

# INSIDE

Nº2, FEBRUARY-MARCH, 2019

#### **ISSUE CONTENT**

- AN ACTIVE PREPARATION FOR THE KAZAKHSTAN ENERGY WEEK 2019, THE COUNTRY'S LARGEST ENERGY EVENT, CONTINUES
- REPEAL OF A BAN ON THE SALE OF CERTAIN CONSUMER GOODS (LOW-ALCOHOL BEVERAGES) IN SHOPS AT GAS STATIONS
- NATIONAL COUNCIL OF STAKEHOLDERS HOLDS REGULAR MEETING
- OIL AND GAS AND OILFIELD SERVICE COMPANIES ARE PLANNING THEIR WORK
  IN THE CONTEXT OF THE WTO
- TENGIZCHEVROIL LLP IN A FOCUS: KAZENERGY ASSOCIATION EMPLOYEES
  WERE TOLD ABOUT THE EVERYDAY WORK OF TENGIZCHEVROIL LLP
- INCREASE PRESTIGE OF YOUR PROFESSION
- 29 MEETING OF SCIENTIFIC AND TECHNICAL COUNCIL
- BUSINESS BREAKFAST «THE FUTURE OF THE OIL AND GAS INDUSTRY OF THE REPUBLIC OF KAZAKHSTAN» WITH REPRESENTATIVES OF MAJOR OIL AND GAS COMPANIES TOOK PLACE IN ASTANA
- ACTIVITIES ON DEVELOPMENT OF AN SECTORAL AGREEMENT IN THE OIL AND GAS, OIL REFINING AND PETROCHEMICAL INDUSTRIES OF THE REPUBLIC OF KAZAKHSTAN FOR 2020-2022 STARTED
- STATUS OF WORK ON MAKING CHANGES AND AMENDMENTS TO THE ROK TAX
  CODE
- CHECK LIST FOR A YEAR: INVESTMENTS FOR DEVELOPMENT AND ENVIRONMENTAL CODE
- THE IDEA CONTEST FOR CREATING THE BEST SOLUTIONS
- 4TH MEETING OF THE ADVISORY BOARD OF THE KAZAKH-BRITISH TECHNICAL UNIVERSITY
- THE KAZENERGY ASSOCIATION MANAGEMENT HELD A NUMBER OF MEETINGS
  ON FEBRUARY 6-28
- KAZENERGY ASSOCIATION EXPANDS!
- «STUDENT ENERGY CHALLENGE» CONTEST STARTED ON FEBRUARY 18

#### AN ACTIVE PREPARATION FOR THE KAZAKHSTAN ENERGY WEEK 2019, THE **COUNTRY'S LARGEST ENERGY EVENT, CONTINUES**



On February 12 the third meeting of the Program Committee chaired by Uzakbai Karabalin, Deputy Chairman of the KAZENERGY Association took place in Astana. Members of the Committee, representatives of the largest oil and gas companies in Kazakhstan proposed their ideas on the architecture of the Energy Week that includes the XII Eurasian Forum KAZENERGY that firmly consolidated the status of the central energy event of Kazakhstan, an interactive exhibition, and over 20 specialized events that will take place in Astana for 5 days.

Detailed:







# REPEAL OF A BAN ON THE SALE OF CERTAIN CONSUMER GOODS (LOW-ALCOHOL BEVERAGES) IN SHOPS AT GAS STATIONS

On February 8, 2019, a meeting was held at the site of the alcoholic beverages at gas stations. National Chamber of Entrepreneurs of the Republic of Ka- At the end of the meeting, a decision to continue the work zakhstan with representatives of the State Revenue Com- it on this issue with government agencies. mittee of the Ministry of Finance of the Republic of Kazakhstan, the Administrative Police Committee of the Ministry of Internal Affairs of the Republic of Kazakhstan, the Public Health Committee of the Ministry of Healthcare of the Republic of Kazakhstan, Kazenergy Association of Legal Entities and the Kazakhstan Fuel Association.

During the meeting, the representatives of government agencies and businesses exchanged views on the sale of

#### NATIONAL COUNCIL OF STAKEHOLDERS HOLDS REGULAR MEETING

A regular meeting of the National Council of Stakeholders (hereinafter referred to as the NCS) was held in Astana. The meeting was attended by members of the Mazhilis of the Parliament of the Republic of Kazakhstan, representatives of the Government of the Republic of Kazakhstan and representatives of oil and gas and mining sectors Associations and civil society. The key issue was consideration of proposals for amendments to the EITI Standard, agreement upon the procedure for integrating the EITI, consideration of the Terms of Reference for the 14th National EITI Report-2018, preparation for the National EITI Conference as part of the Kazakhstan Energy Week, conducted by Kazenergy Association.



You can find the NCS RK Minutes No.75 as of February 14, 2019, at the National EITI website: http:// eiti.geology.gov.kz/ru/the-national-council/minutes-of-meetings



# OIL AND GAS AND OILFIELD SERVICE COMPANIES ARE PLANNING THEIR WORK IN THE CONTEXT OF THE WTO



Kazakhstan officially joined the World Trade Organization (hereinafter referred to as the WTO) on July 27, 2015. The transition period will be completed on January 1, 2021 and Kazakhstan's business will become the part of a highly competitive environment with the rivals from around the world. Within this, today there are more than 100 measures to support domestic producers and local content stipulated in a number of regulatory documents of Kazakhstan, which partially contradicts the WTO rules and regulations.

Detailed:







# TENGIZCHEVROIL LLP IN A FOCUS: KAZENERGY ASSOCIATION EMPLOYEES WERE TOLD ABOUT THE EVERYDAY WORK OF TENGIZCHEVROIL LLP

On February 25, Tengizchevroil LLP colleagues held a useful information session with KAZENERGY Association employees. Representatives of Tengizchevroil LLP Rzabek Artigaliyev, General Manager of the Government and Public Relations Department, Maulenzein Ermukhanbetov, Head of Manufacturing Supervision Control, Adilbek Bisembai, Base Production Manager, told the audience about the complicated production of the supergiant deposit, which producing 30% of all Kazakhstani oil, working days of thousands of workers, brief on the plans for the future development of the company while demonstrating the Future Growth Project (FGP) and Wellhead Pressure Management Project (WPWM) of Tengiz field presentations.



Detailed:







#### **INCREASE PRESTIGE OF YOUR PROFESSION**

Stimulation of real productive and honest employment, development of a public encouragement system of best workers is an important component in the work of the Kazakhstani oil and gas trade union membership organization. On February 20, this year, in Astana, within the constraints of a meeting of the Central Council of KAZMUNAYGAS JSC trade union, an award ceremony was held for the winners of the annual Industry Review Competition «Мұнай-газ өндірісінің озаты-2018», which was attended by veterans of labor, trade unionism, representatives of social partners - the Department of Energy of the Republic of Kazakhstan and KAZENERGY Association.

Detailed:











#### 29 MEETING OF SCIENTIFIC AND TECHNICAL COUNCIL



February 26 this year. The 29th meeting of the Scientific and Technical Council (hereinafter - the NTS) was held. The agenda of the meeting was devoted to "Technology of well completion for carrying out multistage intensification in oil and gas wells." Representatives of Nazarbayev University, Weatherford LLC, Petro GM LLC, Gryphon Oilfield Technologies Ltd together with KAZBURINVEST LLP, NII TDB KMG LLP with Temir Energy Central Asia LLP, ADL LLC presented the projects to the NTS participants. Completions and Interra Energy.

Detailed:







## BUSINESS BREAKFAST «THE FUTURE OF THE OIL AND GAS INDUSTRY OF THE REPUBLIC OF KAZAKHSTAN» WITH REPRESENTATIVES OF MAJOR OIL AND GAS COMPANIES TOOK **PLACE IN ASTANA**



On February 28 a business breakfast "The Future of the NERP, FGP/WPMP, etc. The development of oilfield place representatives of major domestic and foreign oil and of Kazakhstan were also considered. gas, transport and service companies, members of Forbes Club Kazakhstan in an informal setting discussed Detailed: such projects as Kalamkas-Sea, KER-1 Karachaganak,

Oil and Gas Sector of the Republic of Kazakhstan" took services, the localization of large-scale production, the Astana. increasing potential of the domestic hydrocarbon mar-The event participants including the first leaders and ket and other relevant topics in the oil and gas sector









### ACTIVITIES ON DEVELOPMENT OF AN SECTORAL AGREEMENT IN THE OIL AND GAS, OIL REFINING AND PETROCHEMICAL INDUSTRIES OF THE REPUBLIC OF KAZAKHSTAN FOR 2020-2022 STARTED

On February 28, 2019, a meeting of the Branch Commission on Social Partnership and Regulation of Social and Labor Relations of the oil and gas industry was held at the Ministry of Energy of the Republic of Ka-

The key point of the agenda was approval by the parties of the Branch Commission members the Working Group participants on the development of the Sectoral Agreement in the oil and gas, oil refining and petrochemical industries of the Republic of Kazakhstan for 2020-2022.











#### STATUS OF WORK ON MAKING CHANGES AND AMENDMENTS TO THE ROK TAX CODE

(Tax Code) has been established un- for subsoil waters. Economy.

bers has been held.

20 amendments on subsoil users tax- amendments on tax administration, 2 ation have been made: deductions on amendments on individual income expenditures of subsoil users for the tax. purposes of corporate income tax;

On February 1, 2019, meeting of the amendments of the Association memation of subsoil users. Coordination Council for Financial and bers to the Tax Code has been sub-Economic Issues under the Associa- mitted for consideration of the above tion with representatives of the RoK Workgroup on February 5, 2019, in-Ministry of National Economy, State cluding the following areas: 20 Revenue Committee (RoK Ministry of amendments on corporate income Finance) and the Association mem- tax, 16 amendments on subsoil users taxation, 10 amendments on VAT, 4

In January 2019, Workgroup on Mak-rental tax; signature bonus; past costs There have 3 meetings of the ing Improvements to Tax Legislation reimbursement payments; mining tax Workgroup under the RoK Ministry of National Economy currently been der the RoK Ministry of National Considering the outcomes of this held, on the following issues: value meeting, a Comparative Table with 52 added tax, corporate income tax, tax-

### CHECK LIST FOR A YEAR: INVESTMENTS FOR DEVELOPMENT AND ENVIRONMENTAL CODE

At a meeting of the Oil and Gas Industry Committee of the National Chamber, chaired by Daniyar Abulgazin, the results of last year legislative work were summed up and vectors for further development were dis-

Detailed:







#### THE IDEA CONTEST FOR CREATING THE BEST SOLUTIONS

At the end of February in Astana, for industrial activities. the first time in the Republican scale, Over 130 students from different Upon completion of the event all stution and Science of the Republic of of a team. idea contest."

within the framework of the Road regions of Kazakhstan took part in dents received certificates of partici-Map of partnership with investors on the hackathon. Case work and busi- pation from the Ministry of Educadevelopment and improvement of ness task solving took place in an tion and Science of the Republic of technical and vocational training, EY open and friendly environment Kazakhstan, as well as prizes from together with the Ministry of Educa- where each participant felt like a part employers.

test for creating the best solutions metallurgy, construction and IT sec- dialogue between employers and among students using digital skills, tors such as Eurasian Resources students. developing dialogue of the business Group (ERG), Fircroft International community of Kazakhstan and the company, JSC Astana - Regional Eleceducation system: "Hackathon - the tric Grid Company, JSC Akmola Distribution Grid Company, JSC Samruk-The purpose of the contest is to cre- Energy, KEGOK JSC, Business and ate a platform to attract the best stu- Technology Services LLP, Gexabyte dents of the Kazakhstan colleges to Company, Kazpost JSC, and ORDA solve urgent tasks of commercial and INVEST Corporation participated in

work with students.

This event has become an example of Kazakhstan organized the idea con- Companies of the energy, mining, creating a unique open platform for

# 4TH MEETING OF THE ADVISORY BOARD OF THE **KAZAKH-BRITISH TECHNICAL UNIVERSITY**

murzina, Executive Director for Hu- the intellectual student contest pressed great interest in the Contest man Capital Development of the KA- "Student Energy Challenge" that is and participation in it. During the ZENERGY Association, and Jaromir held with the support of Shell Kazakh- presentation, a team for participation Rabai, Director of Oil, Gas and Energy stan. Industries Development Department The same day KAZENERGY had a test was formed that will be repre-British Technical University.

report on the work done as the 18. more.

Within the framework of the Board,

of the KAZENERGY Association partici- meeting at Satbayev University with sented by Murat Syzdykov, the Head pated in the fourth meeting of the the second and third-year students of of the Oil & Gas Department. Advisory Board of the JSC Kazakh- the Oil & Gas Department. During the meeting, the audience was thorough-The meeting agenda included the dis- ly acquainted with the "Student Enercussion of issues of the KBTU gy Challenge" intellectual team con-Industrial Committees, hearing a test that was launched this February

results of three meetings of the KBTU The contest position, as well as infor-Advisory Board, signing of an mation about the Association activiagreement on the opening of ties, in particular, the implemented Honeywell laboratory at the KBTU, educational programs, and inforand MACROMINE Central Asia joint mation on the upcoming XI Youth laboratory at the KBTU and much Forum was presented during the meeting.

This March 1, in Almaty, Lyazzat Akh- KAZENERGY announced the launch of Following the meeting, students exin the Student Energy Challenge Con-



#### THE KAZENERGY ASSOCIATION MANAGEMENT HELD A **NUMBER OF MEETINGS ON FEBRUARY 6-28**

On February 6 -28 this year, the KAZENERGY Association management held a number of meetings with the company executives-the Association members, as well as oil-field service organizations. In particular, KPMG Audit LLP, Ural Oil & Gas LLP, Siemens LLP, SSM Oil LLP, Zhaikmunai LLP. Following the meeting the Association put together a list of problem and other issues that will be included in the Association's 2019-2020 work plan.

Energy sector development of the country, the environmental legislation, as well as the cooperation development prospects between the Association and the companies were discussed at the meetings.



#### **KAZENERGY ASSOCIATION EXPANDS!**



The ranks of the KAZENERGY Association continue to grow. The SSM-Oil company has become a new member of the organization.

SSM-Oil LLP is a user of subsurface resources according to the Hydrocarbon exploration contract No. 1057 dated by December 11, 2002 within the blocks territory, located in Kyzylorda oblast, Republic of Kazakhstan and contribute significantly to social and economic development of the region.

It is worth reminding that earlier at the end of 2018 year, Isatay Operating Company LLP and Fircroft Engineering Services Limited Kazakhstan also joined the Association, at the beginning of the 2019 year joined Ernst & Young LLP.

#### **«STUDENT ENERGY CHALLENGE» CONTEST STARTED ON FEBRUARY 18**

KAZENERGY Association and Shell Kazakhstan inform that "Yes" to the question "Are you a team captain?"  $\rightarrow$  Next among the student teams of technical universities started the "Student Energy Challenge". this February 18. To participate in the Contest, it is re- Good luck! quired to form a team, give it a creative name, and select a team captain.

The team captain must register his team by this March 31 at the link: www.kazenergyforum.com  $\rightarrow$  Home  $\rightarrow$  Registration → Fill out personal data → click "Yes" to the guestion "Are you a member of the Youth Forum?" → click

the intellectual team contest "Student Energy Challenge" → Fill in the registration form of the team participating in







KAZAKHSTAN ENERGY WEEK XII ЕВРАЗИЙСКИЙ ФОРУМ KAZENERGY

**★** KAZENERGYFORUM.COM