



ҚазМұнайГаз
NATIONAL COMPANY УЛТТЫҚ КОМПАНИЯСЫ



«Hydrocarbons transportation in Kazakhstan: present and future»

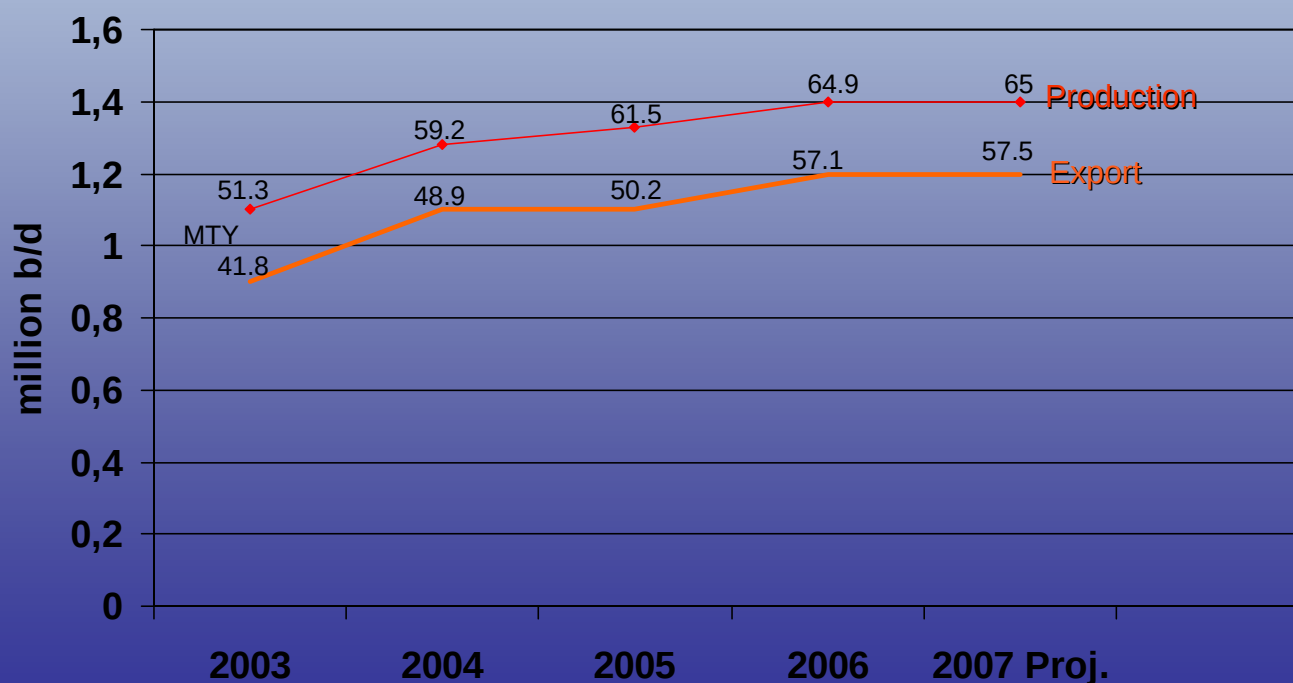
Energy Charter Secretariat
Vienna, 2007 November

Hydrocarbon production and export

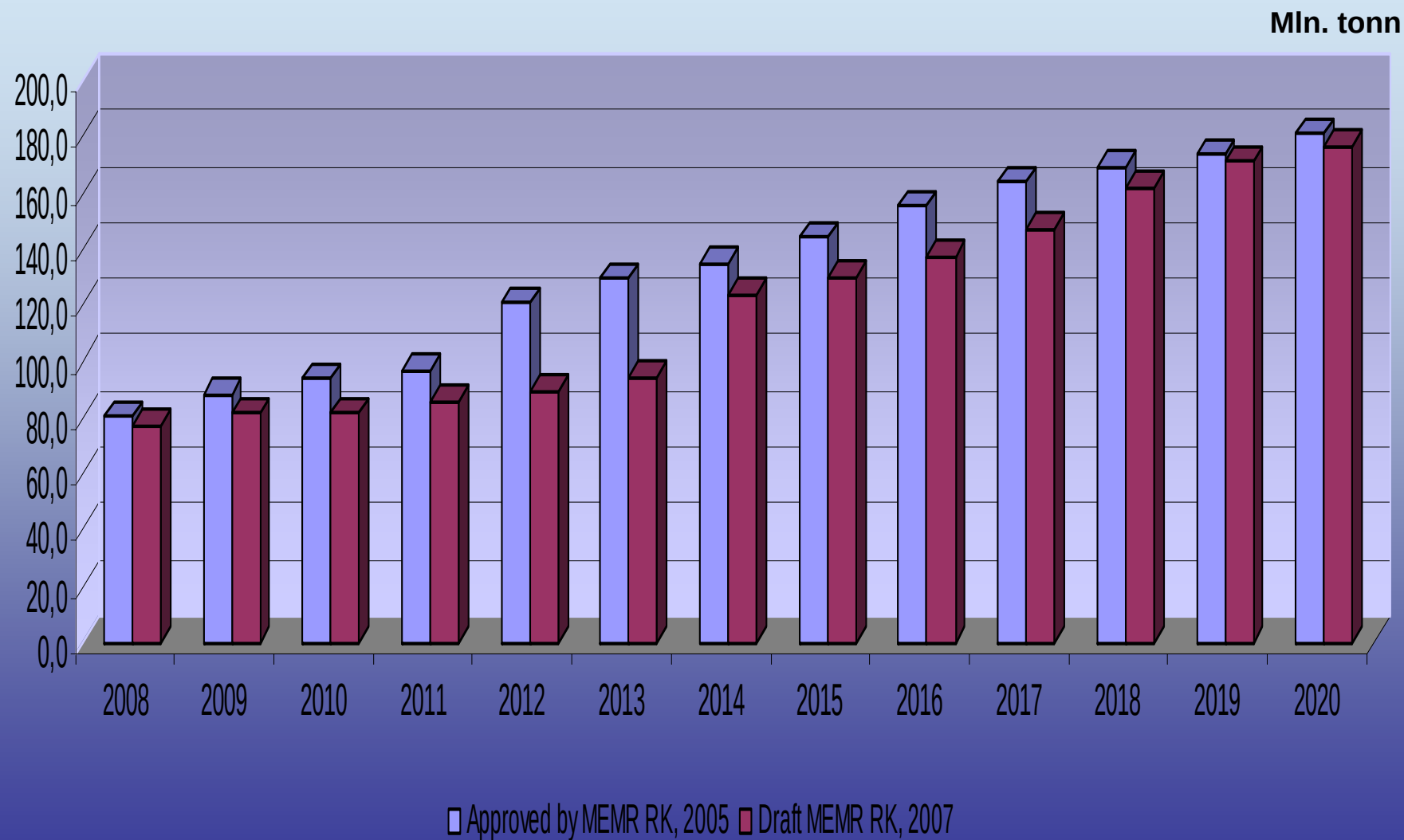
2006:

- Production – 1.4 mln.bl/day (64.9 mln.tonn)
- Transportation total – 1.36 mln.bl/day (63 mln. tonn),
including export – 1.24 mln.bl/day (57.1 mln. tonn)

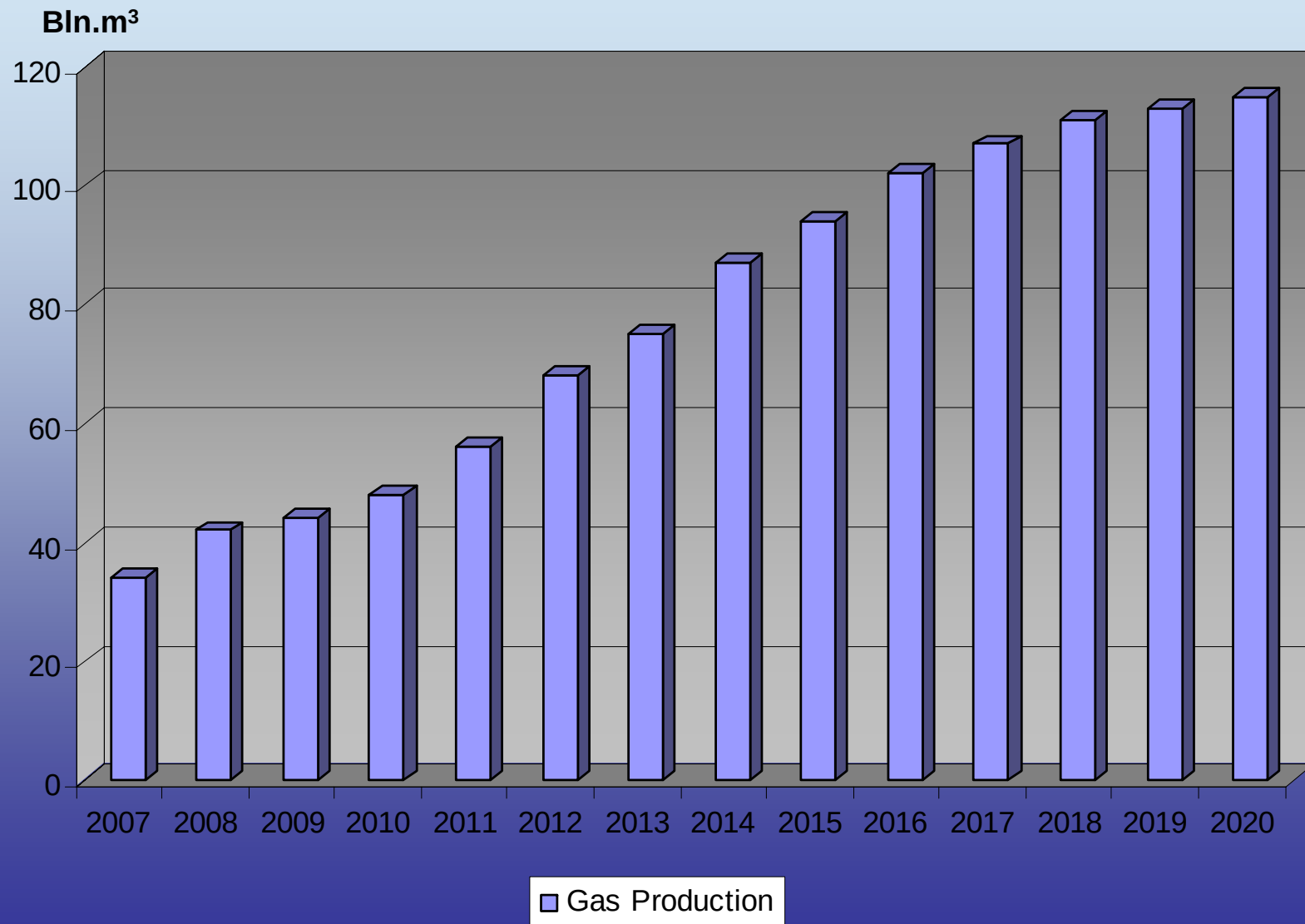
Dynamics of hydrocarbon`s export



Oil production forecast



Gas production forecast



Government regulation

National Legislation:

- Law on Subsoil and Subsoil Use (1996)
- Law on Oil (1995)
- Law on Foreign Investments (1994)
- Law on Production Sharing Agreements (2005)
- Law on Natural Monopoly (1998)
- Other Orders and Rules

International Agreements:

- Energy Charter Agreement
- Bilateral Agreements ratified by Kazakhstan

Objectives:

- Protect government economic interests
- National Security
- Provide state interests and kazakh content

National Company “KazMunaiGas”

Established in 2002. KMG authorized to participate in the execution of the national policy in the oil and gas industry on the one hand and realized commercial activity on the other hand

KMG:

- Represent the Government interests in contracts
- Conduct oil operations jointly with the winners of the tender
- Conduct oil operations in the granted blocks
- Participation in projects for oil and gas operations
- Management of exploration, development, production, processing, marketing and transportation of hydrocarbons
- Establish control over the contract area as a competent body



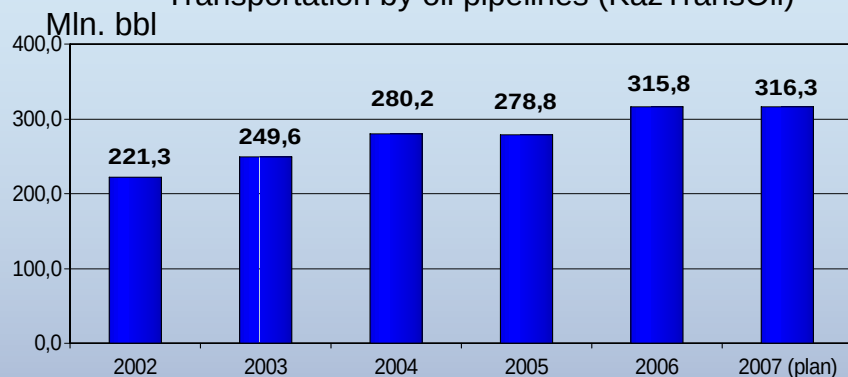
Transportation of hydrocarbons

- Oil transportation is a highly important business for Kazakhstan because the country is located at considerable distance from sales markets
- Main principles:
 - diversification of export routes
 - equal access
 - timeliness
- In August 2007 the Civil Code of Kazakhstan was amended to establish that the main pipelines “may be” qualified as strategic assets
- KMG working on draft Law on Main Pipelines

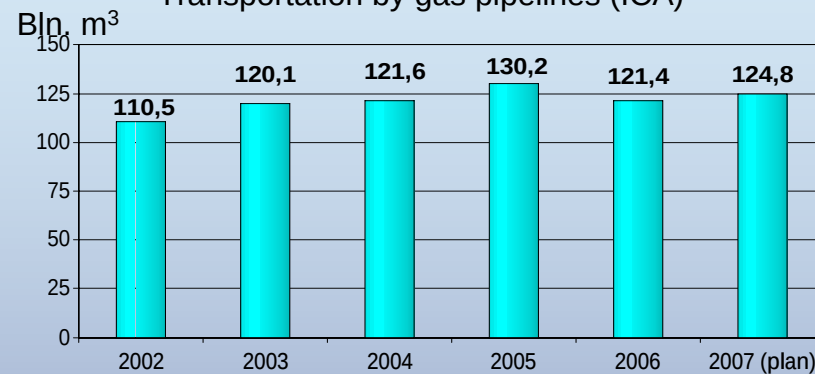


Dynamics of transportation indicators

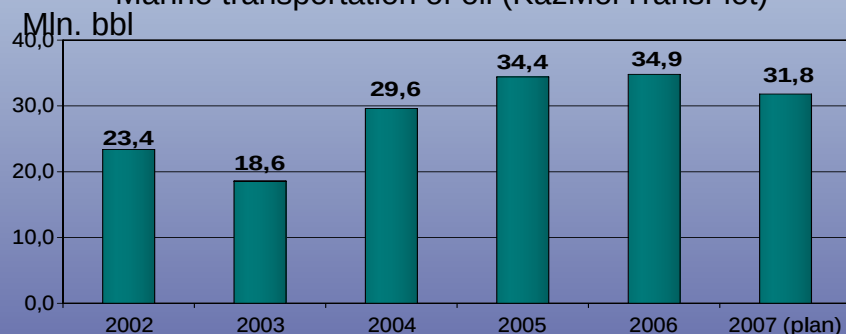
Transportation by oil pipelines (KazTransOil)



Transportation by gas pipelines (ICA)



Marine transportation of oil (KazMorTransFlot)



	2002	2003	2004	2005	2006	2007 (plan)
Oil transportation by pipelines, thous. tons	30315	34192	38384	38192	43260	43325
Gas transportation by pipelines, bln. m3	110,5	120,1	121,6	130,2	121,4	124,8
Marine transportation of oil, thous. tons	3205	2548	4055	4712	4781	4358

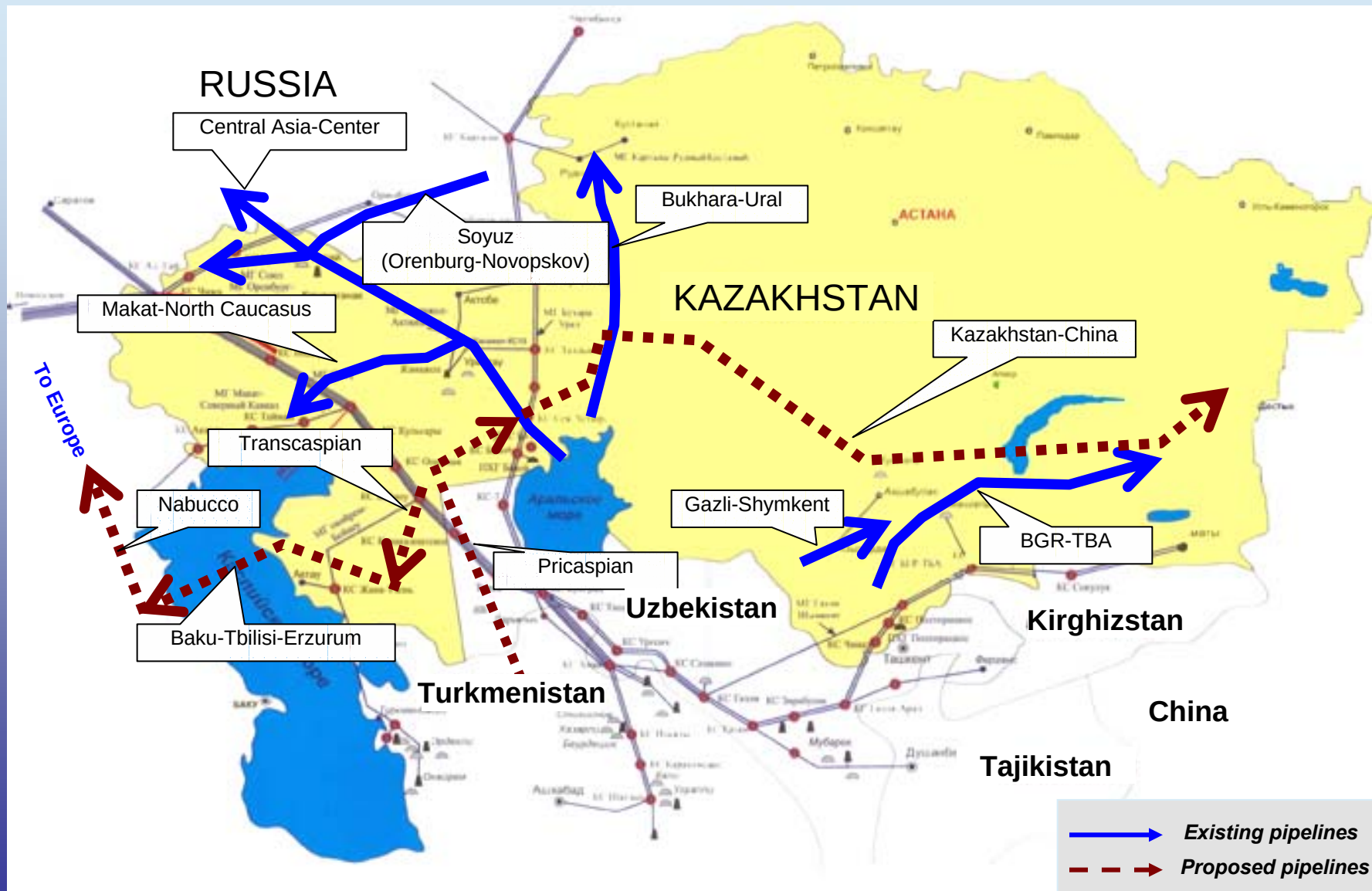
Oil transportation routes

1. Uzen-Atyrau-Samara
2. Kenkiyak-Atyrau
3. Kumkol-Aralsk-Kenkiyak
4. Atasu-Alashankou
5. Omsk-Pavlodar-Shymkent-Chardzhou

6. Caspian Pipeline Consortium
7. Druzhba System
8. Baltic Pipeline System
9. Baku-Tbilisi-Dzheizhan
10. Kazakhstan Caspian Transportation System
11. Kazakhstan-Turkmenistan-Iran



Gas transportation routes



Export pipelines projects

Our projects:

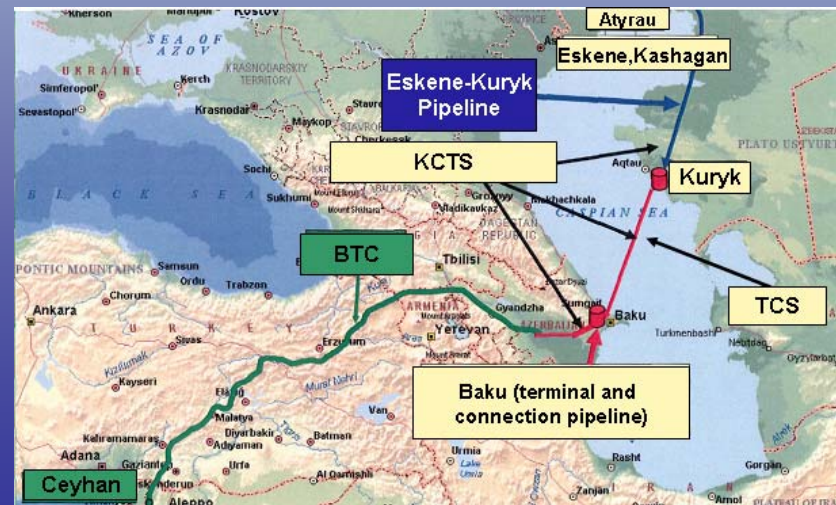
Oil transportation

- CPC expansion
- Kazakhstan-China pipeline
- Atyrau-Samara expansion
- Kazakhstan Caspian Transportation System (Eskene-Kuryk-Baku)
- Kazakhstan-Turkmenistan-Iran
- Burgas-Alexandroupolis and Odessa-Brody (participation possibility)



Gas transportation

- Kazakhstan-China gas pipeline
- Pricaspian gas pipeline
- Transcaspian gas pipeline



Transportation projects risks

During projects realization we meet following main risks:

- investment risk (long term specific)
- guaranteed resources volumes
- access to pipeline systems
- tariff politics of transit countries



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THANK YOU FOR ATTENTION