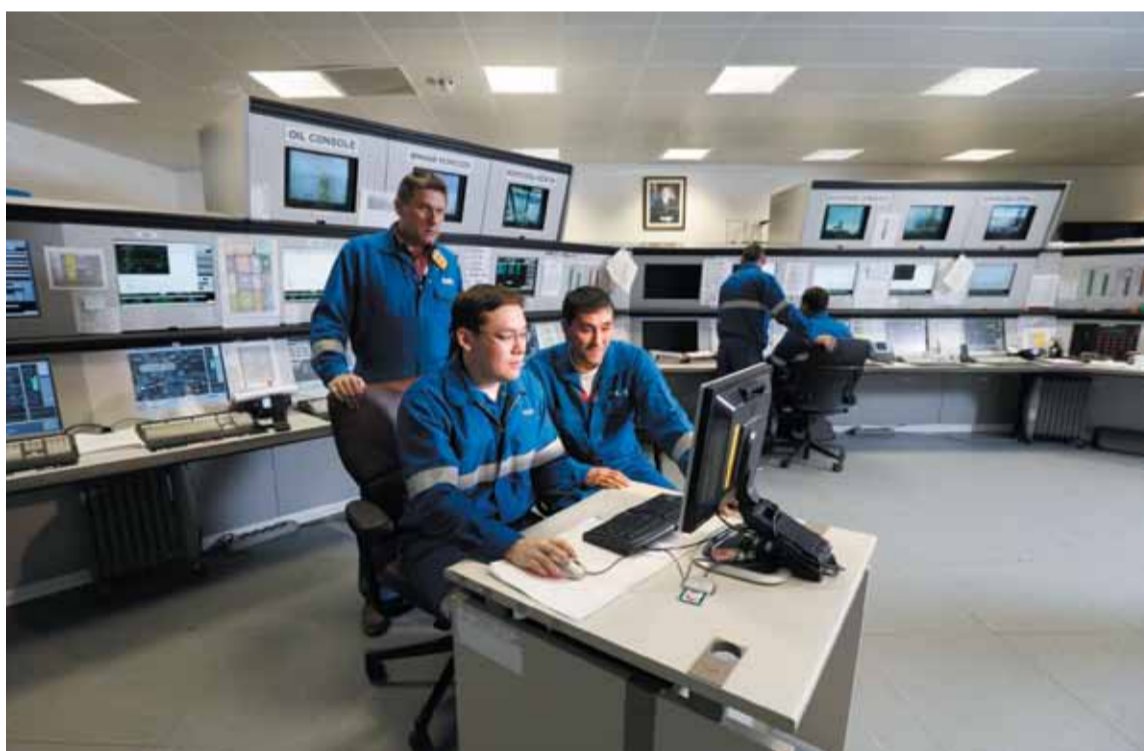
TCO Re-wheels to Reach Another Milestone

When Tengizchevroil (TCO) successfully completed the first turnaround of the Sour Gas Injection and Second Generation Plant (SGI/SGP) in September, the Second Generation Enhancement (SGE) Project recorded a significant milestone as well.

During its turnaround, the SGE team completed a number of elements within its portfolio of projects, including the Compressor Re-wheeling Project, which entailed the change-out of all three stages of the Sour Gas Injection Compressor train at SGI/SGP; installing new E-219 reboilers; and, in preparation for the Capacity and Reliability (CAR) Project, 77 piping tie-ins and 32 electrical tie-ins. Now remaining CAR equipment, designed to increase crude oil production capacity from the Tengiz and Korolev fields and improve plant reliability, can be installed and commissioned without shutting down SGI/SGP.

"The re-wheeling of the SGI Injection Compressor increases the amount of sour gas that SGP can handle," said Steve Powell, SGE project manager. "This, in turn, creates the opportunity to process more oil with the debottlenecking of the front end of the plant."

The biggest challenge was coordinating a large amount of work in a short timeframe with the



turnaround team, which had multiple other projects happening at the same time. Also, Tengiz is a very remote location; if materials weren't available to support the re-wheeling activities, there would have been significant delays to restart the SGI plant.

"This is a classic example of how many groups played a part, from an engineering design standpoint, in figuring out how to do all of the construction and do

it safely," said Lindy Patterson, SGE engineering manager.

CHALLENGING ENVIRONMENT

In fact, more than 1 million hours of work were logged without a recordable incident - a difficult feat since 100 percent of the work was done inside the existing facility. The SGI/SGP operating area has high concentrations of hydrogen sulfide (H₂S), crowded

working conditions, and extreme winter weather - a most challenging environment for constructing new facilities.

"The area resembles a refinery more than a normal crude processing plant," said Mark Shelby, SGE construction manager. "Because of the especially hazardous nature of the products in the plants, strict controls are maintained by Operations on the amount of people allowed to work



on the plant while it is on line."

Further compounding the complexity of the project, oil processing activities in the plant can be very sensitive to upsets, such as the vibration caused by normal construction activities during excavating or constructing support pilings.

"Plans must be developed and coordinated with adequate times for the many stakeholders involved to provide meaningful input. Extensive safety reviews are required, and close supervision must be maintained to ensure activities are executed safely and in the time slots accepted by Operations," said Shelby.

TARGETING OPTIMUM RELIABILITY

CAR Phase 3 front-end engineering and design (FEED) commenced in January 2012 as part of several projects in the SGE Project.

The project will provide the capability to operate with optimum reliability through work on the following fronts:

- Construction of a parallel sour gas dehydration mole sieve unit and additional high-pressure steam boiler package to increase SGP reliability
- Addition of a butane polisher to treat high mercaptan content and increase butane injection into the crude stream as per SGP's original design
- A number of capacity debottlenecking opportunities around crude oil, produced water handling, gas and liquefied petroleum gas processing equipment





Larissa Stetsenko,
Lean 6 Sigma Specialist-I

Green Belt training delivered by the Lean Sigma group in TCO offers the better-processes inspiration for those who have a good eye for opportunities. Classed up Lean Sigma methodology is the reflection of the new corporate attitude aiming at safer, better, faster and lower cost processes.

Green Belts become trendy in TCO, and the recent Lean Sigma training for TCO employees was provided this fall.

We interviewed some of the participants and asked them to talk about the experiences they went through during the class and some of the changes that they started to implement after the Green Belt training.

They bring us the main trends right off the Green Belt Lean Sigma Training, from the reduction of waste in any process to eliminating process variation.

Simple tools make big difference; say Ainur Beisebayeva and Zhanar Yessekeyeva – Process Engineers and fresh Green Belts:

“During two week Lean Sigma Green Belt session we actively studied the methodology of process improvement. The course had every learning style to ensure total learning including – lectures, group exercises, teach backs, case studies, video clips, games and discussions. The training also involved the use of statistical analysis, but this content was taught at a practical level so everyone could understand and learn.

What weighs with us the most is that Lean Six Sigma helped us understand how small and simple tools can make big improvements in many aspects of our work (and even home) environment.

To implement our knowledge in Lean Sigma we started a project looking at optimizing KTL heat exchangers monitoring process. Project is running at Process Engineering group. We, Ainur Beisebayeva, Zhanar Yessekeyeva and Sergey Storozhenko are facilitators of this project that will help develop more structured and standardized process for monitoring of heat exchangers.

Green Belt you can wear everywhere; confirms Ainar Dauletova – TCO Contracts Specialist, comparing her previous experience in Green Belt projects.

“This year TCO Contracts group within Supply Chain Management department has gone through the re-organization as per Chevron recommendation. Within 2011 and 2012 numerous new requirements to the Contract-

TCO Green Belts become trendy

ing Process were implemented and the Process itself got more efficient and transparent for all stakeholders involved. The new sub-processes ensure us as a Company to assess and hedge our risks prior any execution of either contract or service order. Furthermore, in 2012 Chevron has initiated a project to standardize the Contracting Process in its Business Units across the world. All that and other facts have influenced decision of TCO Contracts

and help with contracts processes improvement. Since Chevron has its own Lean Sigma program developed, I went through a Green Belt training this fall. The training organized by TCO Base Business was informative since it introduces a new approach of the same Lean Sigma tools specifically to operations related to O&G that reflect all Chevron requirements and needs. The training stuff was represented by Accenture Black Belt and TCO Lean Sigma Spe-

Quick Changeover makes you to change your thinking; was the takeaway for Suish Nabiev – Mechanical Shop Supervisor, from the recent Green Belt training.

“I participated in early Lean Sigma projects where we were working to improve pumps reliability and reduce the cycle time for repair. Our workshop has been changed since the first wave of lean sigma projects. The workplace and employees’ attitude

of the Lean Sigma tools, which is called “Quick Changeover” with the key insights about setup reduction to separate internal setup operations – which can be done only when a machine is stopped – from external operations that can be performed while the machine is running, and then converting internal setup operations to external operations. We are going to apply this method and convert some internal operations into external ones without compressor shutdown and implement them before the actual shutdown. By this, we intent to reduce the repair cycle time by 0, 5 days and, I suppose, that during the close view of the process steps together with the team we may even come up with 1 or 1, 5 days of the cycle time reduction.

I found Lean Sigma training for Green Belts to be beneficial for process improvement opportunities and future project leaders, and I would also recommend White Belt training for those who needs to have general overview of the methodology being members of one of the Lean Sigma project teams.”

Alina Karimova – Lean Sigma Consultant from Accenture Company, TCO Green Belt Instructor:

“This fall TCO organized the 3rd wave of Lean Sigma Green Belt training. Two weeks course went very well and despite its quite long duration participants were very engaged and active during all 10 days. As a result now we have 47 trained Green Belts in TCO. Seven of them already facilitated 2 projects or more each and received Green Belt certificates. Three people – Nazgul Bisembaeva, Vladimir Lyutin and Larissa Stetsenko also passed Black Belt training and fulfilled other requirements for Black Belt certification. Lean Sigma methodology is used worldwide in different industries and different organizations. So these certificates recognize that their owners have certain level of knowledge and proficiency in Process optimization with a help of Lean Sigma tools and can apply them in any country, department and company. Such skills are very valuable for all managers and high potential employees, helping organize streamlined processes and satisfy customers’ requirements without increasing workload or making significant investments.

Among other BUs TCO is only in the beginning of the Lean Sigma journey. There are many opportunities for further growth of Lean Sigma capabilities. Next Green Belt training is planned for spring 2013. Lean Sigma team is happy to welcome new members onboard!”

There were ~30 Lean Sigma projects initiated in TCO for the last two years and among them: 15 of them were complete, 6 projects are at their final phase and 8 projects are being launched as we speak. Cumulative confirmed savings for TCO as the outcome from these projects is ~\$35MM and we have confirmed with Finance just a few biggest high-dollar projects.

Be trendy and watch out for opportunities to improve your processes and it’s always great to have bright, energetic and highly motivated talents, such as Green Belts, in your organization.



group to initiate a Lean Sigma Project with the main goal to reduce the Contracting Process cycle time and standardize the Process within all category groups. Steve Messer, TCO Supply Chain Manager, is fully supporting the project and excited to see its outcome.

Within the Presidential program “Bolashak” I had an opportunity to study in the Netherlands where I got to learn and experience Six

Sigma and Lean Manufacturing during the course of Business Processes Improvement. There together with my team I conducted a Lean Sigma project for a Dutch enterprise to reduce their inventory stored at warehouse and improve the inventory management process itself. After successful implementation of the project recommendation and completion of tests, I was awarded of a Green Belt Lean Six Sigma certificate. When joined TCO I offered Steve Messer to apply my knowledge

specialists – first pioneers. I really enjoyed innovative team games where students could practice Lean Sigma tools presented in two big “bible” training books of more than 100 pages each. Taking this opportunity, would like to thank Nazgul Bisembaeva, Alina Karimova, Vladimir Lyutin and Larissa Stetsenko for the organization of those trainings and their strong will to help and improve business processes of TCO Operations! Hope for more projects to come!”

underwent some cultural changes and I have many candidates for the future lean sigma training from my group.

Currently, we are working on the new lean sigma project where we are trying to reduce the repair cycle time of GC-201 compressor during Turnaround. I had an interview with the Champions of this project – Maintenance Superintendents, and they demonstrated their full support for this effort.

During the Green Belt training we were taught to apply one





TCO Training is, indeed, a very special group at TCO. It is hard to find another such company in Kazakhstan having essentially its own full-fledged training facility involving thousands of own employees, plus contractors in a large variety of training programs. This is a truly unmatched example of a strong focus on personnel development, nationalization and unfolding the potential of labor. No wonder the faculties of local universities and technical schools are so eager to attend workshops and classes organized by TCO Training. Quite a few innovative and highly effective solutions utilized by TCO Training have been borrowed by many educational establishments.

Effective training goes together with creative and innovative attitude to organizing the training process. This is yet another success story of TCO Training. Its seminars and workshops are marked for strong interaction and involvement of the audience. Lectures alternate with practicing and role playing. The trainers actively use teaching aids and interactive methods, like videos, roundtable, audio courses, etc. However, there is also one unique thing TCO Training specialists are duly proud of. Our trainers have the special talent to convert social events into a real show. Our Newsletter have written many times about thematic sessions, competitions and theatrical performances organized by Training specialists. Speaking of those, the very latest event dedicated to the Independence Day was among the best projects without a doubt.

Perhaps, to organize an event dedicated to national traditions and customs is no big deal. Some may think it is sufficient to put on a few traditional costumes, recite a couple of folklore stanzas and sing a song. Will this necessarily make the event a true holiday everyone will enjoy – big question.

Recently, it occurred to Baltate Turusheva, leader of the Kazakh culture group and trainer with TCO Training this could be a good idea to invite to one of our cultural events activists of ethnic cultural centers based in Atyrau. As a result, the folks not only accepted the invitation, but have also brought with them their folk groups. TCO employees working at Atyrau headquarters were truly amazed at the sight of beautiful national costumes the guests were wearing. The folk choir and the dancing group of the Tatar and Bashkir Ethnic Cultural Center, the folk choir and Ko-

rean drum and dance ensemble, the large team of dancers of the Georgian Cultural Center were not just visitors, but contributed their brilliant performance to the event held as part of Independence festivities.

"We were happy and proud to be invited to this cross-cultural event by the largest company in Kazakhstan, - said Zurab Bobokhidze, leader of the Georgian Ethnic Cultural Center. - We have heard a lot of good things about your unique international team of employees at TCO. We are aware it includes representatives of so many ethnic groups, like Kazakhs, Russians, Americans, Koreans, Georgians, Tatars, Turks, Canadians, residents of Africa and more. Perhaps, TCO has more ethnic groups than Kazakhstan or any other company around the world. You serve an excellent example to follow how people should live and work together, respect each other, be ready to help, appreciate and share their cultural heritage. We are happy to present to you our performance today."

The general idea of congratulatory remarks made by Gulsina Baikenova, leader of the Tatar and Bashkir Cultural Center, Lyudmila Lee, speaking on behalf of the Korean Cultural Center and by local officials, including Kalimkali Kainenov, head of department of languages development, Jannat Assabayeva, president of Peoples Assembly, and by David MacInnis, deputy general manager of TCO PGPA was similar and encouraged the positive and ingenious initiative of TCO Training.

The Auditorium at TCO Headquarters was full house, and each folk group was given a hearty applause. Yet the primary hero of the event was the spirit of friendship and genuine happiness shared by all attendees. The individual contributions made by the amateur artists added the essential diversity.

Words can ill convey the bright pattern of passions and philosophic ideas of folklore compositions presented on the stage. The humor and the fervor of the quiz game on Kazakh names cannot be translated into words. And to describe the talent of Kazakh traditional dancers and singers is a totally worthless effort.

Maybe a few curious facts can demonstrate the uniqueness of the event. Acting as presenter speaking Kazakh was Christina Proskurina, a TCO HR Specialist whose mother tongue is Russian. And one of the best amateur actors performing in the composition based on a Kazakh tradition was

PEOPLES FRIENDSHIP

visiting Independence Day

The special event to honor Kazakhstan Independence Day festivities became a



Alexey Dyachenko of TCO N&L. Also Dana Chulkova of TCO Marketing & Transportation showed a brilliant command of spoken Kazakh admired by all. All the above mentioned individuals have been diligent students of the Kazakh class organized by TCO training and have made wonderful achievements.

Judging by the reaction of the audience, the spirit of the event and the excellent performance of the artistes was appreciated by the audience strongly. The spectators were impressed by the energy of the aged singers of the Tatar and Bashkir folk group and admired the vigor of the Korean drummers and dancers. Yet,

the fervor of the Georgian dancers was deemed unmatched.

The collective photo opportunities in the finishing part of the concert signaled the end of the event, as representatives of all ethnic folk groups mixed on the stage. There were no more Tatars, Georgians or Americans. The memorial photos display a solid team

FRIENDSHIP

Festivities at TCO

... traditions held as part of
... true festival of Friendship



of good friends, one strong family, able to meet any challenge.

David MacInnis of TCO Government and Public Affairs, who arrived in Kazakhstan quite recently eagerly responded to the request by the elderly ladies of the Tatar and Bashkir folk group. He was absolutely enchanted by the old ladies' charisma and enjoyed

the famous Tatar Chuk-Chuk honey pie as a gift. The Canadian kept saying in admiration "this is too lovely to believe. You guys living in Kazakhstan, in deed, impress me as one big family."

Well, what can we say to this? Yes, we are one strong unity proud of our friendship.

G. Trukhin.

Learn, play, and grow together

Tengizchevroil is known for its leadership in the area of corporate responsibility. Over the recent years, our Company became a three-time laureate of the prestigious national Paryz award, winning the Silver, the Gold and, finally, the Grand Prize. In particular, Tengizchevroil was bestowed Gold Paryz for the Best Labor Agreement which guarantees high-level working conditions and social security along with a competitive compensation package.

In pursuance of its commitment to continuously improving the social package and standard of the employees' wellbeing, TCO undertook an important social project to build a model kindergarten for the children of TCO employees, residents of Atyrau, constructed to an original innovative design. The facility will accommodate 350 children aged between 2 and 6 years.

The kindergarten will be built in the developing Nursaya region of Atyrau City and located near the Nazarbayev Intellectual School and University.

The main building will be a 2-floor structure with a total area of 5,711 square meters. The kindergarten is designed to accommodate 16 groups, with the number of children varying from 20 to 25. Each group will have a classroom, a bedroom, a bathroom, a dressing room and a stillroom. According to the general layout, the first six groups, the kitchen, the laundry and the music hall will be located on the ground floor. Another 6 groups, the gym and the language class will be on the first floor. The remaining 4 groups will be accommodated on the second floor. More auxiliary buildings include the boiler, the pump and transformer houses. Each of the 16 groups will have an independent external play area.

Conceptual Design of the Kindergarten has commenced and detail design is scheduled to complete in March 2013. The construction phase is to kick off in March of 2013 and the commissioning is expected in June of 2014. The Kindergarten will be fully equipped with a high class range of furnishing and fittings.

Administration, operation, educational services and management of the Kindergarten will be the responsibility of Miras School and Nursultan Nazarbayev Educational Foundation.



In addition to the normal pre-school essential standard, the Kindergarten will also provide training of children to the integrated IBPYP standard (International Baccalaureate Primary Years Program).

The PYP (Primary Years Program) is designed to develop communication and socializing skills which will help the children become more open and analyzing, while also develop their ability to make decisions during their life. Among the most effective training methods generally enjoyed and accepted by children are those employing the 'learning through playing' idea. The children eagerly participate in a P.E. program that involves sports activities and regular morning exercises.

In the Kindergarten children will enjoy the opportunity to learn the Kazakh, Russian and English languages. Depending on the parents' choice, the chief native language in kindergarten groups will be Kazakh or Russian, and the second language will be English. The Kindergarten working hours will be from 08.00 to 18.30, five days a week, from Monday to Friday.

During the forthcoming months the project team will be working closely with Miras, the Service Provider to finalize the operational details such as the application process and transportation arrangements. These arrangements will be announced in due course on the TCO Webpage.

By Elmira Yesniyazova,
KGP Project Engineer
Photos provided by the KGP Group.

For the benefit of future oilmen

On Wednesday, January 9 representatives of TCO, including Chanel M. Jolly, PGPA Policy & Issues Advisor, Askar Murzagaliyev, leader of Competence Development Group (CDG) in company with his colleagues Amanzhil Alybayev and Mukhtar Ilyasov presented equipment and tools worth \$195,000 to Vocational School #9 in Kulsary, the facility earlier built under Egilik social infrastructure development project of Tengizchevroil.

From the moment the Vocational School was opened back in 200., its managers, trainers and students have been keeping good relations with TCO. Starting from 2010, Competence Development Group of TCO has taken the school under its wing.

"Courtesy of Charles Lopez, ex-CDG staffer, currently working for Future Growth Project, all our colleagues supported the idea and have contributed to the project ever since with great enthusiasm, commented Askar Murzagaliyev CDG organized an internship course at TCO for the school students. Also, the Electrical & Automatic Controls trainers from the School have been offered a development course at TCO Training Center labs to update their knowledge and skills. Furthermore, a group of TCO specialists helped the school with the planning of a special module-

based program of training and certification for Electrical and Automatic Controls trainees.

All the above programs contributed to the Vocational School by TCO specialists have been certified by ROK Ministry of Education and recommended for pilot training starting in 2013. To make this course more effective, the School needed to buy some contemporary equipment, so the sponsors once again offered their helping hand. On the list of the newly purchased and supplied equipment are a brand new welding machine for arc and argon welding essential for the practical course, an uninterrupted power supply unit, interactive boards, sets of tools, individual protective equipment, overhead projectors, printers, scanners and more – all intended to upgrade the training process and make it more effective and industry-oriented.

After the presentation the school management and sponsors held a brief roundtable. Imangali Sarkulov, director of Vocational School and other members of the instructor team expressed their appreciation of TCO's true caring attitude and hope the close relations with the Company will continue. The attendees held a productive discussion of the school's priority needs and the ways TCO can help.

By Galiya Essenova



Gulmira Tolegenova,
OE/HES Specialist

November hearings

The meeting was attended by Yerbolat Umarov, Head of Natural Resources and Environmental Control Administration, Department of Environmental protection officials, local NGOs, journalists and residents of Atyrau and the Zhylyoi Region.

Mike Jennings, General Manager of TCO Operational Excellence/Health, Safety and Environmental (OE/HES) department offered greetings on behalf of TCO management and staff. Jennings highlighted how committed TCO is to adhering to its responsibilities of operational safety and environmental protection. The Company is proud to report the scope of TCO's investments in environmental projects is unmatched in Kazakhstan.

Nurtas Kenganov, deputy general manager of OE/HES took the floor to report to the respected audience over the period from 2000 and to date Tengizchevroil has invested the total of \$2.26 billion in environmental protection. The positive results are supported by data and strongly appreciated by the community.

In his introduction of TCO's 2012 Environmental Plan, Kenganov spoke about the ongoing projects, reported their status as of 2012 year-end and shared the

company strategy for the near future.

Key areas reported on as part of TCO's 2012 Environmental Plan are: Control of Air Emissions; Protection and Conservation of Freshwater; Sulfur management; Industrial and municipal waste management; Land care; Wildlife and Vegetation Protection; and Enhancing Environmental Awareness. According to the report, the actual expenses of Tengizchevroil on the above categories of projects have exceeded 92 percent of the 2012 budget.

As far as the emissions control, the report said in 2012 TCO completed the deployment of Exapilot software package expected to effectively reduce sour gas flaring resulting from false triggering and incidental malfunction of sensors installed on KTL sulfur line. In addition to the above, currently underway are quite a few projects intended to reduce flaring and air emissions. From 2000 to 2011, TCO achieved a 74 percent reduction in emissions per tonne of crude, while at the same time crude production increased 147 percent.

Kenganov further shared with the audience that in 2012 TCO was bestowed a prestigious award by the World Bank-led

Global Flaring Reduction partnership. The award was given in recognition of TCO's outstanding achievements in reducing its flaring.

As part of the large-scale effort in the area of freshwater conservation and stewardship over the recent years, TCO invested huge resources in projects such as the Water Treatment Facility (WTF) and the Water Recycling Facility (WRF). In addition, in 2013 TCO is planning to make significant investments to deal with SGP water supply and water treatment systems as well as in the research of alternative sources of industrial water.

In the area of industrial and municipal waste management the most recent innovation reported at TCO was installing a compactor for processing of plastic waste in Tengiz expected to help minimize the volume of waste disposed to the landfill. Also on the plan of priority activities is a major upgrade on TCO Waste Management Strategy, the installation of a sorting line and implementing of new procedures. Already in 2012, to date TCO has sent over 50 tons of plastic waste to recycling facilities.

2012 saw a significant reduction of sulfur inventory, from 9.3 million metric tonnes in 2005

down to just over 3 million metric tonnes to date. TCO is committed to build on this success, recently completing construction of the 5th Granulation Plant which is forecast to add another 400 thousand metric tonnes to the current capacity (a 25 percent growth). Also, by the end of 2013, TCO plans to complete the construction phase for the sulfur re-melting plant designed to handle contaminated block sulfur and convert it from waste category to premium quality commodity.

Mr. Kenganov also expounded on the effort TCO has been taking to increase the saplings survival capacity as part of TCO's landscaping project in the Sanitary Protection Zone – a special nursery for saxaul saplings, a species native to the region.

Following the reports and discussion, the organizers held a Q & A session. Taking the questions on behalf of TCO were David MacInnis, Deputy General Manager of PGPA, Lawrence 'Butch' Byers, Technical Manager for OE/HES and Igor Manuilenko, HES Tengiz Manager.

TCO spokespersons shared best practices with local opinion leaders and stakeholders and reinforced TCO's continued strong focus on environmental protection. The discussion was a good opportunity to establish an open dialogue on the critical subject and the way to discover new ideas, and receive constructive feedback.

BBS

Human behavior and how we can improve IT

It is a well known fact that human behavior is a subject carefully studied by modern psychology. The studies testify that the behavior of each of us changes over our lifetime. There are so many factors and conditions that influence human behavior. Can we influence our own behavior to protect ourselves from any undesirable consequences? Yes, of course we can! Common sense, carefulness, observance, composure, self-possession, ability to recognize a potential hazard - those are the basic principles of human safe behavior.

When on rotation, we strive for high performance both in production and in health, environment and safety. But think - what does it take to achieve this very 'high performance'? What is our personal role in it? It is not a secret that any incident is partially based on a behavioral aspect that can be corrected to prevent either somebody's careless behavior and negligence, that lead to violation of safety rules, or a wrong decision resulting in an injury. It is important to note that our company management and TCO and Contractor employees do not lie on oars; they take actions to prevent incidents at early stages.

As you may know, one of the preventive measures of our company is quarterly blitz campaigns which are aimed at raising the awareness of the personnel about the workplace hazards

and help to reduce injuries among our employees. We all know that TCO key focus area for Q4, 2012 is Slips, Trips and Falls. As part of this campaign, our OE/HES initiative group arranged an internal contest on Slips, Trips and Falls among the employees. As a result of voting, the first prize for the Most Educating Story was won by Bibigul Ataushieva, a Safety Specialist. Saniya Shintasova, an ERT Paramedic, took the second place and the third place was given to Railya Lukpanova, Tengiz Environmental Specialist. All the three stories are based on real life situations, and it is worth noting that all the three authors had lessons learnt from what happened to them and made their conclusions.

The winner and the runner ups of the contest received diplomas of honor and memorable gifts.

We are glad to present to you the first prize story written by Bibigul Ataushieva.

GOD TAKES CARE OF THOSE WHO TAKE CARE OF THEMSELVES

This incident happened six months ago, but I still feel as if it happened yesterday.

In the spring of this year I was on site and visited one of TCO facilities to conduct an audit with my colleagues. Before starting the audit, I had to wait for two of my colleagues who had left for another facility, so I decided to wait for them in the Facility Owner container. As I noticed the container had been installed recently and there were no handrails on the access stairs, and I still remember I immediately told persons in charge about, because this was an obvious violation of safety rules.

When it was time for me to leave the container, I made for the door. I exited the container without making any haste at all and stepped on the wooden stairs with my left foot. At this moment I assumed mechanically there were handrails

on the stairs (though there were none) and I was stretching out my left hand to hold on the handrails, and at this very moment I lost my balance and fell down. As a result of the fall I couldn't get on my feet



Bibigul Ataushieva

as I felt some pain in my left foot. My colleagues who were in the container called the emergency operator (5555) to report the incident. After some time I was taken to TCO Clinic. The doctors examined my swollen foot and diagnosed a shin injury. I was treated and observed for two days in the clinic. I went back to work when the pain stopped in my foot. I went home when the rotation was over. After several days I started to feel the pain again, yet now in my right foot too. The pain in my foot became stronger, and I went to see a doctor. After having examined my feet the doctor said that my right foot had been injured too. As a consequence, I was not

able to work for several months and had to take a serious therapy for my feet, because I know only too well what the proverb "Tethered sheep soon starves" means.

Presently, my feet are still sore, thus I need to continue with therapy during my time off.

I have learnt valuable lessons from what happened to me, so now I know I made a mistake. Each person must immediately see a doctor after suffering any injury. I always share my lessons with my friends, peers and everyone else I know.

Now I know for sure nothing would have happened to me if I had not entered the container or if I had used "Stop Work Authority". In fact, I had two options, both of which would be correct: to either follow the Tenet of Operation saying "Always address abnormal conditions" or just stay out of the the container and advise the people inside they must leave it for safety reasons. Or, finally, I should have been very careful when exiting the container, and this should have spared me of the unfortunate ramifications. This is all about human factor.

Lessons Learnt/Action Items:

1. It is strongly recommended everyone should try and train off some excess weight.
2. Always address abnormal conditions.
3. If you experience any trips and falls you must continuously consult a doctor, because the injury can be tricky. You may think you feel all right, but after awhile the problem may evolve into a serious one. Sometimes it can take a month or a year before you discover the aftermath – you never know.

Watch out! avoid falls!!!



Welcome to the New Year's roundelay.

Happy New year!



On December 28 the residents of Erkem-ai Kindergarten enjoyed a New Year event organized for the group of children attending a recreation and prevention course. TCO has been presenting season's gifts to this specific group of children on a yearly basis. However, we all know very well there is no New Year's festival without a fairytale or surprise.

This time, according to the plot of the theatrical performance, Baba-Yaga, the evil old witch decided she should host her own false show and thus steal all the season's gifts. To do so, she used her hoodoo to turn the big and kind-hearted Father Frost (Santa Claus in the Russian tradition) into a tiny sham souvenir...

However, all the evil tricks of the old witch have been finally laid open by the brave kids assisted by a prankish company of kind animals – the Bare, the Fox and the Rabbit. Thus, the New Year's festival was a great success and all the happy attendees saw the new year in, as appropriate, which means singing songs, dancing, reciting and winding a merry roundelay around the beautiful Christmas tree glittering with silver and gold. Naturally, all received and enjoyed their individual season's gifts. Finally, Father Frost and the Snow Maiden took mercy on the Witch and pardoned her evil tricks, so she pledged to quit doing evil and even danced for the guests,

furnishing a compensation for the damage caused.

Later, on December 30, the House of Culture in Kulsary hosted a New Year's event for children from the underprivileged families and pupils of orphanages and boarding schools of Koschagyl, Turgyzba and Shokpartogai towns, who are also the regular beneficiaries of TCO charity. This time, however, TCO decided to act as sponsors of the festivity and contracted with B. Shegenbayeva, local private entrepreneur. A special procedure was designed, involving performances of local artists and artistic contributions by the children themselves, so everyone enjoyed the spirit of a true fairytale. The general tone of the event, the beautiful costumes and exciting performances, the wonderful gifts – all made the event a great success and left no-one uninvolved in the action. Gary Enk, general manager of production operations made his remarks and offered warmest greetings to the children in Kazakh which was strongly appreciated and applauded to emotionally. He wished the kids the best of health and happiness in their lives. The instructors from the orphanages and boarding schools spoke of their appreciation of the effort spent by TCO and reassured the sponsors the magic presented by TCO to the orphans will stay for long in their memory.

By Galiya Essenova



SEASON'S GIFTS FOR THE KIDS...

Nowadays the children are being treated to all kinds of sweet treats. So many varieties of them. Perhaps, too much of the sweet stuff which is not good for children.

Thinking of some acceptable substitution, which must be none the less appreciated, yet necessarily pass for a healthy, useful and jolly gift, we finally chose to present to the children a... holiday. We invited the pupils of the Atyrau Regional Orphanage, the small residents of the Boarding School for children with hearing impairments in Leskhoz Micro-region and from the Boarding School for children having TB to attend a New Year's event organized at the Funky Town Center. The small guests were welcomed by the Penguins, Father Frost and the Snow Maiden, the heroes of favorite animated cartoons, who invited them to the merry roundelay winding around the beautiful Christmas tree. Then the children were involved in an exciting detective story where they joined the good characters in their fight against the evil forces. Naturally, there is no fairy tale without a happy end, so the Goodness eventually took the upper hand. Yet that was not the end of the festival. Gift certificates were given to all children which made them very happy. No wonder, they received an opportunity to spend a day in the area of attractions and slot machines – all



for free. The little ones were head over heels with joy. Honestly speaking, the adults have made their day providing unlimited access to the game machines. Incidentally, at some point one slot machine "went nuts" and started to dispense free soft toys to all players. Well, there is no New Year without wonders.

It should be mentioned here, many TCO departments collected season's gifts for the orphans as charity. For example, the staff of TCO HR donated a large TV with LED screen and a music center for the small patients of TB Clinic. The Finance em-

ployees presented logical games, puzzles and sets for the development of creative skills. These will go to the Boarding School for the children with hearing problems.

...AND FOR THE SENIOR CITIZENS

The Senior's Residence in Atyrau, the sole establishment of such type in the city also received a season's gift from TCO. Although its "pupils" are 60 and older, each of them treats the New Year's as a special holiday. The residence currently serves as the social shelter for over 100 people. Most residents have no families, some have no visitors, therefore they treasure every opportunity of socializing. Not to mention the gifts. The old people enjoy those in the very same manner as the little children. Tengizchevroil volunteers could not possibly forget these compatriots.

The festival of wise old game

Tengizchevroil sponsored an open chess championship dedicated to Kazakhstan Independence Day

For three days starting from December 16, 2012 Tengizchevroil Headquarters in Atyrau served as the venue of the open chess championship as part of festivities dedicated to the Independence Day. Acting as chief sponsor of the event, now for the second time, was Negotiations & Legal Department of TCO's, assisted by local chess federation.

After the sounds of the national anthem subsided, the first to take the floor at the opening ceremony was Samat Azhenov, general manager of TCO N&L, who offered warmest greetings and wishes of the best of health and wellbeing to all attending, and continued success to the nation. Said S. Azhenov, "we are happy to welcome once again the enthusiasts of this wonderful and graceful ancient game on the day of Kazakhstan Independence and take advantage of this great occasion to share both the joy of the national holiday and the spirit



of competition with you. After wishing success to the players, Samat Azhenov gave the floor to Kazbek Imangali, head of Atyrau Oblast department of

tourism, culture and sports.

In his welcome remarks to the audience Kazbek Imangali thanked TCO management for hosting this

outstanding sports event.

"We all know well President Nursultan Nazarbayev has been giving a strong support to our chess champions. At the recent chess tournament in Astana the President supported the initiative to add chess on the public school curriculum, stressed Kazbek kazhioli. He further shared with the audience the plans for the development and advertisement of chess in the Atyrau oblast, and mentioned, in particular, the idea to open the Chess Club next year.

After the ceremony was over, Sabyrbai Gaisin, vice-president of Atyrau chess federation endowed the role of the chief arbiter at the event announced the rules of the chess blitz, allowing 30 min per player. The competition played in 7 rounds was a classical FIDE rated tournament utilizing the Swiss system to determine pairings.

Finally, the games started captivating the attention of hundreds of fans of this popular sport. This year taking part in the TCO-sponsored event were around 120 players of various age groups, including veterans of chess, employees of many municipal companies and students, masters and winners of multiple tournaments. Playing for TCO were two representatives of the IT Group Mukhangali Seitov and Zhandos Ashinbayev plus Rasym-

khan Matenov, operator of KTL Plant, TCO labor leader. Incidentally, the latter also responded to many questions about TCO, for example, how the sulfur is produced and what type of basic training is required to become a member of the plant team of operators.

The players competed in the total of seven groups, including absolute champion's title, veterans', woman and man groups aged 13 to 18, and younger groups under 13 years of age. Serik Kenzheyev representing one of local investment projects took the absolute champion's title, now for the second time in two years. Khamiolla Zhakupov became the best among the veterans. Biseken Gaukhar, 23, topped the list of woman players in the 18 plus age group. In the youngest group of men and women the winner titles were taken by Nurbol Galymzhannoly and Zhazira Boran, 8. TCO also awarded the special prize to Abylai Suranchiyev. Rewarding prizes were given to 5 contestants. All winners have also been recognized with diplomas and presented Planet of Electronics gift cards.

It looks like the TCO-sponsored chess tournament held as part of National Independence Day in Atyrau is becoming a good tradition strongly appreciated and supported by local folks.

By Yerlan Islamov,
TCO PGPA

Snow, Still a Novelty

Growing up in the southern region of the United States provided limited opportunities to experience the excitement of snow. I can count on one hand the number of times it snowed in my home city of New Orleans, Louisiana. I did experience cold, ice and snow for two years while living in Bowling Green, Ohio. However, snow is still a novelty to me.

When preparing to move to Atyrau last August, weather was the topic that consistently came up in conversations. Colleagues would talk about the extreme temperatures in Kazakhstan in the summer as compared to the winter. Friends would giggle when they heard about the winter temperatures, saying comments as, "there is no way I

could live there;" "you are not a cold weather person;" and "guess you will remain indoors for four months." My thinking was that as long as I had the proper attire, I would be fine.

When I returned to Atyrau on January 3, after having spent two weeks vacationing in the states, I remember the anticipation or rather, anxiety I felt when landing at the airport. I assumed the weather would be unbearable by this time of winter. Well, it was not what I expected. Yes, snow was on the ground and the temperature had dropped 10 degrees from when I left Atyrau in December, but having a coat, scarf, hat and gloves with me, I was warm.

The week after my return to Atyrau, I traveled with two colleagues to Kulsary. During our

return trip to Atyrau, it happened - white flakes began falling from the sky landing on cars, the highway and on snow that had accumulated from a snowfall days before. No matter how often I see snow, when I see it again, it is like the first time. After noticing my giddiness from watching the snow fall, my colleague Georgi asked if I wanted to get out of the car to touch it. "Of course," I said, so my two colleagues and I along with the taxi driver, got out of the car, after finding a safe place to park, and began walking in the snow and taking pictures. Ah, a kid still lives in all of us. It was such a special and fun time. Here's to spontaneity.

Chanel Jolly,
Policy & Advocacy Advisor
PGPA



Shooting a film about Tengizchevroil

Aldongar, a renowned film production company in Kazakhstan led by Boris Cherdabayev, ex-TCO Director in 2000 and through 2003, is currently making a documentary dedicated to the 20th anniversary of TCO. The creative team of excellent professionals, like film director Michael Greenspan (USA), producer Sasha Klein, winner of Israeli Academy Award, Khassanbek Kadyraliyev, a motion picture photographer, in company with younger colleagues is well-known for quite a few outstanding projects, including both documentaries and movies, started their new project in November of 2012. Acting as the chief characters will be TCO's beautiful upstream facilities representing the best achievements and innovative technologies of the national petroleum industry. However, the story of Tengizchevroil cannot possibly be impersonal.

Said Sasha Klein, "our intent is to tell the story of TCO, a world-class operation and unquestioned leader of Kazakhstan petroleum industry. Yet the film will not only demonstrate the wonderful contemporary operation and cutting-edge technology, but introduce the spectators to your exciting story of success through interposing it onto the life stories of real employees working here. We would like to show how the economic reforms in Kazakhstan have produced a totally new brand of people, and we deem TCO is the best choice, because the company serves the perfect ex-



ample of the revolutionary change taking place across the board both in the industry and the country."

Among the chief characters of the narrative will be members of one family, TCO employees, whose lives have become closely intertwined with the story of Tengiz. We will purposely refrain from prematurely giving our readers their names, yet can reassure them the story of their lives and careers are by far not unique in Tengiz. The Project of the Century as Tengizchevroil was referred in early 90s has in fact served the symbol of the tremendous change that happened over the past two decades to the steppes north-east of the Caspian and also to the entire country of Kazakhstan. As far as the

vast area of the Zhylyoi region, their new history is closely associated with the history of Tengiz oilfield development project.

Khassanbek Kadyraliyev, a renowned master of Kazakhstan's cinematography is very happy with the progress of the new project.

"The local steppe looks absolutely fantastic," he said with visible excitement and admiration after completing his early morning shooting session. - Let me tell you, honestly, our specific job is above all associated with plenty of technical parameters and nuances of the shooting process, so it happens it does not appear necessarily successful and inspiring at all times. Sometimes you think you have built

a good composition and found an interesting angle or unusual play of shades, but then you come back to the studio, only to discover the product lacks the magic of true beauty. Very often we simply say: "OK, everything's well. We're done with this job." Here, though, we feel different. Personally, I am breathing this boundless vastness, as it permeates and captivates my entire



heart and soul. And I truly admire your people, who are very well educated and look very self-confident and happy."

Such a comment made by the master well-known and recognized for outstanding products, which

such movies like A gift for Stalin, The Racketeer, The Thousand of Brave Men certainly are, means a lot.

Over one week of shooting the film crew has recorded a significant mileage on their vehicle's trip counter - a few thousand miles. The guys were working day and night. I can tell you the fiery necklace of lights around the two plants in Tengiz looks a real unearthly beauty. Similarly wonderful are their shots of the hills covered by the yellow carpet of autumn herbs and the pictures of lively urban quarters of Atyrau. They have, indeed, taken home quite a bit of impressive videos.

Now all we need is to wait for the final product - the movie. The tentative time of the opening demonstration is April 2013, on the eve of the 20th anniversary of Tengizchevroil.

By Georgy Trukhin

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