

eni

eni.com





Kazakhstan's treasures:  
its ancient civilization, great natural resources  
and new generation







## Enrico Mattei: it's their oil

"It's their oil", said Enrico Mattei in 1957. **eni**'s first Chairman is often remembered as "the man of the future" due to his ability to imagine what would come to pass and thus create a valuable legacy for those who would follow him.

He believed that energy resources belong first and foremost to the oil-producing countries and that the most profitable arrangements would arise out of the shared interests of all the actors involved. Mattei's great success lay in his passion for challenges, his strategic vision, his powers of innovation, respect for others, spirit of cooperation and confidence in new generations.

It was his firm conviction that dialogue and respect for cultures constitute the cornerstones for long term partnerships and mutual growth. From a perspective of forty years it is possible to see that Mattei's values have endured and his philosophy still forms part of **eni**'s corporate philosophy. His guiding principles are today captured in the modern concept of sustainable development.



| Enrico Mattei, **eni**'s Chairman in 1953

## Claudio Descalzi: living in the world

The principles created and established by Enrico Mattei remain part of **eni**'s genetic code. Of particular significance, reflected in both the company's global strategic thinking and its relationship with the communities in which it operates, is the importance of dialogue.

Such dialogues commence even before the company becomes established in a new territory. Through the pursuit of dialogue it is possible to establish the conditions for living together. For **eni** living in the world results in integration, in the sharing of mutual benefits. It also means the creation of a powerful engine that has made **eni**'s worldwide development possible.

Sharing has allowed us to grow and to contribute to our hosts growth. We see it as imperative therefore to develop relationships with the nations, environments, cultures and people with which we interact and in which we live. **eni** has, over many years, developed an organizational culture without parallel which is designed to build lasting, long-term relationships within the territories in which we operate.



| Claudio Descalzi, **eni** CEO







## eni in Kazakhstan

For almost 25 years **eni** has been a synonym for energy, social development and environmental stewardship in the Republic of Kazakhstan.

In the early 1990s **eni** became one of the first international oil and gas companies to invest in the newly-independent nation.

Today **eni** has a strong presence in the republic's energy industry sector as co-operator of the Karachaganak field and an equity partner in the giant Kashagan field.

In the near future **eni** will strengthen its presence in the republic through the implementation of a strategic cooperation agreement signed with the national oil and gas company KazMunaiGaz which covers not only exploration and production activities but also the realization of strategic industrial facilities.



## Kashagan

**eni** holds a 16,81% working interest in North Caspian Sea Production Sharing Agreement (PSA), which defines terms and conditions for the exploration and development of the Kashagan field discovered in 2000 in the northern section of the contractual area over an undeveloped area extending for 4,600 km<sup>2</sup>.

The Kashagan field is the largest oilfield discovery worldwide in the last 40 years and the largest Kazakh field.

### Agip KCO's mission

Agip KCO (Kazakhstan North Caspian Operating Company N.V.), a subsidiary of **eni**, is responsible for the execution of Phase I (the Experimental Programme) of the Kashagan development.

The company is committed to fulfilling its mission in an economically and environmentally sound manner, while increasing development opportunities for local communities, maximizing the participation of Kazakh companies in operations and generating value for the consortium.



## Karachaganak

Located onshore in West Kazakhstan, the Karachaganak field, discovered in 1979, is one of the world's largest gas and condensate fields.

Operations are conducted by the Karachaganak Petroleum Operating Consortium (KPO) with **eni** and British Gas as co-operators.

### KPO's mission

KPO's mission is to develop the Karachaganak field in an environmentally and economically sound manner whilst simultaneously increasing socio-economic development opportunities for local communities.





## eni's approach to sustainability

Being sustainable for **eni** means conducting our operating activities while creating value for stakeholders and using resources in such a way as to avoid compromising the needs of future generations.

We consider sustainability to be a driver in the process of continuous improvement that guarantees results over time, while reinforcing its business performance and reputation. It is committed to taking actions aimed at promoting respect for people and their rights, the environment and the broader interests of the communities in which we operate.

We conduct our activities by creating relationships that are based on correctness and transparency and continuous dialogue with stakeholders in order to pursue shared objectives for the creation of value and opportunities for sustainable development and being aware that dialogue and shared objectives are the way to create reciprocal value.

## delivering sustainable values

**eni's** cooperation model integrates the traditional business of exploring and developing hydrocarbons with solutions responding to the requirements of local territories in terms of economic and social development.

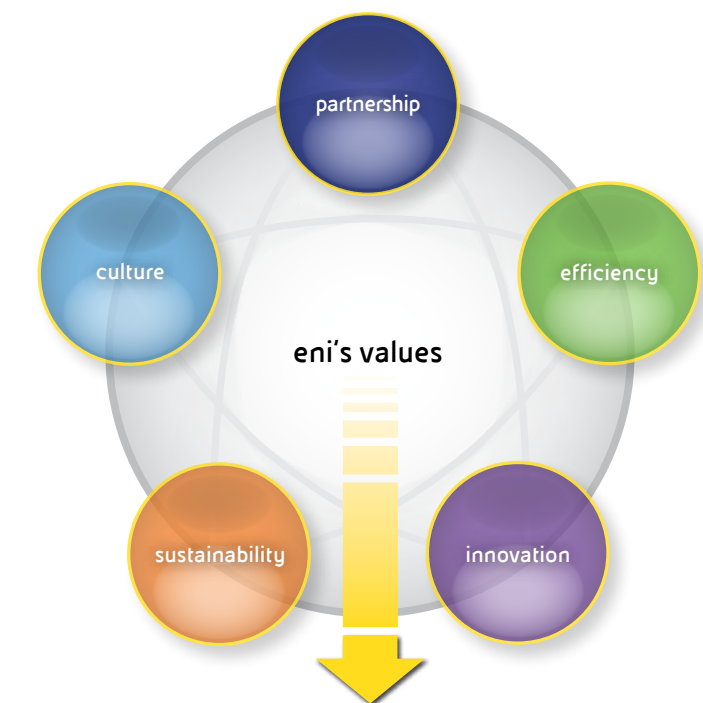
For detailed information on **eni's** sustainability approach, including the last sustainability report (**eni** for 2013), please refer to the website [eni.com](http://eni.com), section sustainability.

All social initiatives within a country are agreed with the relevant local authorities and other interested stakeholders on the basis of specific needs and objectives. Most of our initiatives are generated at a local level following a consultation process with local authorities and communities.

In evaluating the requests, special attention is given, among other things, to the following:

- relation of the project to **eni's** corporate mission and its priority commitment to local communities;

- capacity of the beneficiary organization to make a concrete contribution to the general wellbeing that responds to the specific needs of the local community;
- sustainability of the project in terms of the development/improvement of local competences needed to continue the activities autonomously;
- evaluation of the results already achieved by the advocating body;
- integration of the project with initiatives of other organizations and agencies with a view to avoiding duplication and overlapping;
- measurability of the expected results.



**integrated and sustainable activities management**



## overall commitment in support of communities

In the Republic of Kazakhstan, **eni** commitments in favour of local communities over 20 years has resulted in direct financial expenditure cumulatively amounting to US\$ 59 million by 2014. This figure does not include the additional investments into community developments that have been made indirectly by **eni** through the company's participation as a co-venturer in other oil and gas projects which have their own social, infrastructure and environmental protection programmes. Our diverse project portfolio underlines the attention paid to the promotion of sustainable development processes, particularly through the completion of **health** and **cultural**

**infrastructure** projects. Of particular significance are the **infrastructural** interventions where, in the area around the capital Astana, a vast public works and social structures programme has been implemented by **eni** in collaboration with national institutions and international partners: the restructuring of two health centres/sanatoriums with children's recreational area in the surrounding of the Borovoye National Park, the construction of the national library and several residential and public buildings. In the Mangistau Region, **eni** is completing the construction of two multi-purpose sport centres. Following a successful feasibility study undertaken under a cooperation agreement with KazMunaiGaz,

**eni** is funding the design phase and tendering process for the construction and operation of a ship building/repair yard on the Caspian Sea coast at Kuryk village, in Mangistau Oblast. In the **educational** area, a recent important collaboration between **eni** and the NURIS (Nazarbayev University Research and Innovation System) a subsidiary at Nazarbayev University in Astana led to the establishment of an **eni** Research Laboratory in Environmental Engineering. In the **cultural** sector, **eni** supported the completion of archaeological expeditions which resulted in finding ancient ornaments of inestimable cultural value. A publication that celebrates the historical,

religious and cultural crossroad function played by the Kazakhstan region has been financed and presented by **eni** to national authorities. In the area of **biodiversity** and **environmental** protection, an initiative recently concluded is the recognition of the Ak Zhaik State Nature Reserve located on the Ural River Delta in the Caspian Region as a UNESCO Man and Biosphere site, one of the highest grades of recognition for a protected area.





## our projects

### archaeology

**eni** has a close and continuing relationship with the world of the arts and culture, a fundamental expression of the communities in which it operates. We support and encourage cultural exchanges and promote restoration projects, archaeological digs and the organization of exhibitions. With direct contributions from **eni**, archaeological excavations conducted in the Kargali Valley yielded archaeological treasures of inestimable worth: among other decorations, a warrior in gilded wood and a golden crown with inset turquoises are dated over 2,200 years.

### history and culture

**eni** supported the publication of large historical volumes and of a cultural guide which present the rich, complex and diverse cultural heritage of this young country in an original way. They describe its major religions, historical and archaeological sites and the architectural monuments that are spread along the Silk Road.

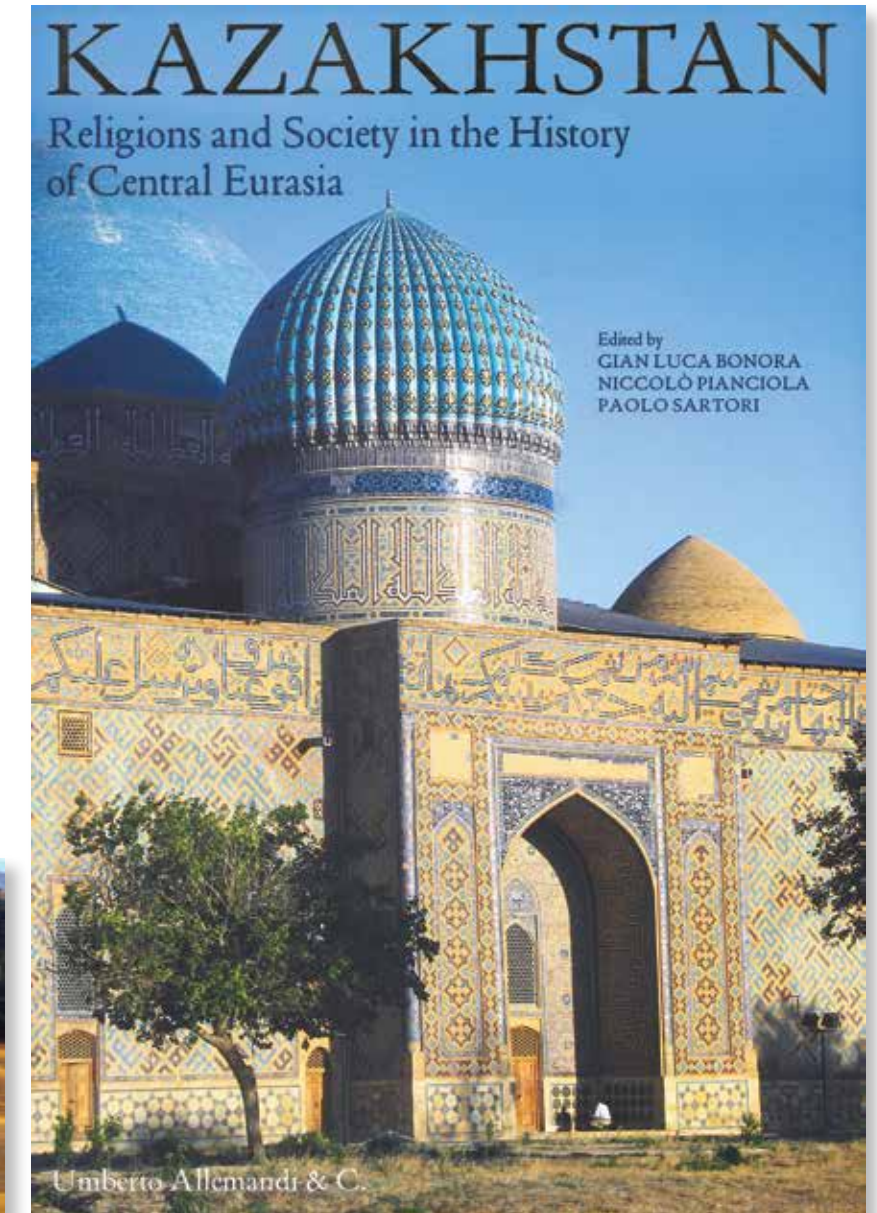
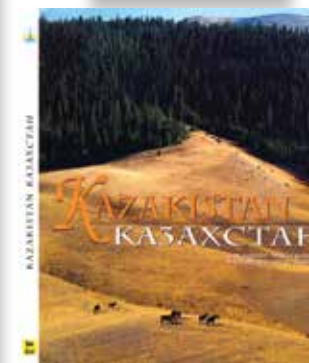
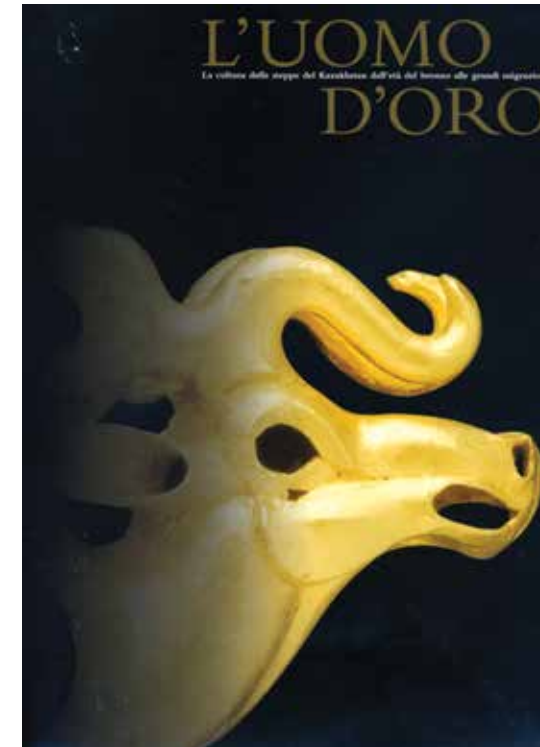
Rock art drawings, intricate Islamic tile work, turquoise domes, minarets and preserved relics from the time when Central Asia was a centre of empire and learning are here associated with the ancient barrows of steppe-rulers and the modern picturesque and symbolic buildings erected after independence. A country larger than Western Europe, Kazakhstan is one of the most culturally diverse nations on earth. For thousands of years, civilizations met and flourished in the steppes and river valleys in Central Eurasia.

The system of material and cultural exchanges that linked Europe and East Asia, the so-called Silk Road, crossed the south of present day Kazakhstan. First through these connections, then through the expansion of competing empires, ideas and religious beliefs spread and influenced each other, creating a unique cultural history.

The publications present to the world the historical depths of religious life in Kazakhstan from the time of the earliest archaeological finds to the twentieth century, thus shedding light on the social and religious history of this crucial cultural crossroads in the history of the world.

Some of the monuments are presented here for the first time ever in a Western language publication.

In 1998, an exhibition called "The Golden Man: Kazakhstan's culture from bronze age to great migration age" brought for the first time in Europe treasures from Central Asia and was inaugurated in Mantova, Italy by President Nursultan Nazarbayev. Over 600 archaeological artifacts and cultural wonders covering over 2,000 years of Kazakhstan history were displayed. The exhibition was a result of a collaboration between **eni**, the Institute of History (Italy), and the Ministry of Culture, the Institute of Archaeology and the Academy of Science (Kazakhstan).







### Astana national library

The national library in Astana is an ambitious project realised in the heart of the capital's financial district, where elegant architecture and stunning residential buildings alternate with cultural edifices and structural masterpieces.

The library's central position makes it convenient for residents, workers and visitors alike, adding to the rich cultural and social life of the city.

The library has been designed and built over 3,500 m² and totals an habitable area of 18,600 m².

It currently holds 400,000 books, 1,500 periodical publications - both Kazakh and international - and is visited by 18,000 readers a year. The five-storey library building was commissioned in 2006 and handed over to the Department of Presidential Affairs.

The new structure represents an early example of **eni**'s proactive involvement in fostering the country's cultural development and major social infrastructure projects.

good intentions  
put into action



our goal is to establish strong ties  
with the cultural world, the basic expressions  
of local communities and to favour cultural  
exchanges and the enhancement  
of the artistic and cultural heritage.





## Baskudyk and Kyzyltobe sport centres in Mangistau Region

For **eni**, the promotion of wellbeing in local communities represents an important tool for improving its effectiveness as a partner in development.

The construction of a sports centre in Kyzyltobe village in the Mangistau Region was financed by **eni** and completed in summer 2013.

Another sports centre in Baskudyk village, also in Mangistau, is planned for completion in 2014.

Both sport complexes are designed for boxing, basketball, volleyball, gymnastics and a range of other activities.



as a guest in the territory of Kazakhstan, our approach to business is inspired by a system of principles and values which are embedded in our way of operating: the centrality of the individual and their personal and professional development, an openness to dialogue and mutual respect, attention to the rights and needs of communities.

## annual reception of Kazakh children in Italy

An established and traditional **eni** programme dedicated to young people is the annual reception for Kazakh children in the renowned Italian sea resort of Cesenatico, on the shore of Adriatic Sea.

The summer months provide children with the opportunity to experience and discover new or emerging interests or to focus on special skills and interests, while still providing ample time for recreation.

Every year since 1999, over 160 Kazakh children from disadvantaged families have the opportunity to travel to the shore of the Adriatic Sea. In all, some 2,000 children have visited the camp.

Children, in addition to spending time in the pleasant environment of the Adriatic coast, participate in diverse health and entertainment events and take excursions to different Italian cities and historical sites.



our goal is to combine competitiveness with sustainability. It is a commitment aimed at pursuing growth, innovation and results, always paying great attention to the quality of life, welfare, human rights and socially compatible economic development. We invest in Kazakhstan's greatest asset: its future generations.



## Ural River National Park project

The Ural River Park project is a cooperative programme we launched in 2010 to support national efforts in promoting the sustainable use of wetlands and their coastal and coastal resources in the Ural River delta.

The Ural delta is an engine of life, particularly rich in biodiversity and unique ecosystems that support rare endemic and migratory species. In 2009, the Government of Kazakhstan designated the "Ural River delta and adjacent Caspian Sea coast" as a wetland of international repute and part of the North Caspian Nature Reserve.

We actively established a dialogue between stakeholders and provided the necessary documents for the inclusion of large protected areas of the North Caspian coastline into the UNESCO "Man and Biosphere" programme. Under the auspices of the Kazakhstan Ministry of Environment and Water Resources,

the Ural River Park project, developed international scientific cooperation with the Aarhus Centre, the Global Environment Facility - United Nations Development Programme (GEF-UNDP project), the University of Bologna, Italy, and the Ak Zhayik State Nature Reserve, water basin authorities and NGOs.

After the successful twinning of the Ural Delta State Nature Reserve with the Po River National Park in Italy, on the basis of the historically effective relationship with **eni's** operative base for the Adriatic Sea, which is located in the city of Ravenna at the confines of the Park, specialists from Kazakhstan travelled to Italy to attend courses on the management of protected areas.

## Caspian Sea: engine of life

## Man and Biosphere Programme

Our commitment is to make a major contribution to the environmental protection of the region.

This project sends a clear message that we fully understand that our role carries expectations which go beyond oil and gas operations and that we stand in support of a broader development process which should be socially equitable, economically sustainable and environmentally sound.

Our objective is to harmonize industrial activities, social development and environmental protection.

We aim to promote knowledge exchange, conduct scientific studies and to implement monitoring and environmental protection activities through the use of the most advanced technologies. Our way of doing business, based on operational excellence,

focuses on health, safety and the environment. We consider the conservation of ecosystems and its biodiversity an essential component of our philosophy, and we pay particular attention to the protection of species at risk of extinction, the conservation of protected areas, the enhancement of the environmental, cultural and social assets and the protection of ecosystems as well as the ecological and social services they generate.

## spectacular landscapes





## sanatorium Ok Zhetpes

Since 2001 **eni** has promoted a wide range of initiatives specifically aimed at improving the health and sanitary conditions while strengthening the local healthcare systems of the communities inside and outside its operational area.

Traditional resort treatments historically applied in Kazakh sanatoriums, a combination of a climate therapy, bathing and general health-improving procedures, have gradually evolved into world-class health treatments.

The sanatorium Ok Zhetpes is situated in the heart of the Burabay resort zone, 250 km north of Astana. It lies in the heart of what is today a national park created in 2000 in order to promote tourism and to protect the region's unique lake, wood and mountain landscape.

The sanatorium was commissioned in 2004 under the Department of Presidential Affairs and is today an all-the-year-round operation. Its unique natural assets include clear pine forest air, curative mud and mineral water, all of which help to improve the health and rehabilitation of guests.

The sanatorium takes pride in its modern medical equipment and its strong medical team. Together they form the basis for the effective treatment and improved health of its local and international guests. Uniquely the facility offers curative mud treatments from the nearby Balpash-Sor Lake and mineral water from Lake Majbalyk.

To the essential regenerative role played by rest can be added the facility's unique hydrotherapeutic procedures presented within a modern hydro complex.

our seed, our future



we are aware  
of the importance  
of improving the health  
of the communities with  
which we interact.

## sanatorium Baldauren

In the state capital Astana's Region, **eni** supported the renovation of the children sanatorium camp Baldauren in partnership with the Ministry of Education.

The vast complex comprehends separate buildings for health, sport and recreational structures, including an open air amphitheatre.

The covered area totals over 5,700 m<sup>2</sup> set in a green park of 5 hectares. Following its renovation the sanatorium received the European Quality Award. Today Baldauren is a national centre for teaching techniques that allow children to achieve their full potential and develop their personal qualities.

Children between ten to fifteen years of age receive places based upon success in school, regional, national and international sport or art contests.

unlocking values



our commitment is to contribute  
to the strengthening of national healthcare  
systems and infrastructures in addition  
to training local people in the area of health.



## Astana city administrative building

In 2002, we contributed to the construction of an administrative building in the financial district of the state capital Astana.

The twenty-two storey administrative building, which once stood alone, is today occupied by prime ministerial offices and is surrounded by eye-catching architectural masterpieces in the proximity of the Akorda Presidential Palace.

The magnificent state capital is designed to encourage and promote an economically, socially and environmentally sustainable society. Every building in the city is a unique example of superior architecture with its position regulated by an holistic approach to urban development that ensures mobility, universal access to cultural services, high-class, high-rise office buildings and housing.





## Astana city residential building

An innovative concept in city living was pioneered by **eni** in the early days of Kazakhstan's new capital Astana.

Built in 2002 on the right bank of the Ishim River, the sixteen-storey residential complex incorporates what are, even now, some of the best solutions for living in an environmentally responsible manner.

With 80 apartments and four design options ranging from a studio up, the building with its distinctive yellow aluminium façade is surrounded by its own landscaped garden and a parking area. Designed with energy efficiency in mind and with a highly effective ventilation system in place, all aspects of healthy living were taken into account so as to create a template for a comfortable, responsible urban lifestyle.

Creating a new residential building offered us an exciting opportunity to consider all aspects of sustainable design and environmentally efficient building options. Simple yet well-organized, it was hoped that the complex would demonstrate what could be achieved in the field of sustainable residential development and so encourage others to follow suit. In the following years this hope was fulfilled. Several exact copies which also interact positively with their local environment were built.

smart buildings

## eni chair-research Lab in Environmental Engineering at Nazarbayev University

Worldwide, **eni** has always demonstrated a great commitment towards the development of scientific and technological skills at the academic institutions of the countries in which it operates.

We promote technological excellence, research and innovation. Initiatives are based on the exchange of experience, expertise and know-how, which are essential factors in the areas of competitiveness and economic and industrial sustainability.

Our commitment to the NURIS (Nazarbayev University Research and Innovation System), a subsidiary at Nazarbayev University in Astana, is to develop site-specific innovative powerful tools, technologies and solutions to address global energy needs and challenges.

In 2012 we agreed to provide the centre with financial and scientific support for the establishment of an **eni** professorship with creation of an **eni** Research Laboratory in Environmental Engineering.

In cooperation with **eni corporate university**, the **eni** chair at the laboratory is promoting a three-year project for the development of specific educational programmes and scientific and technological skills in the fields of environmental engineering and energy efficiency. The research and development projects focus on solar energy engineering and material structure. The programme involves staff and specialists at the NURIS and selected scientific staff and students from Nazarbayev University.

Among other undertakings, **eni corporate university** promotes and develops agreements with academic and external training institutions, making it the **eni's** main point of contact with the most prestigious Italian and international universities.

think renewable energy





## ship building on the Caspian Sea coast

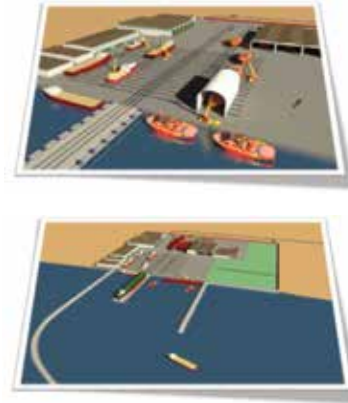
Following a successful feasibility undertaken through a cooperation agreement signed with KazMunaiGaz, **eni** is funding the design phase and tendering process for the construction and operation of a ship building/repair yard on the Caspian Sea coast at Kuryk village, in Mangistau Oblast.

As the next stage of the project after the final investment decision, KazMunaiGaz and **eni** will jointly create a company for the construction and operations of the shipyard.

The shipyard will construct various types of vessels including those designed for the transportation of oil products, grain and fertilizers in addition to those built to support offshore petroleum and environmental monitoring operations.

The shipyard will also have the capacity to maintain Kazakhstan's existing and future offshore fleet.

In both the construction and operation phases, the shipyard project is expected to have a major positive impact on employment and capacity building as well as contributing to the local and national economy while improving local living standards.



this project can be seen  
as compelling evidence of our  
long term commitment to support  
the economic development  
of Kazakhstan and our strong  
belief in the future of the country.





## Karachaganak and Agip KCO's Corporate Social Responsibility projects

**eni** also contributes to the sustainable development of certain regions through its partnership in the Kashagan and Karachaganak projects.

### Karachaganak project

To date, the value of investments in social infrastructure projects in Western Kazakhstan Oblast amounts to over US\$ 270 million. A large number of new schools, kindergartens, hospitals, as well as social and community-purpose buildings have been constructed in recent years. Hundreds of kilometres of roads have been laid.

### Kashagan project

The social infrastructure programme in Atyrau and Mangistau Regions, where Kashagan operations are located, covers the construction of schools, kindergartens, hospitals, sport facilities, and other infrastructure designed to benefit the community including the building of roads, the supply of electric power, gas and water. To date, investments in social infrastructures have exceeded US\$ 400 million.







Projects are made by people.

We pay tribute to the professionalism and dedication of all Kazakh workers who contribute to carrying out our ambitious and challenging projects.











Kazakhstan oil and gas industry:  
a great tradition continues







Since 2010 **eni** has been communicating with talented young people from all over the world in various disciplines.

The cover art for this brochure was created by Ola Volo, a 24-year-old Canadian illustrator from Kazakhstan with a love of nature and folklore.

She graduated from Emily Carr University with a background in illustration and design.

Her illustrations are a merge of animals, people, history and nature. Using traditional and digital media, she creates stories touching on folklore, symbolism, human nature and the little surprises of everyday life.

Photographic acknowledgements:

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We promote environmentally sound practices in our own activities and globally. This publication is printed in paper made of wood pulp from sustainably managed forests. Our distribution strategy aims at reducing our carbon footprint.

## eni at a glance

**eni** is an integrated company engaged in all the energy supply chain, active in 85 Countries.

**eni** engages in oil and natural gas exploration, field development and production, as well as in the supply, trading and shipping of natural gas, LNG, electricity, fuels and chemical products.

Through refineries and chemical plants, **eni** processes crude oil and other oil-based feedstock to produce fuels, lubricants and chemical products that are supplied to wholesalers or through retail networks or distributors.

**eni** operates in engineering, oilfield services and construction both offshore and onshore, focusing on the execution of technologically-advanced mega-projects mainly located in frontier areas and complex environments, carefully selecting business opportunities.

**eni's** strategies, resource allocation processes and conducting of day-by-day operations underpin the delivery of sustainable value to all of our stakeholders, respecting the Countries where the company operates and the people who work for and with **eni**. Our way of doing business, based on operational excellence, focus on health, safety and the environment, is committed to preventing and mitigating operational risks.

When implementing its strategy and running its day-to-day operations, **eni's** efforts are inspired by these key drivers: cooperation, integration, innovation, excellence, inclusion and responsibility. In 2013 **eni** confirmed its presence in the Dow Jones Sustainability Indices and in the FTSE4Good index.

## main figures for 2013

- Net profit: € 5,160 million
- Cash flow from operations: € 10,969 million
- Dividends paid to shareholders: € 3,949 million
- Net borrowings: € 15,428 million
- Leverage: 0.25
- Hydrocarbon reserves: 6.54 billion boe
- Hydrocarbon production: 1,619 kboe/d
- Worldwide gas sale: 93.17 bcm
- Retail sales in Europe: 9.69 mmt tonnes
- Service stations in Europe: 6,386



**eni** spa  
Piazzale Enrico Mattei, 1  
00144 Rome - Italy  
Ph.: +39.06.598.21;  
Fax: +39.06.598.221.41  
**eni.com**

**agip caspian sea** b.v.- Kazakhstan Branch  
**agip karachaganak** b.v.- Kazakhstan Branch  
Kosmonavtov Str, 62  
010000 Astana, Republic of Kazakhstan  
Ph.: +7.7172.79.28.00; Fax: +7.7172.79.28.03  
**eni.com**