

EGILIK



TENGIZCHEVROIL'S VOLUNTARY SOCIAL INFRASTRUCTURE PROGRAM

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Our mission is to create superior value for our shareholders, the Republic of Kazakhstan, the Atyrau Oblast, and our employees.



In 1993, TCO implemented the Atyrau Bonus Fund, a program that would invest \$50 million in the social development of local communities.

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In 1998 building on the success of the Atyrau Bonus Fund program, TCO created its voluntary social program Egilik ("benefit", "act of kindness" in Kazakh). The initial budget was US \$4 million. In subsequent years, the annual budget was increased and today Egilik is a \$25 million per year program.



Dear reader!

We appreciate your interest in the largest oil company in Kazakhstan, Tengizchevroil LLP (TCO). TCO is a Kazakhstani partnership that explores, develops, produces and markets crude oil, LPG, dry gas and sulfur. TCO conducts its operations in accordance with world-class safety and



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environmental standards. The economic benefits we generate are significant, with thousands of jobs created, billions of dollars paid to government and considerable opportunity provided to local businesses and their employees.

From the beginning, TCO achieved significant success not only in production volume growth, which has increased more than two-and-a-half times since 2000, but we have also achieved world-class performance in safety, environment protection and the creation of beneficial conditions for our employees.

TCO pays great attention to supporting small and medium business in the region and is consistently increasing the level of Kazakhstani content in its projects, which contributes to the growth of Kazakhstani providers of goods and services.

We have a flexible and diverse program of staff development which includes not only internal training courses but also support in obtaining additional higher education and career development through short-term international assignments. It is a source of special pride for TCO that we have been recognized with various awards for our contributions, including the republican-level Paryz award for being the most socially responsible business.

One reason we were awarded the Paryz was the positive impact of our voluntary social infrastructure investment program, Egilik.

Started in 1998, the Egilik program has made investments throughout Atyrau Oblast. Modernized water supply systems, medical clinics and kindergartens are some examples of TCO's Egilik investments, and its commitment to the communities in which its employees live and work. Please continue to read this brochure to learn more about the community infrastructure investments made by Tengizchevroil through the Egilik program.

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Tengizchevroil LLP
General Director



Anuarbek JAKIYEV

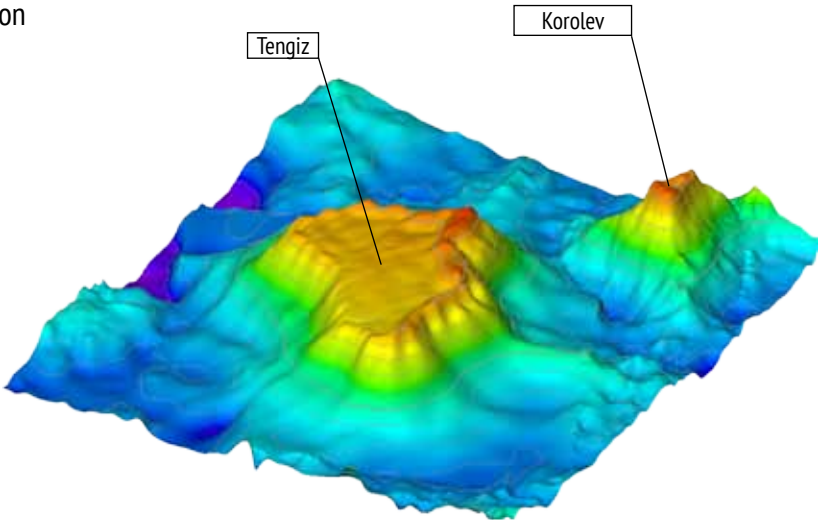
Tengizchevroil LLP
Deputy General Director





In April 1993, Tengizchevroil was formed between the Republic of Kazakhstan and Chevron Overseas Company. Current partners are: Chevron Corporation, 50 percent; KazMunayGas NC JSC, 20 percent; ExxonMobil Kazakhstan Ventures Inc., 25 percent; and LUKARCO B.V., 5 percent.

TCO is a major international hydrocarbon producer and supplier developing the Tengiz and Korolev fields in the Atyrau Oblast in Western Kazakhstan.





Second Generation Plant

In 2008, TCO completed its Sour Gas Injection and Second Generation plant expansion project, which raised daily production capacity to approximately 75,000 metric tonnes (600,000 barrels) of crude oil and 22 million cubic meters (750 mscf) of natural gas.



Sour Gas Injection facilities



Rzabek Artygaliev, Policy, Government and Public Affairs

General Manager: TCO's Egilik program is an important contributor to the social transformation of Atyrau oblast. The annual fund of the program has increased from \$4 million in 1999 to \$25 million starting from 2013. Egilik is not just hospitals, schools, houses, gas and water pipelines; it's also about the creation of new jobs, improved educational opportunities and better facilities for medical professionals. These benefits are instrumental to the continuing development of communities.



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From 1993 through 1H 2016,
TCO made direct financial payments of

\$114 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.

As of 1H 2016, TCO has spent more than

\$1.2 billion

to fund various social projects in Atyrau Oblast for the communities and its employees.



Mariya Karazhigitova, Director of Atyrau Oblast Government Affairs: The oil industry was assigned an important role in ensuring economic and social development in the first years of independence of the Republic of Kazakhstan. Currently Kazakhstan is among the 20 largest oil producing countries in the world and Atyrau is the center of oil and gas activity in Kazakhstan. From the first days of its establishment, Tengizchevroil has actively promoted the development of social infrastructure of Atyrau and Zhylyoi district. Dynamic development of Tengiz production capacities, investments in workforce development as well as social investments in human potential among local community are the company's contribution to a solid basis of the economy for Kazakhstan's prosperity.

EGILIK PROGRAM AS A PART OF TCO'S CORPORATE RESPONSIBILITY STRATEGY

In 1993, TCO implemented the 5-year Atyrau Bonus Fund, a \$50 MM investment to improve the infrastructure of Atyrau Oblast and Zhylyoi district. TCO, working with the Atyrau Oblast Akimat, selected a number of social projects to improve medical facilities, water delivery systems and other community infrastructure. All projects were successfully completed in 1998.

The Atyrau Bonus Fund program was replaced by the voluntary program Egilik. Implementation of the program began in 1999.

Egilik has the same focus as its predecessor program – the improvement of people's social wellbeing through the building of community infrastructure. Examples of investments are: schools and kindergartens; college in Kulsary; water treatment station in Atyrau; Community Centers; hospitals and family outpatient clinics in villages; expansion of the gas distribution system in Atyrau; improvement of heating system in Atyrau; construction of sports and recreation centers; parks; and the reconstruction of water supply system in Kulsary.

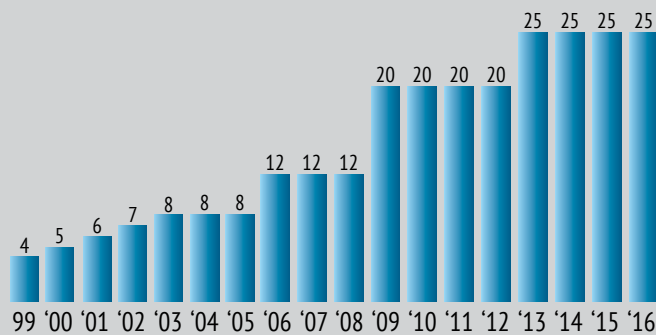
Projects must comply with the following criteria to be eligible for Egilik funding:

- Be visible and bring benefits to a wide range of communities;
- Be sustainable e.g. after commissioning the facility is transferred to the ownership of another legal entity with no further support from TCO;
- Comply with the general business strategy of Tengizchevroil.

To identify potential Egilik projects, TCO undertakes a survey of the communities in Atyrau Oblast every three years to obtain direct input from the population on what they see as the highest priority needs for social infrastructure development. Experts meet separately with community members and government representatives to assess community needs and identify local solutions being proposed to meet those needs. After a careful review to ensure that proposed projects meet Egilik requirements, a short list of projects is developed for discussion with the Atyrau Oblast Akimat. From this discussion will come the final list of Egilik projects to be implemented.



GROWTH OF EGILIK BUDGET
 (IN MILLION USD)



**In 2013-2016 annual budget of Egilik program amounted to
 \$25 million**



Carl (Rocky) Brannen, TCO Projects General Manager: Reconstruction of the water supply system in Kulsary was surely the most ambitious, the most serious and the most complicated Egilik project over the years. And this was not only because of the size of the investment, which exceeded \$65 million. Through the Egilik program, TCO rebuilt Kulsary's entire water distribution and treatment system. Based on the feedback from the citizens of Kulsary, this project has changed lives and will continue to benefit future generations of the community!



Kanat Ulkhanov, TCO Special Projects Manager: A growing number of residents of the oblast really feel the positive effect of the activities of the largest oil company in the country. A year ago we completed the Community Centre in Akkystau, the center of Issatai district. It was a significant moment for the whole district. Today in addition to holding different events, there are 12 clubs (e.g. orchestra, ensemble of national dance) using the Community Centre. I have heard from the residents of the village: the rhythm of life became different and the atmosphere is improved. In addition, new jobs have been created. These benefits have all been as a result of Egilik.





A TOTAL OF **106** social projects
HAVE BEEN IMPLEMENTED

OVER **1,000** new jobs

HAVE BEEN CREATED FOR MEDICINE, TEACHING AND TECHNICAL STAFF





Maxim Izbassov, Akim of Zhylyoi District:

Speaking about the cooperation of the leadership of our district with Tengizchevroil I stress that it is multifaceted and is not limited to the implementation of Egilik program projects. We always feel TCO's support; the presence of such a powerful enterprise in our territory is a crucial factor for the development of Zhylyoi district. As for the Egilik... every resident of our district, especially the residents of Kulsary, feel the impact of this program on the social development of our region every day.



Gulmira Shyntemirova, a resident of Kulsary:

What do I know about the Egilik program? This park in our city is Egilik, TCO has built it for us. They built district hospital. Oil school, former college was also built under Egilik program. At last the water is supplied...



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Mels Zhumashev, a resident of Atyrau:

I was born and raised in this city, as were my children. But they live in a very different city – modern, beautiful and developing. They don't know our infamous Guryev dirt and are proud of sights... One would be ungrateful if one failed to acknowledge the striking change in Atyrau that has occurred due to TCO activities. Now we walk along the embankment of the Ural and behind of us there is the building of the university where I studied. And all this has been built thanks to Tengizchevroil; they are gifts to our city.

RECONSTRUCTION OF WATER SUPPLY SYSTEM IN KULSARY

- Completed in 2014
- Coverage of the system – more than 50 thousand residents
- Total length of water conduits of different diameter – 262 km

Education



Annex to Atyrau University

- Commissioned in 2000
- Provided opportunity to open new faculties and departments: foreign languages, legal, journalism and others for thousands of students



Construction of Secondary School #30 in microdistrict #4 in Atyrau

- Commissioned in 2001
- Number of alumni since the opening – over 10,000
- Number of students – 1,200
- Created workplaces – over 150



Construction of Secondary School in Atyrau microdistrict

- Commissioned in 2003
- Number of students – 624
- Created workplaces for pedagogues – 104



Repairs to Atyrau Oil and Gas Institute

- Completed in 2003



Construction of Vocational School #9 in Kulsary

- Construction period – 2005-2009
- Total number of alumni – over 2000. Annually 70% of them are employed as per specialties
- Created over 100 workplaces for teachers



Construction of Secondary Technical Gymnasium in Atyrau

- Construction period – 2012-2017
- Number of students – 624
- Planned number of teachers – 102





Construction of Secondary School in Yntymak

- Construction period – 2016-2017
- Number of students – 120



Construction of National School for gifted children in Atyrau

- Completed in 2016
- Number of students – 320
- Planned number of teachers – 37



Construction of Kindergartens

Construction period – 2014-2016

- Atyrau (60 workplaces created, number of children – 280)
- Kulsary (number of children – 290)
- Makhambet (13 workplaces created, number of children – 280)
- Zhana Karaton (number of children – 280)
- Shokpartogay (43 workplaces created, number of children – 160)
- Akkiiztogay (number of children – 160)
- Turgyzba (number of children – 160)
- Koschagyl (number of children – 160)

Healthcare



Construction of Hospital in Kulsary

- Commissioned in 2002
- Number of beds – 75
- Number of personnel – 270



Construction of Clinic for Outpatients in Zhana Karaton

- Commissioned in 2005
- Number of beds (day hospital) - 10
- Number of personnel – 15



Construction of Family Outpatient Clinic in Akkiiztogai (Zhylyoi District)

- Commissioned in 2007
- Number of personnel – 8



Infrastructure



Reconstruction of Ural River Bridge in Atyrau

- Completed in 1999
- Full change of asphalt cover



Construction and reinforcement of Ural Riverwalk in Atyrau

- Commissioned in 2000



Gasification of Atyrau and Zhylyoi District

- Carried out in 2005-2006
- Gas is supplied to more than 100 thousand people



Reconstruction of Filtration Station #3 in Atyrau

- Carried out in 2008-2009
- Capacity - 30,000 m³ per day



Electrification of Atyrau – construction of distribution points and Zhumysker substation

- Construction period – 2007-2011



Construction of supplementary water pipelines in Kulsary

- Completed in 2015
- Total of 262 km completed



Other projects



Purchase of medical equipment and ambulance for rural ambulatory in Maikumgen in 2009



Dostyk and Zhansaya park improvements in Kulsary

- Carried out in 2014
- Territory contains playgrounds
- More than 2 thousand seedlings were planted in 2014



Retro Park in Atyrau

- Construction period – 2015-2017
- Construction area - 3.5 hectares
- Greening - over 700 trees

Construction of Community Centers



Akkystau

- Opened in 2015
- Can house up to 400 visitors simultaneously
- Has 12 interest clubs



Yesbol

- Construction period – 2016-2017
- Can house up to 300 visitors simultaneously



Inder

- Construction period – 2016-2017
- Can house up to 400 visitors simultaneously



Bodene

- Construction period – 2016-2017
- Can house up to 200 visitors simultaneously





Total cost of the projects of TCO's voluntary social infrastructure program implemented in Atyrau oblast since 1999 –

approximately **\$200 million**

1999-2016 Egilik Program Projects

1999

Reconstruction of Ural River Bridge in Atyrau
Reconstruction of residential buildings in Atyrau

2000

Road repair in Kulsary
Repair of buildings' facades in Atyrau
Construction of Ural Riverwalk and embankment in Atyrau
Annex to Atyrau university

2001

Construction of secondary school #30 for 1,200 seats in microdistrict #4 in Atyrau
Improvement of channel in Kulsary – designing and construction
Modernization of water supply and sewage lines in Kulsary
Compensation of pure water payments for residents of Kulsary
Construction of hospital for 75 beds in Kulsary
Repair of heating system of multi-storeyed houses in Kulsary
Purchase and installation of radio and TV transmitters

2002

Construction of secondary school #30 for 1,200 seats in microdistrict #4 in Atyrau
Repair of basement lines in residential buildings in Kulsary
Repair of basement lines in residential buildings in Atyrau
Gasification of Akkiztogai and Karagai (Zhylyoi district)
Equipment for hospital in Kulsary
Repair of boiler and heating system in Kulsary
Asphalt works and improvement of public places in Kulsary
Construction of hospital for 75 beds in Kulsary
Repair of roofs and houses' facades in Kulsary
Repair of water supply system in Kulsary

2003

Construction of school for 624 seats in microdistrict Atyrau
Repair of water supply system in Atyrau
Gasification of Atyrau
Repair of the façade of Atyrau Oil and Gas Institute building
Road repair in Zhylyoi district
Installation of mini boilers in Zhylyoi district, Kulsary

2004

Sewage pumping station and equipment for school in Kulsary
Electric supply for hospital in Kulsary
Road repair in Zhylyoi district
Construction of 53 flats for indigent people in Atyrau
Repair of water supply line in Kulsary
Repair of roofs and facades of houses in Kulsary

2005

Road repair in Kulsary
Gasification of Maikumgen
Gasification of SMP-136, Leskhoz, Chernaya rechka, Selstroy 2 in Atyrau
Annex to family outpatient clinic in Turgyzba
Market in Turgyzba
Electric supply for hospital in Kulsary
Water supply system in Kulsary
Construction of vocational school #6 in Kulsary

2006

Gasification of Maikumgen
Gasification of SMP-136, Leskhoz, Chernaya rechka, Selstroy 2 in Atyrau
Water supply system of Kulsary and materials for water supply system
Electric supply system in Kulsary
Wastewater treatment in Zhana Karaton
Construction of clinics for outpatients in Zhana Karaton
Vacuum cleaners, ambulance and other equipment for public utilities of Atyrau
Completion of market construction in Turgyzba
Coating and repair of 5 houses in Kulsary

2007

Construction of vocational school #6 in Kulsary
Electrification of Atyrau
Electrification of Kulsary
Construction of family outpatient clinic in Akkiiztogay (Zhylyoi district)
Equipment for school in Kulsary
Designing of clinics in Kulsary

2008

Purchase of equipment for "Atyrau Su Arnasy" in Atyrau



Electrification of Atyrau
Construction of distribution points and Zhumysker substation in Atyrau
Construction of vocational school #6 in Kulsary (continuation)
Designing of family outpatient clinic in Kulsary
Reconstruction of roads in Kulsary
Designing of school for 624 seats in Kulsary

2009

Purchase of medical equipment for clinics of Zhylyoi district
Reconstruction of filtering station #3 in Atyrau
Electrification of Atyrau
Construction of distribution points and Zhumysker substation in Atyrau
Construction of vocational school #6 in Kulsary

2010

Reconstruction of filtering station #3 in Atyrau
Construction of external electric supply for Milling system #3 in Atyrau
Construction of chlorination station and electric supply for filtering station in Atyrau
Feasibility study for reconstruction of water supply system in Kulsary
Electrification of Atyrau
Construction of distribution points and Zhumysker substation
Reconstruction of water supply system in Kulsary. Construction

2011

Reconstruction of filtering station #3 in Atyrau
Construction of chlorination station in Atyrau
Reconstruction of water supply system in Kulsary
External electric supply of new pumping station in Kulsary

2012

Electrification of Atyrau
Construction of Zhumysker substation
Continuation of works on construction of supplementary water pipelines in Kulsary
Designing of kindergarten for 280 seats in Kulsary
Designing of kindergarten for 280 seats in Atyrau
Designing and construction of secondary technical school for 624 seats in Atyrau

2013

Continuation of works on construction of supplementary water pipelines in Kulsary
Construction of secondary technical school for 624 seats in Atyrau

2014

Continuation of construction works on supplementary water pipelines in Kulsary; totally 260 km is constructed
Modernization of public park in microdistrict Dostyk, Kulsary
Modernization of public park in microdistrict Zhansaya, Kulsary

Construction of Community Center for 400 seats in Akkystau, Isatai district
Construction of National school for gifted children for 320 seats in Atyrau
Construction of kindergarten for 280 seats in Zhana Karaton
Construction of kindergarten for 280 seats in Atyrau
Construction of kindergarten for 280 seats in Makhambet
Construction of secondary technical school for 624 seats in Atyrau

2015

Construction of supplementary water pipelines in Kulsary. Totally 262 km is constructed.
Construction of Community Center for 400 seats in Akkystau, Issatai district (completed)
Construction of Retro Park in Atyrau (beginning)
Construction of kindergarten for 280 seats in Zhana Karaton (continuation)
Construction of kindergarten for 280 seats in Atyrau (continuation)
Construction of kindergarten for 280 seats in Makhambet (continuation)
Construction of kindergarten for 160 seats in Shokpartogai (continuation)
Construction of kindergarten for 160 seats in Turgyzba (continuation)
Construction of kindergarten for 160 seats in Koschagyl (continuation)
Construction of kindergarten for 160 seats in Akkiiztogai (continuation)
Construction of National gymnasium for gifted children for 320 seats in Atyrau (continuation)
Construction of secondary technical school for 624 seats in Atyrau (continuation)

2016

Construction of National school for gifted children for 320 seats in Atyrau (completed)
Construction of secondary technical school for 624 seats in Atyrau (continuation)
Construction of kindergarten for 280 seats in Zhana Karaton (continuation)
Construction of kindergarten for 280 seats in Atyrau (completed)
Construction of kindergarten for 280 seats in Makhambet (completed)
Construction of kindergarten for 160 seats in Shokpartogai (completed)
Construction of kindergarten for 160 seats in Turgyzba (continuation)
Construction of kindergarten for 160 seats in Koschagyl (continuation)
Construction of kindergarten for 160 seats in Akkiiztogai (completed)
Construction of health and fitness center in Akkiiztogai (beginning)
Construction of health and fitness center in Shokpartogai (beginning)
Construction of health and fitness center in Zhana Karaton (beginning)
Construction of kindergarten #1 for 290 seats in Kulsary (beginning)
Construction of kindergarten #2 for 290 seats in Kulsary (beginning)
Construction of Community Center for 400 seats in Inderbor (beginning)
Construction of Retro Park in Atyrau (continuation)
Construction of Community Center for 200 seats in Bodene (beginning)
Construction of Community Center for 300 seats in Yesbol (beginning)
Construction of Community Center for 120 seats in Yntymak (beginning)
Construction of secondary school for 624 seats in Atyrau (beginning)
Technical water pipeline for park in Koschagyl



MAP OF TCO'S EGILIK PROJECTS

July 2016

