

Press release

Nur-Sultan, December 30, 2019

“KazTransOil” JSC announces about completion of the signing process with “Transneft” PJSC of agreements on payment of compensation for substandard oil to Kazakhstani oil companies

As a part of the incident settlement related to contamination in April-May 2019 of about 699 thousand tons of crude oil shipped by 38 Kazakhstani oil companies via the "Druzhba" trunk oil pipeline system, "KazTransOil" JSC, acting on behalf of those companies, signed agreements with "Transneft" JSC to pay compensation for substandard oil to the remaining 6 Kazakhstani oil companies.

Earlier, similar agreements on the compensation payment were signed in the interests of 32 Kazakhstani oil companies, of which 14 companies have already received compensation from "Transneft" PJSC.

To recap, an emergency in the system of Transneft trunk oil pipelines caused by the presence of high concentrations of organochlorine compounds in the transported oil occurred in April-May 2019, which led to the shipment of substandard oil for Kazakh shippers to tankers in the port of Ust-Luga.

For your reference:

“KazTransOil” JSC is a National Main Oil Pipeline Operator of the Republic of Kazakhstan. The Company is a part of NC “KazMunaiGas” JSC Group. The Company owns a diversified network of main oil pipelines with total length of 5.4 thousand km. Production facilities of “KazTransOil” JSC are located in Shymkent, Karaganda, Pavlodar, Turkestan, North Kazakhstan, Atyrau, Mangistau, West Kazakhstan, Kyzylorda, Almaty, Aktobe regions of the Republic of Kazakhstan. The Company provides oil transportation to Kazakhstani oil refineries and for export in 5 directions: by Atyrau-Samara and Kazakhstan-China pipelines, transshipment to tankers in the port of Aktau, transshipment to rail tanks, transshipment to the CPC system.

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