



# TENGIZCHEVROIL KAZAKHSTANI CONTENT DEVELOPMENT



MACCHI  
ITALY



# TABLE OF CONTENTS

HISTORY OF TCO

2023 ACHIEVEMENTS

TCO KAZAKHSTANI CONTENT DEVELOPMENT GROUP

TCO KAZAKHSTANI CONTENT DEVELOPMENT STRATEGY

- What is "Kazakhstani content"?
- How to confirm the Kazakhstani content for goods?

PARTNERSHIP WITH TCO

- How to become a TCO supplier?
- Supplier Development
- TCO Events for Kazakhstani Suppliers

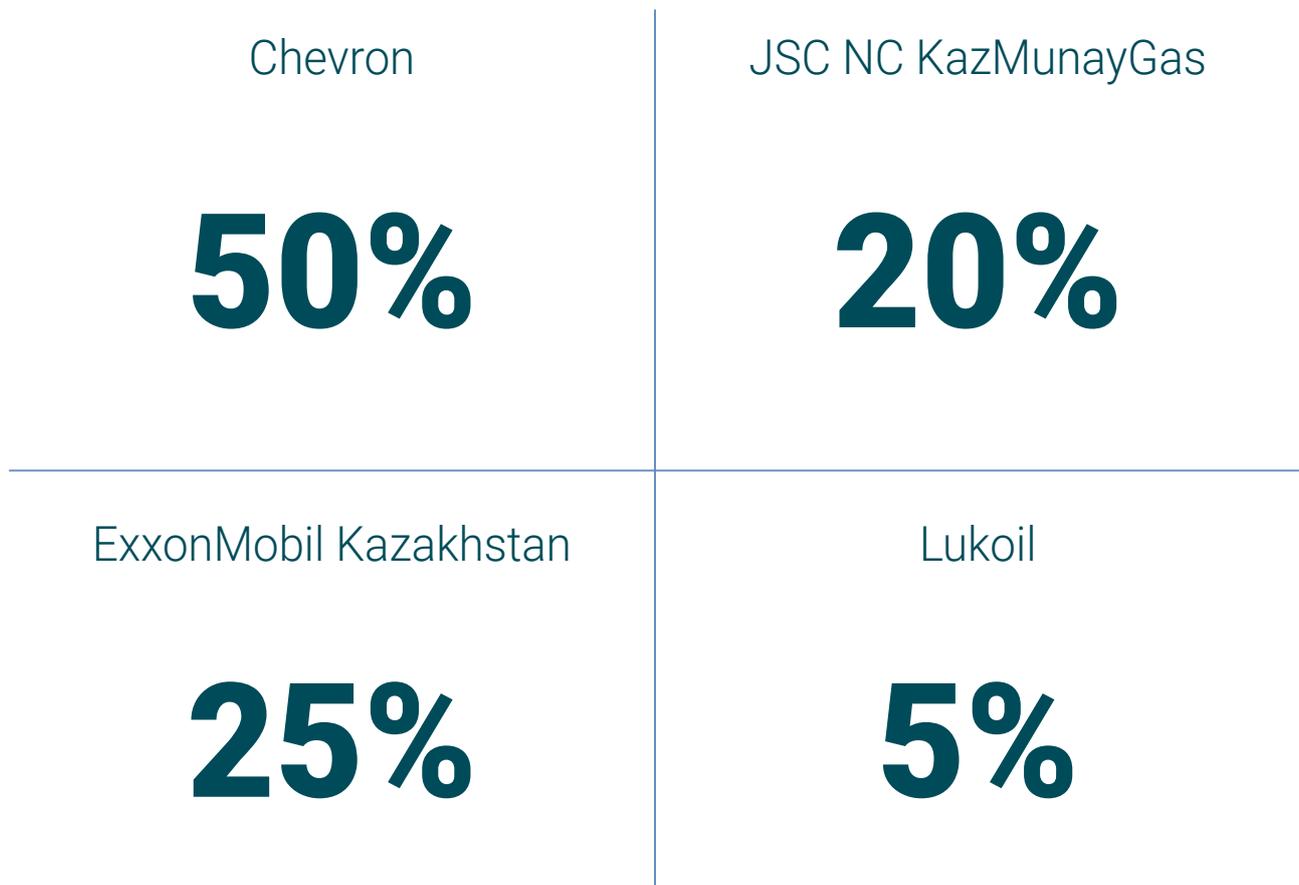
FUTURE GROWTH PROJECT-WELLHEAD PRESSURE  
MANAGEMENT PROJECT (FGP-WPMP)

# HISTORY OF TCO

## History of fueling the progress

Tengiz oil field located in western Kazakhstan was discovered in 1979. In April 1993, Tengizchevroil LLP (TCO) was formed as a result of an agreement between initial founding partners, the Government of the Republic of Kazakhstan and Chevron Corporation.

TCO's current partners are



## About the oil field

Tengiz reservoir is 20 kilometers (12 miles) wide and 21 kilometers (13 miles) long. Tengiz and Korolev fields have recoverable reserves of 1.4 billion tons (11.5 billion barrels) of oil. Estimated reserves in the reservoirs of the Tengiz field are 3.1 billion tons (25 billion barrels) of oil.

Tengiz field is the deepest giant oil field in the world with upper oil-bearing collector that lies down at a depth about 4,000 meters (13,000 feet).

# OUR ACHIEVEMENTS IN 2023

## Inspiring economic progress of Kazakhstan

Direct financial payments to the Republic of Kazakhstan –

**\$ 13.9**  
billion

TCO purchased goods and services from Kazakhstani suppliers amounted to

**\$ 4**  
billion in 2023.

Since 1993, TCO has acquired goods and services from Kazakhstani suppliers for the amount more than

**\$47.6**  
billion.

## Investing in our people

Kazakhstani employees in base business –

**94.8%**

this figure was 50% in 1993.

Share of Kazakhstani top and middle managers in base business –

**87.1%**

## Managing environmental performance

TCO gas utilization

**99.5%**

Total water reuse

**45%**

Waste recycling/reuse

**43%**

## Improving welfare of the communities where we operate

In 2023, TCO budgeted

**\$25**

million for Egilik social infrastructure program.

In 2023, TCO also provided over

**\$2.6**

million as sponsorship and donation to Atyrau Oblast and Zhylyoi region.

In 2023, TCO allocated

**\$2.5**

million as part of its Community Investments Program on 21 projects.

# TCO KAZAKHSTANI CONTENT DEVELOPMENT GROUP

We seek and create opportunities to develop Kazakhstani content in accordance with TCO safety, quality, and cost standards.

We develop mutually beneficial partnerships with stakeholders.

We work with major international suppliers and large local companies on workforce nationalization and localization of production in the territory of the Republic of Kazakhstan.





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WINDRIP  
MADE IN USA

# TCO KAZAKHSTANI CONTENT DEVELOPMENT STRATEGY

Kazakhstani Content (KC) development is a systematic and long-term effort for TCO that both grows the local economy and helps TCO meet production needs by obtaining world quality work, goods, and services at a competitive price.

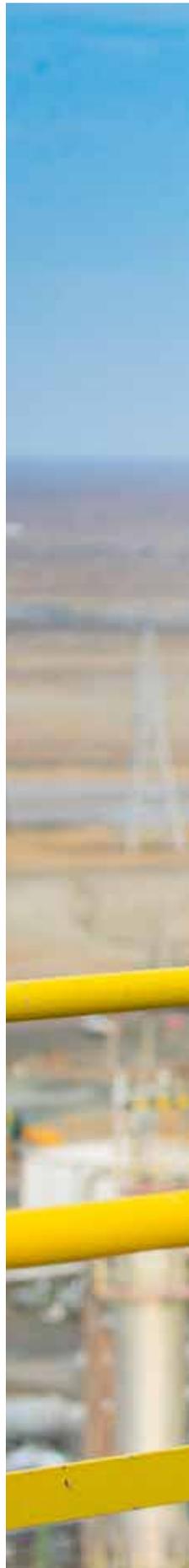
The key aspect of the TCO Kazakhstani Content Development Strategy is to work with the current and potential suppliers to ensure they understand international quality and safety requirements and standards they need to meet to be able to provide goods and services in oil and gas industry. TCO aims at working with suppliers with a stable safety culture, reliable work, quality goods and services, competitive pricing, advanced cost management skills, innovative business solutions, and a customer-oriented and Kazakhstani content development focus.

## What is "Kazakhstani content"?

Kazakhstani content are works, goods or services "Made in Kazakhstan". It is an import substitution, when Kazakhstani companies with a large part of the domestic raw materials in the manufactured products and used equipment are invited to work for the project. In addition, Kazakhstani content also includes the percentage of Kazakhstani personnel involved in the implementation of a particular project. It is very important for TCO to develop and maintain strong business relationships with local businesses. Kazakhstani content in the company has been growing steadily over the past few years. TCO continues to involve local manufacturers in its projects to maximize the share of Kazakhstani content.

## How to confirm the Kazakhstani content for goods?

A company should have a certificate in the form of "CT-KZ" to become a domestic manufacturer. This document certifies that the Republic of Kazakhstan is the country of origin for the goods. CT-KZ certificate of origin was established in 2009. It is used for import transactions in Kazakhstan. Certificates are issued in the regional chambers of entrepreneurs of 17 regions, as well as cities of national importance. It is required to be examined on the origin of goods for domestic circulation to obtain a certificate CT-KZ. The expertise is carried out on a contract basis. In this case, the applicant can choose the expert company at his/her own discretion.





## PARTNERSHIP WITH TCO

Tengiz is one of the world's most technologically challenging fields, so we place high standards on both us and our business partners to ensure effective management. Our work affects the lives of tens of thousands of people throughout Kazakhstan, as well as the lives of our clients around the world who expect safe and affordable energy.

### Requirements for suppliers:

- Safety and environmental standards
- Financial stability
- Client focus
- International quality standards and management systems
- Reliable work experience for large projects
- Quality products and services at competitive prices

### How can someone become a TCO supplier?

If a supplier is confident that they meet these standards, they need to register on the SEOI portal ([www.seoi.tengizchevroil.com](http://www.seoi.tengizchevroil.com)). This is a database of potential Tengizchevroil partners, which allows TCO to consider potential suppliers of goods and services in case of future needs. TCO is encouraging all stakeholders to register on the SEOI portal for updates on current and future opportunities. You can also contact us by email at [kcdsearch@tengizchevroil.com](mailto:kcdsearch@tengizchevroil.com)



*Register on the SEOI portal ([www.seoi.tengizchevroil.com](http://www.seoi.tengizchevroil.com))*

TCO annual contracting and procurement plan can be found on the company's official website [www.tengizchevroil.com](http://www.tengizchevroil.com).



## Supplier Development

The company focuses on the Kazakhstani content aspect of suppliers during the evaluation of potential partners. Each bid specifies the conditions regulating the availability / proportion of local content in the proposed materials. If you think you don't yet meet all TCO's requirements, look at the available supplier development programs.

1. An internal supplier selection and development program administered internally by TCO. The program includes an analysis of upcoming procurements and a search for potential suppliers together with TCO technical experts. The analysis results in a list of "target goods and services" that suppliers are screened and qualified for, and trial orders are also placed with them.
2. International Machine Building Center (IMBC) program.

## Supplier development process:

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### 1. Planning

- Market research
- Creating a supplier development plan

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### 2. Prequalification

- Visiting company
- Prequalification results report
- Project prequalification questionnaire
- Data entry into the supplier database for this project

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### 3. Trial order

- Product testing
- Laboratory analysis
- Gap analysis

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### 4. Final decision

- An example of a successful experience or recommendation
  - Completion / Approved Vendor List
-

## Supplier development areas:

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### 1. Chemicals

- Lubricants
  - Anticorrosion and fire-protective paints
- 

### 2. IT/Telecommunication equipment

- Fiber Optic Cables
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### 3. Electrical equipment

- Packaged substations
  - LV distribution cabinets
  - Remote terminal units
  - Ex-d junction boxes
  - Electrical cables
  - Ex-d lighting equipment
  - Electrical transformers
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### 4. Maintenance, Repair and Operations

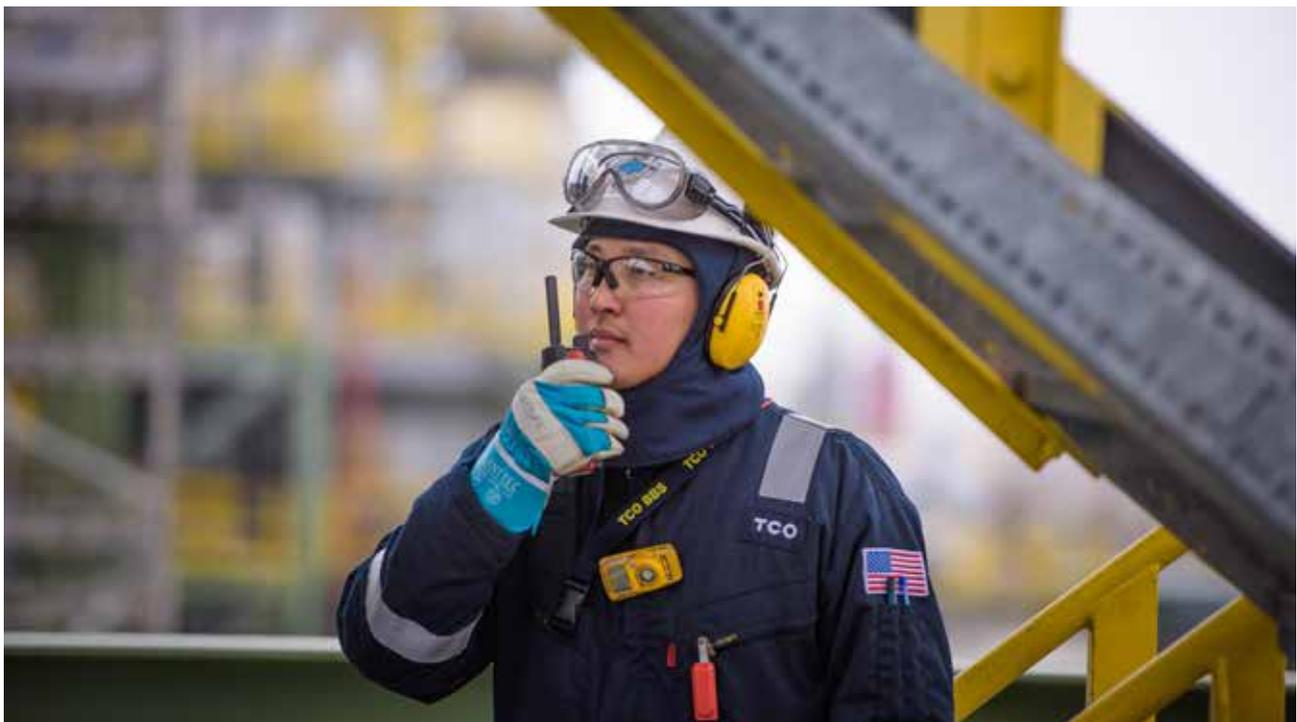
- Threaded studs & bolts
  - Insulation materials
  - Pumps
  - Tanks
  - Vessels/heat exchangers
  - Seamless line pipes
  - Valves
  - Cable trays
  - Flanges, spectacle blinds & fittings
  - Air ducts
- 

### 5. HES

- Waste management and recycling
  - Safety shoes and safety gloves
- 

### 6. Maintenance

- High and Low Voltage Electric Motors Repair



## TCO Events for Kazakhstani Suppliers

TCO is open to dialogue with the market to build trust and clarity in working with TCO. We actively participate in industry events, hold forums, round tables, and workshops with the local business community to find partnership opportunities. By participating in industry events or organizing our own events, TCO aims to communicate TCO bidding process, the requirements for business partners, and TCO strategies for procurement of materials and services. TCO continuously works with the business community through cooperation with various associations such as IMBC, Petrocouncil, KazService and the Union of Machine Builders of Kazakhstan, as well as with the management of all oblasts to identify new potential suppliers in different regions of the country.

In 2022, TCO and Tengrinews.kz launched a joint project “Business School: How to become a supplier to the global oil and gas Industry?” As part of this project, we talked about what Kazakhstani content is and how to obtain a CT-KZ certificate, how Kazakhstani suppliers can participate in the procurement of oil and gas companies, what is important to focus on and what skills need to develop and master. In addition, we talked about typical mistakes that potential suppliers most often make when participating in tenders.



*TCO and Tengrinews.kz joint project  
“Business School: How to become a supplier to the global oil and gas Industry?”*





## FUTURE GROWTH PROJECT- WELLHEAD PRESSURE MANAGEMENT PROJECT (FGP-WPMP)

The successful development over the years and TCO's strong production performance provided the necessary confidence to continue investing in the company's future. TCO partners decided to increase total production volumes at the Tengiz field in 2009. In 2010, TCO offered the FGP-WPMP concept for consideration, which has been approved by the Government of the Republic of Kazakhstan.

The FGP-WPMP is designed to increase production volume roughly by 12 million tons per year, or 260,000 barrels per day. The total production volume will be about 39 million tons per year or 850 thousand barrels per day. FGP-WPMP will ensure full load operation of processing facilities at Tengiz plants by reducing wellhead pressure in flowing wells and building up inlet pressure at six operating complex technological lines.

The FGP-WPMP is a nationally important project that helps create a legacy of skilled workers in the region, technology transfer through partnerships with foreign companies, and upgraded infrastructure.

TCO and the government of the Republic of Kazakhstan developed and signed a Memorandum of Understanding (MOU) in 2013. The MOU includes the RoK government's expectations and TCO's intention to the final KC share of the FGP-WPMP. TCO calculated the potential Kazakhstani content share of the Future Expansion Project and intended to achieve a minimum of 32% KC to ensure that the project would benefit the economy of Kazakhstan and serve to create significant employment, training, and development opportunities.

Project forecasted to spend approximately \$20 billion to purchase Kazakhstani goods, works and services by end of the Project. One of the goals of the project was to employ the maximum number of Kazakhstani citizens. At construction peak the Project employed more than 60,000 Kazakhstani workforce in the country.

While the FGP-WPMP project is nearing completion, TCO continues to look for opportunities and actively promote the involvement of Kazakhstani companies, suppliers, manufacturers, builders, and labor in all projects to increase local content.

[www.tengizchevroil.com](http://www.tengizchevroil.com)



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