



Tengizchevroil Fact Sheet

1H 2018

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 1H 2018 was 14.7 million metric tonnes (117.3 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 99 percent from 2000 to 1H 2018.
- Total air emissions generated per tonne of oil produced have been reduced by 73 percent since 2000, even as annual crude oil production has grown by 2.7 times as a result of TCO's investments in capital programs and equipment reliability.

Product Sales

- In 1H 2018, TCO sold around 704 thousand metric tonnes of LPG, 3.9 billion cubic meters of dry gas and over 1.2 million tonnes of sulfur.

Benefits to Kazakhstan

- From 1993 through 1H 2018, TCO made direct financial payments of over \$129 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.
- In 1H 2018, direct payments to the Republic of Kazakhstan totaled more than \$3 billion.
- In 1H 2018, TCO spent over \$1.5 billion on Kazakhstani goods and services, including over \$936 million for FGP-WPMP.
- TCO has invested more than \$25.5 billion on Kazakhstani goods and services since 1993.

Workforce Development

- Kazakhstani citizens hold 82.2 percent of TCO positions, compared to 50 percent in 1993.
- Kazakhstani managers and supervisors represent 63.3 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 \$1.5 billion to fund social projects and programs in the Atyrau Oblast for the community and employees.
- In 2018, TCO has budgeted \$25 million for Egilik social infrastructure program, the majority of which is spent for construction of kindergartens, schools and other social facilities in Atyrau Oblast.
- In 2018, TCO's Community Investment Program has over \$1 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 42,000 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 2,000 Kazakhstani companies to date, with more than 300 being awarded contracts. More than 150 Kazakhstani companies were visited for capabilities assessment. KC spend since the project start made more than \$4 bln.
- Main facilities engineering is progressing.
- The main FGP-WPMP equipment is being fabricated in Kazakhstan, South Korea and Italy, and will be pre-assembled into modules for transportation to Tengiz and final assembly.
- Pre-assembled pipe-racks are under erection at ERSAL's fabrication yard in Kazakhstan. First pre-assembled pipe-rack successfully loaded-out at ERSAL, loaded-in at CaTRo and delivered to Third Generation Plant
- Fabrication and supply of Frame 9 Gas Turbine Generator (GTG) modules continues in Avenza, Italy. The first GTG was successfully loaded out in June.
- First pre-assembled units were safely loaded out onto the ocean-going vessel and left fabrication yard in South Korea bound for Tengiz. This was the first load out carried out from South Korea.
- Cargo Transportation Route is ready for operations and commenced receiving first cargo.
- In Tengiz motor roads under construction.
- Drilling along with construction of the field facilities and pipelines to bring in additional production to support keeping the existing plants at capacity continue.
- At Third Generation Plant first getting-out-of-ground milestone completed, Red Route completed in June.
- At 3GI concrete pours progressing, underground piping installation and in-situ foundations continue.