

Press release

Astana, February 17, 2017

A new route for transportation of Kashagan oil opened

Kashagan oil has been transported through “Atyrau – Samara” pipeline with preservation of the quality of crude oil, for its further transportation via “Transneft” PJSC system in the common flow of low-sulfur light Siberian oil to the port of Novorossiysk and subsequent export starting from January 2017. This event is the result of joint efforts of “KazTransOil” JSC and “Transneft” PJSC to build a new pipeline route, through which Kashagan oil is transported via the oil pipeline from Atyrau to Samara.

“This is the first time in the history of our company when we began to transport light Kashagan oil via the oil pipeline from Atyrau to Samara with preservation of the quality of raw materials,” Dimash Dossanov, the General Director (Chair of the Management Board) of “KazTransOil” JSC, said. “The oil further goes by transit via the oil pipeline system of Transneft, in the common flow of low-sulfur light Siberian oil, to Novorossiysk. So far, Kazakh oil has been delivered through “Atyrau – Samara” oil pipeline in the amount of 15 million tons a year, then transported through Transneft network in the mixture with Russian Urals, including the first batches of Kashagan oil. At the same time, the netback of supplies in the flow of low-sulfur light Siberian oil is much higher as compared to Urals, which is much more profitable for domestic oil companies and Kazakhstan as a whole. We expect that this route could be used for transportation of light oil from other Kazakh fields in the future. I would like to stress “KazTransOil” JSC, as the national operator of the Republic of Kazakhstan over the main oil pipeline, always acts in the interests of shippers, “KazMunayGas” NC JSC and the Republic of Kazakhstan.

Kashagan oil will be dispatched in the port of Novorossiysk by separate tanker runs of 80 thousand tons each. The first tanker with Kashagan oil is expected to go on February 22-23 this year. In future, the amounts of such deliveries can reach up to 3 million tons a year.

Reference:

The intake of oil from Kashagan in the system of main oil pipelines of “KazTransOil” JSC started on October 11, 2016. The oil was transported through the section of Atyrau-Samara pipeline and shipped through the port of Ust-Luga, Russia. The Kashagan oil intake into the system of “KazTransOil” JSC main oil pipelines amounted to 219 thousand tons as of February 16, 2017.

**Public Affairs and Internal Communication Service
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