

# Caspian Pipeline Consortium Base Operations and Expansion Project



**Atyrau, Kazakhstan  
May 11, 2011**

Marine Terminal, Novorossiysk

# Caspian Pipeline Consortium Pipeline Route



# Caspian Pipeline Consortium Ownership Structure



Founding Members :		Producer Companies :	
Russian Federation	24.00%	Chevron Caspian Pipeline Consortium Co	15.00%
Kazakhstan	19.00%	LUKARCO B.V.	12.50%
CPC Company	7.00%	Mobil Caspian Pipeline Co	7.50%
		Rosneft-Shell Caspian Ventures Ltd	7.50%
		ENI International (N.A.) N.V. S.ar.l	2.00%
		BG Overseas Holdings Ltd	2.00%
		Oryx Caspian Pipeline LLC	1.75%
		Kazakhstan Pipeline Ventures LLC	1.75%
<b>Subtotal</b>	<b>50%</b>	<b>Subtotal</b>	<b>50%</b>
<b>Total : 100%</b>			



# Caspian Pipeline Consortium Operational Milestones



**December 2010**  
Shareholders sanction  
Expansion Project

**April 2010**  
Certified to OHSAS  
18001 Occupational  
Safety Standard

**March 2010**  
2,000<sup>th</sup> Tanker Loaded

**April 2009**  
Certified to ISO 14001  
Environmental  
Standard

**March 2001**  
First Oil into Pipeline

**November 2000**  
Pipeline System Construction  
Mechanically Complete

**October 2001**  
First Tanker Loaded at Marine  
Terminal

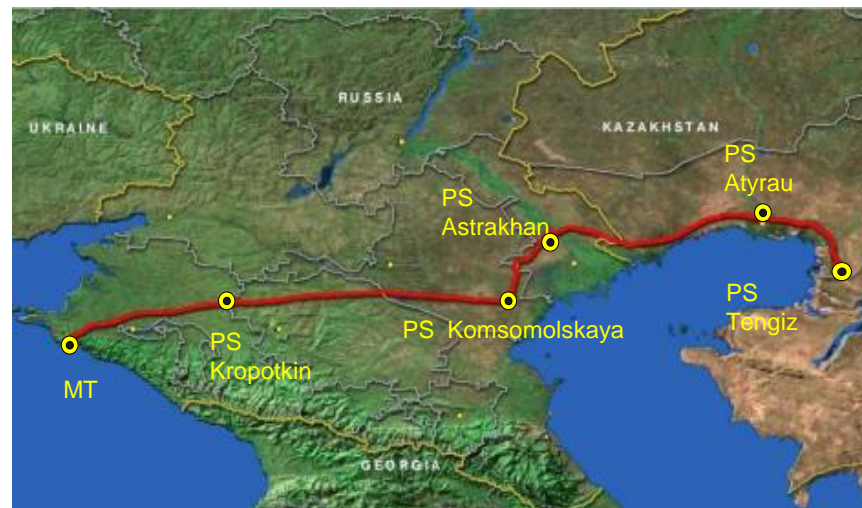
**July 2007**  
One Billionth Barrel of  
Crude Oil Transported

**December 1996**  
Caspian Pipeline Consortium (R&K)  
Shareholders Agreement Signed

# Caspian Pipeline Consortium Base Business



- 2010 Performance:
  - DAFWR: 0.03 per 200,000 hours
  - TRIR: 0.03 per 200,000 hours
  - MVA: 0.05 per 1,000,000 kilometers
  - Operating Factor, 98.2%
- 2010 throughput of 743,000 BPD to Novorossiysk, including:
  - 607,000 BPD originating from Kazakhstan; 136,000 BPD originating from Russia
  - 371,000 BPD from TCO, or approximately 60% of TCO production
  - 154,000 BPD from KPO (~ 89% of stabilized condensate)
  - Additional 39,000 BPD of Tengiz oil discharged at Atyrau for loading onto rail cars
- CPC base business total workforce: 3,200
  - 750 full-time direct hires + 2,450 contractors



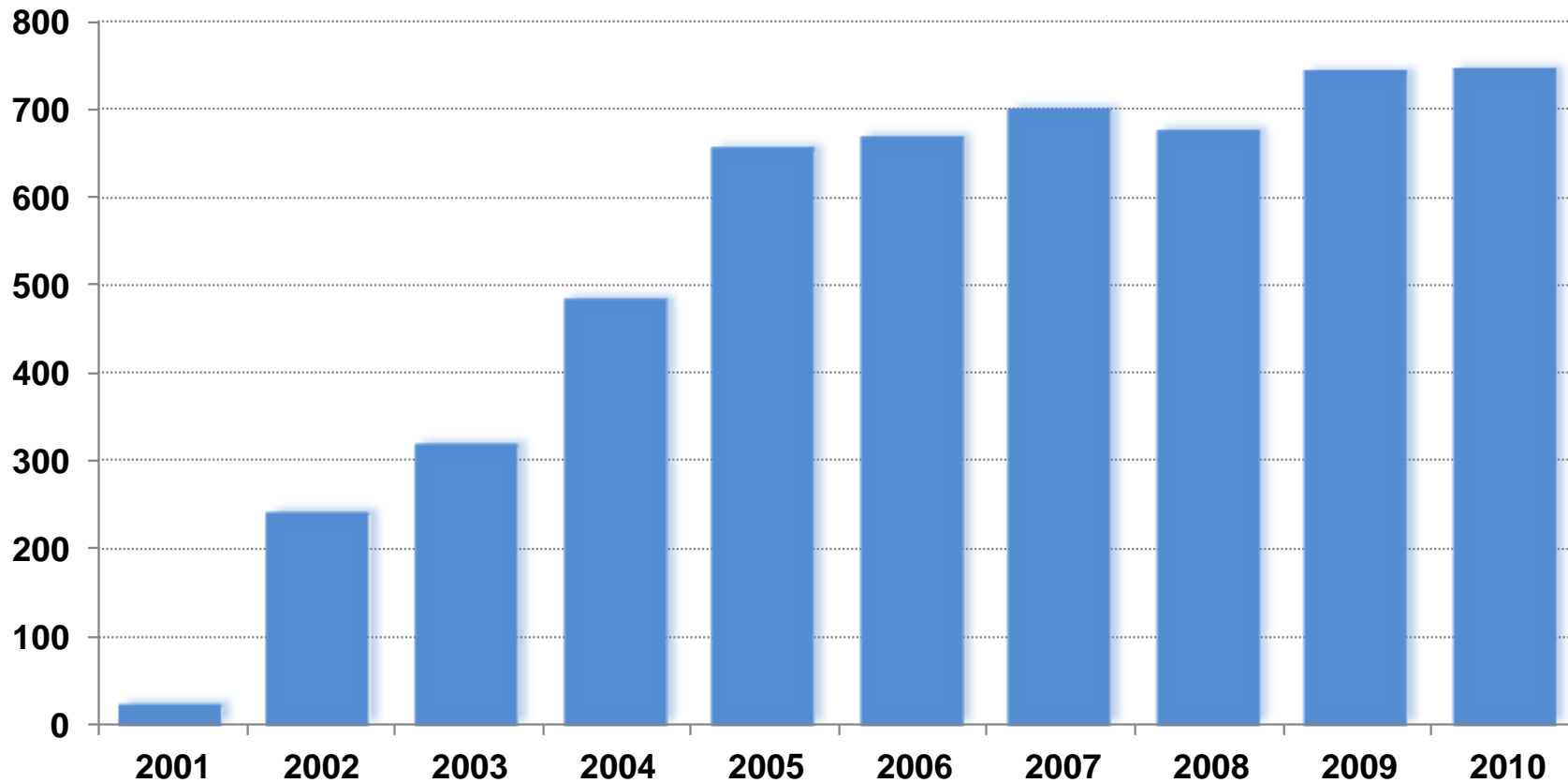
# Caspian Pipeline Consortium

## Volumes of Crude Oil Transported Via CPC System

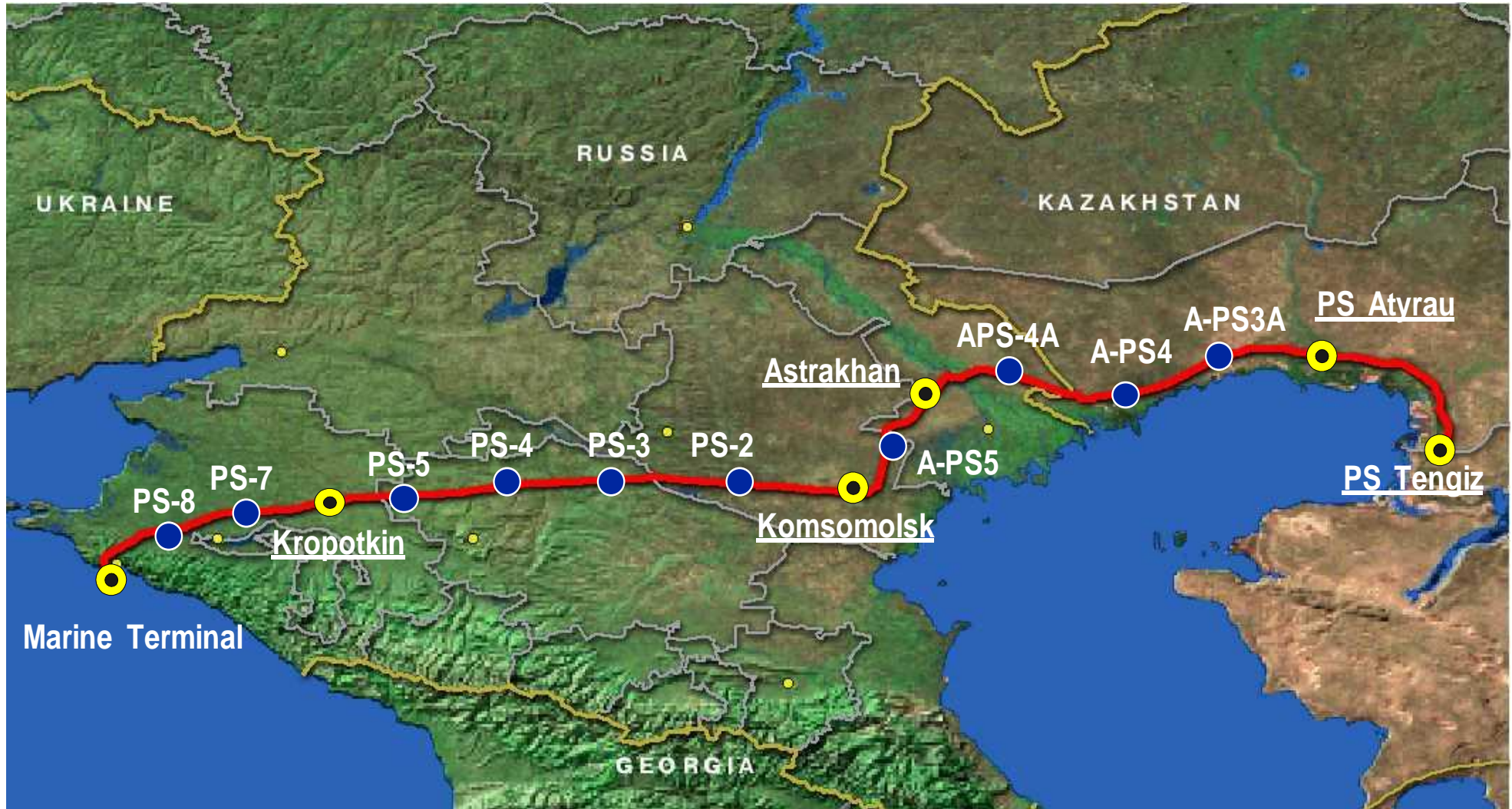


### Actual CPC Throughput

'000 Bbl / Day



# Caspian Pipeline Consortium Expansion Project



# Caspian Pipeline Consortium Expansion Project Description and Scope



## Project Description

- Expand in 3 phases from 35MMTY (740 MBPD) to 67MMTY (1.4 MMBPD)

## Project Scope:

- Upgrade 5 existing, construct 10 new pump stations and replace 88 km 28" with 40" pipe
- Construct 6 new 100,000 m<sup>3</sup> tanks (currently 4) and add 1 new subsea loading line / single point mooring (currently 2)
- Upgrade control system / communications

## Project Budget

- \$5.4 billion (100%) approved by Shareholders December 2010

## Financing

- Primary from operating cash
- 3rd Party borrowing of approximately \$800 MM



Onshore Tank Farm, Novorossiysk



Kropotkin Pump Station



# Caspian Pipeline Consortium Expansion Key Near-Term Milestones



- Shareholders approved \$600 MM in long lead equipment procurement February 4, 2010
- Project sanctioned by Shareholders December 15, 2010
- Eighteen major construction contracts approved by Shareholders April 19, 2011
- Construction contractors expected to commence mobilization to sites Q2 2011
- Commence delivery of long lead items in Q2 2011: pipe, valves, fittings
- Phase 1 mainline pump deliveries anticipated Q4 2011



Thank You

