



# Tengizchevroil Fact Sheet

3Q 2017

## History and Ownership

- Tengiz, the world's deepest producing super giant oil field, was discovered in 1979.
- The Tengizchevroil (TCO) partnership was formed on April 6, 1993, between the Republic of Kazakhstan and Chevron.
- Current partners are Chevron, 50 percent; KazMunayGas, 20 percent; ExxonMobil Kazakhstan Ventures Inc., 25 percent; LukArco B.V., 5 percent.

## Production and Reserves

- Estimated oil in place in the Tengiz field is 3.2 billion metric tonnes (25.5 billion barrels) with 200 million metric tonnes (1.6 billion barrels) in the Korolev field.
- Total recoverable crude oil in the Tengiz and Korolev fields is estimated to be 890 million to 1.37 billion metric tonnes (7.1 to 10.9 billion barrels).
- The areal extent of the Tengiz reservoir is large, measuring 20 kilometers (12 miles) by 21 kilometers (13 miles).
- TCO completed its Sour Gas Injection and Second Generation Plant (SGI/SGP) expansion project in 2008, which brought daily production capacity to approximately 75,000 metric tonnes per day (600,000 barrels) of crude oil and 22 million cubic meters per day (750 mscf) of natural gas.
- Crude production for the first three quarters of 2017 was 21.4 million metric tonnes (171 million barrels).

## Health, Safety and the Environment

- TCO has invested \$3 billion since the year 2000 on projects to minimize environmental impact.
- TCO's current gas utilization rate is over 98 percent.
- Investments in equipment reliability have reduced the number of technical malfunctions at the plants and the volume of unplanned sour and acid gas flaring during technological unavoidable gas flaring by 84 percent from 2000 to 3Q 2017.
- Total air emissions generated per tonne of oil produced have been reduced by 71 percent since 2000, even as annual crude oil production has grown by 2.5 times as a result of TCO's investments in capital programs and equipment reliability.

## Product Sales

- For the first three quarters of 2017, TCO sold over 1 million metric tonnes of LPG, 5.52 billion cubic meters of dry gas and 1.85 million tonnes of sulfur.

## Benefits to Kazakhstan

- From 1993 through 3Q 2017, TCO made direct financial payments of about \$123 billion to Kazakhstani entities, including Kazakhstani employees' salaries, purchases of Kazakhstani goods and services, tariffs and fees paid to state-owned companies, profit distributions to Kazakhstani shareholder and taxes and royalties paid to the government.
- For the first three quarters of 2017, direct payments to the Republic of Kazakhstan exceeded \$5.9 billion.
- In January-September 2017, TCO spent over \$1.7 billion on Kazakhstani goods and services, including over \$660 million for FGP-WPMP.
- TCO has invested more than \$23.9 billion on Kazakhstani goods and services since 1993.

## Workforce Development

- Kazakhstani citizens hold 83 percent of TCO positions, compared to 50 percent in 1993.
- Kazakhstani managers and supervisors represent 68 percent of the TCO managerial workforce. Ongoing training and development programs exist to support the advancement of employees to positions of increasing responsibility.



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## Community Outreach

- Since 1993, TCO has invested over \$1.4 billion to fund social projects and programs in the Atyrau Oblast for the community and employees.
- In 2017, TCO has budgeted \$25 million for Egilik social infrastructure program, the majority of which will be spent for construction of kindergartens, schools and other social facilities in Atyrau Oblast.
- In 2017, TCO's Community Investment Program has about \$1.2 million in projects planned to help improve the quality of health, education and training in Atyrau Oblast.

## Future Growth Project - Wellhead Pressure Management Project

- In 2016, TCO Partners announced approval for the final investment decision of the Future growth Project - Wellhead Pressure Management Project (FGP-WPMP), the next major expansion of the Tengiz oil field.
- The FGP-WPMP is being constructed simultaneously to realize significant efficiencies and cost savings.
  - Based on TCO's highly-successful SGI/SGP expansion project, FGP will expand production by approximately 12 million tonnes per year/260,000 barrels per day to about 39 million tonnes per year/850,000 barrels per day.
  - WPMP will keep the existing Tengiz plants full by lowering the flowing pressure at the wellhead and then boosting the pressure to the inlet requirements of the six existing processing trains.
- More than 25,000 Kazakhstanis working on FGP-WPMP in country, which is 92% of the total project workforce in Kazakhstan.
- TCO has engaged Kazakhstani entities to participate in FGP-WPMP in engineering, procurement and fabrication services and has pre-screened over 1,900 Kazakhstani companies to date.
- Overall engineering and procurement continue to focus on Sealift 2018 modules and getting out of the ground in Tengiz.
- The main FGP-WPMP equipment will be fabricated in Kazakhstan, South Korea and Italy and pre-assembled into modules for transportation to Tengiz and final assembly.
- Pipe racks fabrication works commenced at ERSAl yard in Mangystau Oblast, Kazakhstan, in October 2016 and currently is progressing according to plan. The gas turbine generators fabrication in Italy is on plan as well as modules fabrication in South Korea.
- Fabrication of the module carrying vessels (MCVs) continues in Vietnam and Romania.
- Capital dredging at Cargo Transportation Route (CaTRo) completed. Onshore piling installation and controlled filling of the turning basin completed. CaTRo haul road construction ahead of plan.
- Tengiz infrastructure construction is progressing according to plan. Civil and underground works continue to ramp up at the 3GP and 3GI construction sites.
- Well pads continue to be completed ahead of schedule in preparation for arrival of the drilling rigs and construction is progressing on the pipelines and metering station for high pressure early oil.