



Карачаганак Петролиум Оперейтинг Б.В.  
 Казахстанский филиал  
 090300, Республика Казахстан  
 Западно-Казахстанская область, Бурлинский район, г.  
 Аксай ул. Промышленная Зона, дом 81Н  
 Сайт: www.kpo.kz.

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Karachaganak Petroleum Operating B.V.  
 Kazakhstan Branch  
 090300, Republic Of Kazakhstan  
 West Kazakhstan Oblast, Burlin district, Akasai  
 Promyshlennaya Zona Str., Building 81H  
 Website: www.kpo.kz

We "KARACHAGANAK PETROLEUM OPERATING B.V" the Independent Leading Petroleum Natural Gas Producer under penalty of perjury hereby issue this Soft Corporate Offer with full power and authority with given terms and conditions and confirm our readiness to supply the following commodity according to the terms and conditions stipulated in this Soft Corporate Offer.

ORIGIN: KAZAKHSTAN  
 INCOTERMS: FOB / CIF/ TTO/ TTM/ TTV/ TTT  
 LOADING PORT: ROTTERDAM/ HOUSTON/ ASIAN PORTS  
 PAYMENT TERMS: T/T TELEGRAPHIC TRANSFER, BG OR SBLC, MT103.  
 INSPECTION: SGS, CIQ OR SIMILAR  
 COMMISSION: 50% / 50% - PAID BY SELLER

**PRODUCT DISCRPTIONS:**

COMMODITY:	KAZAKHSTAN LIGHT CYCLE OIL(LCO)
MIN TRIAL QUANTITY:	30,000 MT OR MORE FIRST SHIPMENT
MAX CONTRACT QUANTITY:	500,000 MT X 12 WITH ROLL & EXTENSION IF NEEDED BY BUYER
PACKING:	BULK CARRIER, VESSEL TANKER, OR BUYERS CHOICE
SPECIFICATIONS:	AS PER BUYER REQUEST
PAYMENT TERMS:	MT103 TT WIRE TRANSFER ACCORDING TO SELLER NOMINATED ACCOUNT
PRICE CIF:	GROSS: \$290 USD PER MT / NET: \$280 USD PER MT
PRICE FOB:	GROSS: \$280 USD PER MT / NET: \$270 USD PER MT
COMMISSION:	BUYER SIDE: \$5 USD / SELLER SIDE: \$5 USD PER MT

COMMODITY:	KAZAKHSTAN D2-DIESEL GASL0.2/26GOST 305-82
MIN TRIAL QUANTITY:	30,000 MT OR MORE FIRST SHIPMENT
MAX CONTRACT QUANTITY:	500,000 MT X 12 WITH ROLL & EXTENSION IF NEEDED BY BUYER
PACKING:	BULK CARRIER, VESSEL TANKER, OR BUYERS CHOICE
SPECIFICATIONS:	AS PER BUYER REQUEST
PAYMENT TERMS:	MT103 TT WIRE TRANSFER ACCORDING TO SELLER NOMINATED ACCOUNT
PRICE CIF:	GROSS: \$290 USD PER MT / NET: \$280 USD PER MT
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COMMODITY:	KAZAKHSTAN MAZUT M100 GOST 10585/75
MIN TRIAL QUANTITY:	30,000 MT OR MORE FIRST SHIPMENT
MAX CONTRACT QUANTITY:	500,000 MT X 12 WITH ROLL & EXTENSION IF NEEDED BY BUYER
PACKING:	BULK CARRIER, VESSEL TANKER, OR BUYERS CHOICE
SPECIFICATIONS:	AS PER BUYER REQUEST
PAYMENT TERMS:	MT103 TT WIRE TRANSFER ACCORDING TO SELLER NOMINATED ACCOUNT
PRICE CIF:	GROSS: \$280 USD PER MT / NET: \$270 USD PER MT
PRICE FOB:	GROSS: \$270 USD PER MT / NET: \$260 USD PER MT
COMMISSION:	BUYER SIDE: \$5 USD / SELLER SIDE: \$5 USD PER MT

COMMODITY:	KAZAKHSTAN AVIATION KEROSENE COLONIAL GRADE A-1
MIN TRIAL QUANTITY:	1,000,000 BBLs OR MORE FIRST SHIPMENT
MAX CONTRACT QUANTITY:	5,000,000 BBLs X 12 WITH ROLL & EXTENSION IF NEEDED BY BUYER
PACKING:	BULK CARRIER, VESSEL TANKER, OR BUYERS CHOICE
SPECIFICATIONS:	AS PER BUYER REQUEST
PAYMENT TERMS:	MT103 TT WIRE TRANSFER ACCORDING TO SELLER NOMINATED ACCOUNT
PRICE CIF:	GROSS: \$60 USD PER BARREL / NET: \$58 USD PER BARREL
PRICE FOB:	GROSS: \$58 USD PER BARREL / NET: \$56 USD PER BARREL
COMMISSION:	BUYER SIDE: \$1 USD / SELLER SIDE: \$1 USD PER BARREL

COMMODITY:	KAZAKHSTAN AVIATION KEROSENE COLONIAL GRADE JP54
MIN TRIAL QUANTITY:	1,000,000 BBLs FIRST SHIPMENT
MAX CONTRACT QUANTITY:	5,000,000 BBLs X 12 WITH ROLL & EXTENSION IF NEEDED BY BUYER
PACKING:	BULK CARRIER, VESSEL TANKER, OR BUYERS CHOICE
SPECIFICATIONS:	AS PER BUYER REQUEST
PAYMENT TERMS:	MT103 TT WIRE TRANSFER ACCORDING TO SELLER NOMINATED ACCOUNT
PRICE CIF:	GROSS: \$59 USD PER BARREL / NET: \$57 USD PER BARREL
PRICE FOB:	GROSS: \$57 USD PER BARREL / NET: \$55 USD PER BARREL
COMMISSION:	BUYER SIDE: \$1 USD / SELLER SIDE: \$1 USD PER BARREL



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## **FOB TRANSACTION PROCEDURE TANK TO VESSEL**

1. Buyer sends ICPO to Seller on receipt of Seller's Soft Corporate Offer.
2. Seller issues commercial invoice CI, for the available quantity to Buyer and ICC WARNING LETTER, Buyer Signs and returns to Seller along with NCNDA/IMFPA signed by all buyer groups with commission structures to issue the deal true Tank to Vessel.
3. Seller receives signed CI with NCNDA/IMFPA issues to Buyer (3days) Seller tank extension payment invoice for immediate storage payment.
4. Buyer proceeds with payment and send back transfer evidence confirmation copy to Seller for confirmations and storage activations.
5. Seller Legalized/Register PPOP documents including UDTA with the ministry of energy and issue to Buyer:
  - (A) Product passport
  - (B) Certificate of Origin
  - (C) Refinery commitment Letter to supply
  - (D) Company Certificate of Incorporation
  - (E) Unconditional Dip Test Authorization (UDTA)
  - (F) Fresh SGS Report
  - (G) Tank Storage Receipt (TSR)
6. Buyer verifies documents and proceeds with dip test in the Sellers tanks according to tank numbers in the TSR.
7. Buyer provides Q88 and Authorization to inject from the shipping company.
8. Seller shall immediately submit the (SGS or INTERTEK) inspection Report along with the full Proof of Product (POP) to the Buyer including Notice of Readiness To Inject.
9. Seller commences injection into Buyer vessel and issued Injection Report to Buyer.
10. Upon the confirmation of the total quantity Injected into buyers' vessel, Buyer makes 100% payment by MT103 TT wire transfer for the total product.
11. Seller pays Commission to all intermediaries involved in the transaction within 24 hours after confirmation of the Buyer Payment.



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## COMPANY FULL DETAILS:

**FULL NAME:** KARACHAGANAK PETROLEUM OPERATING B.V. KAZAKHSTAN BRANCH

**NAME IN KAZAKH:** KARACHAGANAK PETROLEUM OPERATING B.V. KAZAKHSTAN BRANCHES

**ALTERNATIVE NAMES:** KARACHAGANAK PETROLEUM OPERATING B.V. KAZAKHSTAN BRANCH

**ADDRESS:** KAZAKHSTAN, WEST KAZAKHSTAN REGION, AKSAI, ST. INDUSTRIAL ZONE, 81N

**BIN:** 981141001567

**WEBSITE:** www.kpo.kz

**KARACHAGANAK FIELD DISCOVERY:** The Karachaganak field, discovered in 1979, is one of the world's largest gas and condensate fields. Located in north-west Kazakhstan and covering an area of over 280 square kilometres, it holds estimated hydrocarbons initially in place (HIIP) of 9 billion barrels of condensate and 48 trillion cubic feet (tcf) of gas, with estimated gross reserves of over 2.4 billion barrels of condensate and 16 tcf of gas.

Karachaganak Venture brings expertise and knowledge from five oil & gas companies — ENI SpA (29.25%), Shell plc (29.25%), Chevron (18%), Lukoil (13.5%) and KazMunaiGas (10%). Together they share their experience and expertise with the Republic in looking at both domestic and export options for maximising the value of these resources.

In 1997, Venture partners set out with the former State Oil & Gas Authority to develop the vast reserves of Karachaganak. They signed a Final Production Sharing Agreement (FPSA) which will see the partnership operate Karachaganak until 2038. Since signing this agreement they have invested over \$28.3 billion in the operations and have applied industry leading hydrocarbon technology to one of the world's most complex reservoirs.

In 2021, hydrocarbon production in Karachaganak reached 134.05 mln. barrels of oil equivalent. 10 billion cubic metres of gas, which is approximately 52,7% of the total gas produced, were re-injected to maintain reservoir pressure.

While delivering on its operation commitments, KPO as a responsible corporate citizen works towards generating maximum social and economic benefits from the Karachaganak field for the local communities and the Republic of Kazakhstan as a whole.

**PRODUCING AND MARKETING OIL AND GAS:** At Karachaganak we extract, process and export oil and gas through three different processing units and via a similar number of export routes. This allows KPO to be flexible and adjust to changes in gas and oil export market conditions.

The Venture utilises leading, and in some cases, pioneering technology in developing the field. For example, Karachaganak is home to an innovative high pressure sour gas injection scheme. This injection scheme has proven to be very successful in enhancing hydrocarbon recovery and has harnessed significant value for the Republic. KPO has also drilled some of the deepest and most complicated wells in Kazakhstan, among which is the deepest multilateral well.

**DELIVERING COMPETITIVE ENERGY TO WORLD MARKETS:** Initially, all production was sold into Russia, but since June 2004 most liquids are exported to western markets, currently around 80 per cent as crude oil. The remaining volumes like unstabilised condensate and raw gas continue to flow to Russia while some unstabilised condensate and all dry gas volumes are sold domestically.

Crude oil is mainly exported via the CPC pipeline, leading to the Black Sea port of Yuzhnaya Ozereyevka. Another outlet for crude oil is via the Atyrau-Samara pipeline which connects to the Russian Transneft system allowing access to the port of Primorsk and a number of European destinations. Description of our export routes is provided on page Export Routes.

**SIGNED/SEALED BY:** SAMIR WASIM  
**POSITION:** OPERATIONS HSE MANAGER

