



Kazakhstan Fact Sheet

Highlights of Operations

Chevron is Kazakhstan's largest private oil producer, holding important stakes in the nation's two biggest oil-producing projects—the Tengiz and Karachaganak fields.

The Tengiz Field is the world's deepest operating super-giant oil field, with the top of the reservoir at about 12,000 feet (3,657 m) below ground. Chevron holds a 50 percent interest in Tengizchevroil (TCO), which operates the field. The partnership also is developing the nearby Korolev Field.

Chevron also holds an 18 percent interest in the Karachaganak Field, Kazakhstan's second-largest producing petroleum reserve.

Chevron is the largest private shareholder in the Caspian Pipeline Consortium (CPC). The CPC pipeline provides an important export route for crude oil from TCO and Karachaganak. The pipeline is [undergoing a major expansion](#).

Chevron also operates a polyethylene pipe plant and a valve plant in Atyrau.

In Kazakhstan, as in any country where Chevron does business, we are a strong supporter of programs that help the community.

Business Portfolio

Exploration and Production

Through our subsidiaries, Chevron is involved in two of Kazakhstan's largest projects: Tengizchevroil LLP (TCO) and the Karachaganak Petroleum Operating B.V. Chevron has a 50 percent interest in TCO and an 18 percent nonoperated working interest in the Karachaganak Field. Net daily production in 2014 from TCO and Karachaganak was 290,000 barrels of liquids and 460 million cubic feet of natural gas.

Tengizchevroil Looks Ahead

TCO is developing the Tengiz and Korolev crude oil fields in western Kazakhstan. Net daily production in 2014 averaged 239,000 barrels of crude oil, 334 million cubic feet of natural gas and 20,000 barrels of natural gas liquids. The majority of TCO's crude oil production was exported through the Caspian Pipeline Consortium (CPC) pipeline. The balance was exported via rail to Black Sea ports. In 2012, TCO produced the 2 billionth barrel of crude oil from the Tengiz and Korolev fields since its formation in 1993.

In 2014, work continued on three projects:

- The Wellhead Pressure Management Project is designed to maintain production capacity at existing facilities.
- The Capacity and Reliability Project is designed to reduce bottlenecks and increase plant efficiency and reliability at TCO facilities.
- The Future Growth Project is designed to increase total daily production by 250,000 to 300,000 barrels of oil-equivalent and to increase the ultimate recovery of the reservoir.

A final investment decision for the Capacity and Reliability Project was made in February 2014. Final investment decisions on the Wellhead Pressure Management Project and the Future Growth Project are expected in the second half of 2015.

Karachaganak, One of the World's Largest Fields

The Karachaganak Field in northwest Kazakhstan is among the world's largest oil and gas condensate reserves. Chevron has an 18 percent nonoperated working interest in the Karachaganak Field. Work continues on identifying the best way to expand the field.

In 2014, net daily production at Karachaganak averaged 31,000 barrels of liquids and 126 million cubic feet of natural gas.

Approximately 29,000 net barrels per day of processed liquids were exported and sold at prices available in world markets. Most of the exported volumes were transported through the CPC pipeline. A portion was also exported via the Atyrau-Samara (Russia) pipeline. Liquids not exported via these pipelines were sold as condensate in local and Russian markets.

Moving Product to Market via the CPC Pipeline

Chevron has a 15 percent interest in the 935-mile (1,505-km) CPC crude oil export pipeline that runs from the Tengiz Field in Kazakhstan to the Black Sea port of Novorossiysk, Russia. The pipeline provides a key export route for crude oil produced from TCO and Karachaganak. In 2014, an average of 865,000 barrels of crude oil per day passed through the pipeline, composed of 763,000 barrels from Kazakhstan and 102,000 barrels from Russia.

Work continues on the 670,000-barrel-per-day [pipeline capacity expansion project](#). The project is being implemented in phases, with capacity increasing progressively until reaching a design capacity of 1.4 million barrels per day in 2016. By the end of 2014, capacity from Kazakhstan had been increased by a maximum of 230,000 barrels per day and was handling nearly 90 percent of TCO's total production. The expansion is expected to accommodate a portion of the future growth in TCO production.

Building on Success and Diversifying the Economy

Chevron is helping Kazakhstan meet its goal to diversify its economy. Since 2003, the company has owned and operated a polyethylene pipe plant in Atyrau. The plant's five processing lines have a production capacity of 15,000 tons of polyethylene pipe per year. The plant also produces metal-plastic pipe that is used in heating and hot water supply systems. In 2013, Chevron opened another plant in Atyrau that produces up to 30,000 iron gate valves per year. Both plants are managed and operated by Kazakhstani employees.

The plants bring new technology to Kazakhstan and supply the country with products that are currently imported. In addition, there is potential for export.

Marketing and Retail

Chevron markets lubricants, coolants and fuel treatments under the Texaco® brand for consumer, commercial and industrial use in Kazakhstan through our authorized distributor.

In the Community

In Kazakhstan, Chevron works in partnership with local and national governments, communities, nongovernmental organizations (NGOs), and other institutions on projects focused on health, education and economic development.

Health

Chevron is committed to promoting healthy lifestyles among Kazakhstanis, with a special focus on young people and women.

Partnering with the Bilim Central Asia Educational Center, Chevron conducts HIV/AIDS awareness educational campaigns in schools and colleges in Almaty. In 2014, the NGO introduced a virtual game to teach HIV/AIDS prevention to college students.

For four years, Chevron has worked with local NGO Aist (Stork) to promote healthy childbirth in Almaty and Astana. Aist has developed information packages, innovative training programs and workshops for medical students, health care workers and pregnant women. More than 4,000 women have benefited from the effort.

Every year, Chevron donates medical equipment to hospitals and maternity centers in Almaty and Astana and supports professional development of health workers. In 2014, Chevron funded the training of 25 pediatricians on current developments in neonatology and resuscitation.

Education

Chevron supports and manages a number of programs in Kazakhstan to promote education and the development of young people. Our programs reach thousands of youths, teachers and trainers from urban and rural schools.

In 2014, Chevron Chairman and CEO John Watson laid the foundation stone for the Palace of Youth in Atyrau. The center is planned to serve as a multifunctional, multipurpose learning and wellness facility offering young people a variety of educational, vocational and social activities and programs.

Since 2006, Chevron has helped more than 800 orphans and boarding school students in Almaty, Astana and Atyrau choose their future professions and acquire life skills through Early Vocational Orientation Training.

Chevron supports a nationwide contest that encourages environmental awareness through art. Since 2002, more than 2,000 children have participated in the Children's Environmental Artwork workshops.

Chevron works with the Children's Library and the Balbulak (Spring) Foundation to promote interest in science, technology, engineering, arts and math (STEAM) among the young. The library's STEAM Lab encourages children aged 6 through 16 to explore these subjects through hands-on innovation and creation.

Chevron's Road Safety project teaches children in primary schools safe behavior on the roads. Teachers use textbooks and interactive exercises to teach students road safety skills.

Chevron's [University Partnership Program](#) works with Kazakh National Technical University to provide grants and scholarships for young people seeking advanced professional and technical training. In 2014, Chevron provided scholarships to more than 110 high-achieving graduate and undergraduate students. We also support new curricula and teacher training.

In 2014, Chevron worked with Nazarbayev University on a project to create a scale model of a self-sustainable village for the future. A team of 20 students designed and will construct the 30-by-15-foot (10-by-5-meter) model in 2015, which is expected to be displayed at EXPO-2017 in Astana.

Chevron also sponsored the NGO Expert Centre in 2014, which provided training in advocacy and accountability, strategic planning, and financial management to more than 60 community and NGO leaders and trainers.

Economic Development

Chevron continues to maintain strong ties with the Union of Artisans, which has 100 members across Kazakhstan. We help provide business development for and marketing of Kazakhstani crafts in the country and internationally. The high quality of Kazakhstani crafts work has been recognized by UNESCO and the World Crafts Council.

For two years now, Chevron and the British Council Kazakhstan have led a project aimed at teaching vocational school students skills that would help them become more employable and competitive in the job market.

Tengizchevroil and Karachaganak: Investing in the Future

Chevron contributes to the development of communities through its partnerships in Tengiz and Karachaganak projects. From 1993 to 2014, Tengizchevroil invested more than \$995 million to fund social projects and programs for the community and employees in Atyrau Province. Chevron has directed resources to social infrastructure projects, schools, hospitals and clinics and to the construction of water and electric utilities.

We also work with our Karachaganak partners to support the community. Since 1998, Karachaganak partners have contributed more than \$242 million to social infrastructure projects in western Kazakhstan.

Record of Achievement

For nearly a quarter of a century, Chevron has worked to develop energy and advance the economy of Kazakhstan. Our investment has been marked by key milestones.

- 1993 – Chevron signed the foundation agreement with the Republic of Kazakhstan that created the joint venture company Tengizchevroil (TCO).
- 1996 – A Chevron-branded station opened in Almaty, the first international station in the country.
- 1997 – Chevron entered the Karachaganak Petroleum Operating consortium to develop Karachaganak, one of the world largest oil and gas fields.
- 2001 – The Caspian Pipeline Consortium (CPC) crude oil export pipeline began operations from Tengiz to the Black Sea port of Novorossiysk in Russia.
- 2003 – Chevron started production at the polyethylene pipe plant in Atyrau.
- 2008 – TCO completed the Sour Gas Injection Facilities and Second Generation Plant expansion, nearly doubling daily production of oil and natural gas.
- 2011 – Chevron began producing metal-plastic pipes at its polyethylene pipe plant in Atyrau.
- 2011 – The CPC broke ground on the pipeline capacity expansion project.
- 2012 – TCO founded Kazakhstan’s first maritime academy to train professionals who can work in the oil and gas industry.
- 2013 – Chevron began production of iron gate valves, which are used in water supply, sewage and natural gas transportation systems. The technology used at the newly constructed Atyrau Valve Plant is unique in Kazakhstan and other former Soviet countries.

Health, Environment and Safety

Protecting people and the environment is one of Chevron’s core values.

Tengizchevroil continues to record high marks in standardized industrial safety measurements, such as days away from work. In 2014, more than 19,000 people worked more than 64 million hours for TCO with just seven injuries that required a day away from work. TCO strives for zero workplace injuries and is continuously working to improve its safety record.

Employees at the Atyrau Polyethylene Pipe Plant have worked without a day-away-from-work injury since its earliest days of operation. Plant employees continue to achieve excellent results. The plant has surpassed 1.6 million work-hours—more than 12 years—of incident-free operation.

Chevron has invested heavily in protecting the environment. Since 2000, Tengizchevroil has spent more than \$3 billion on measures that have reduced natural gas flaring from our operations by 91 percent. TCO has applied innovative technologies to redirecting gas for use by TCO, for export to consumers and for reinjection into the reservoir.

Economy

Chevron contributes to Kazakhstan’s economy through employee wages, purchases of goods and services from local suppliers, tariffs and fees paid to state-owned companies, and taxes and royalties paid to the government. Since Tengizchevroil’s founding,

the company has paid about \$104 billion to the Republic of Kazakhstan. In 2014, direct payments to the government totaled \$14.7 billion.

From 1993 to 2014, Tengizchevroil spent more than \$17 billion on Kazakhstani goods and services—\$2.4 billion in 2014 alone.

In 2014, Chevron and our Karachaganak partners have awarded contracts worth more than \$145 million to Kazakhstani companies for goods and services. Since 1997, the local content in all partner contracts has exceeded \$4 billion.

Since 1993, the proportion of employees at Tengizchevroil who are Kazakhstani citizens has grown from 50 percent to almost 87 percent. Kazakhstanis now make up 75 percent of managerial and supervisory positions.

As of the end of 2014, all skilled and clerical positions at the Karachaganak operations and 95 percent of the professional and supervisory roles were filled by local employees. At the managerial level, 70 percent of positions were filled by local employees.

All managers and staff at Chevron's polyethylene pipe and valve plants are Kazakhstani citizens. Our plants have created about 205 local jobs, including 110 employee positions.

We use the most up-to-date equipment, technology, methods and expertise in our oil and gas business in Kazakhstan. The company deploys all of its technologies with the goal of increasing reserves and production, accelerating development, and reducing costs. Our Kazakhstani workers are exposed to the latest developments in oil field operations.

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Updated: May 2015

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

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