

Executive Summary

This document defines main COMPANY's requirements and recommendations to Foreign Suppliers in respect of filling in and provision of the shipping documents on the stage of materials preparation for delivery/collection from the Foreign Supplier's warehouse, reflecting the condensed RK Customs Authorities requirements for shipping documents on international deliveries.

Contents

REVISION HISTORY	2
DOCUMENT VERIFICATION	3
EXECUTIVE SUMMARY	4
DEFINITIONS/ABBREVIATIONS	6
1 PURPOSE	7
2 SHIPPING DOCUMENTATION ISSUE	7
3 APPENDICES	8
APPENDIX 1: BASIC REQUIREMENTS FOR MATERIALS DESCRIPTION IN SHIPPING DOCUMENTATION	9
APPENDIX 2: RECOMMENDED PACKING LIST FORM	10

Definitions/Abbreviations

KPO b.v.	Karachaganak Petroleum Operating b.v.
COMPANY	Karachaganak Petroleum Operating b.v.
MSDS	Material Safety Data Sheet
Dispatch Note / Packing List	A Supplier's document confirming the dispatch of goods
W&MM Expediting	Warehouse & Materials Department, Expediting of Logistics & Customs Support Section

1 PURPOSE

The following instructions are designed to highlight Company's general requirements for the goods purchased abroad, with the purpose to ensure the execution of mandatory requirements of the local customs authorities.

The instructions are designed to prevent violation of the customs legislation of the Republic of Kazakhstan and to avoid delay in goods receipt at the final destination point (COMPANY WAREHOUSE).

2 SHIPPING DOCUMENTATION ISSUE

During preparation of the cargo for dispatch and also preparation of shipping documents (Dispatch Note/Packing List and Shipping Invoice), Supplier shall follow these instructions (within the frames of contractual obligations).

Supplier shall ensure documents (MSDS, Hazardous Cargo Sheets, Dispatch Note/Packing List and Shipping Invoice) are duly completed and dispatched with consigned cargo.

Supplier shall not ship the cargo to Company's nominated freight forwarder without prior agreement / approval of release by KPO b.v. W&MM Expediting

In case of delivery of oversized and bulky cargo, Supplier shall not ship the cargo to freight forwarder's depot without prior agreement of delivery date with Company or directly with Company's nominated freight forwarder. If oversized or bulky cargo cannot be shipped by one vehicle, Company reserves the right to request Supplier to provide with separate shipping documents with exact description of materials in accordance with the packages planned for loading for each vehicle. In case of EXW delivery terms (in accordance with Incoterms 2010), Supplier shall advise Company on cargo preparedness date in advance for timely and effective collection of goods from Supplier's territory. In case of bulky shipments Supplier shall agree with Company partial shipments for optimization of collection, pre-transportation, storage expenses for both parties.

Dispatch Note/Packing List shall contain no less than the following information:

- Foreign Supplier's Name and address
- Consignee's name and address
- Contract Number (and Call off, when applicable), under which the goods are supplied
- Contract Item Number (and Call off, where applicable)
- Description and specification of dispatched goods, its quantity, measurement unit (pcs, sets, kits, meters, liters, kg, etc)
- Unit price and total value of dispatched goods against the Contract (and Call off, where applicable)
- Total packages and packages numbers, type of package.
- Package dimensions and net/gross weight details for each commodity item (tariff code)
- Delivery terms (according to Incoterms 2010)
- Country of origin of the goods.
- Consignee's Freight Forwarder's Name
- Positions/names and signatures of responsible individuals from Foreign Supplier

To ensure the soonest goods release and shipment, it is recommended to include the following information as well:

- Tag / equipment number / model or brand, manufacturer (critical for goods subject to certification, also if different permits are required for import)
- Information about the quantity of the goods in each package

The Packing list in Appendix 2 is recommended one.

The original shipping documents shall be placed in a waterproof envelope. The envelope shall be put inside any package of the whole batch, the package shall be marked «Shipping documents enclosed».

Copies of shipping documents shall be handed over to Consignee's Freight Forwarder for authorization of further transportation of the received packages to the destination point (unless otherwise instructed by COMPANY).

3 APPENDICES

APPENDIX 1: GUIDELINES ON SHIPPING DOCUMENTATION ISSUE PRIOR TO SHIPPING TO RK

Below are condensed requirements of Kazakh customs for the shipping documents spread on international deliveries. They require mandatory compliance to avoid violation of RK customs legislation.

The basic requirements are as follows:

- a) Description of each item subject to shipping by Supplier shall be complete, accurate and detailed (such general descriptions as «set», «kit», usage of abbreviations, codes without detailed expansion for each separate spare part);
- b) Packages with the goods should strictly contain **only the quantity** of the goods, **stated in the contract and shipping documents**. No any deviation is allowed.
- c) Multi-component items should list individual components. E.g. «filtering equipment» should list all components : a) Filter, b) sand, c) gravel, d) etc;
- d) **Net/gross weight and value should be indicated** for each component shown as a line item on the shipping documents. It is important that values are indicated due to each commodity attracting different rates of import duty;
- e) Indicate **type of material the items is made of**, Rates of import duty depend on the type of material, e.g. steel, plastic, wood, iron, glass. It is impossible to assign correct tariff heading if the material type is unknown;
- f) **Indicate country of origin**, this also influences on following tariff customs control measures.

The table below gives examples of requirements for most frequently imported items.

BASIC REQUIREMENTS FOR MATERIAL
MATERIALS DESCRIPTION IN SHIPPING DOCUMENTATION

Commodity	Customs requirements	Example
Steel pipes	Mill test certificates / Inspection certificates to contain full information about the material to confirm duty free customs tariffs where applicable	8" seamless steel pipes for oil & gas industry (casing, tubing, pipeline) suitable for use in H2S environment, 10 mm w.t., submerged arc welded in compliance with NACE MR 01.75 standard, p.a. #, chemical composition.
Pumps	Description to show type of pumps (centrifugal, piston, number of stages, pumped media (air, liquid etc.), tech. parameters	Centrifugal single staged injection pump with following characteristics, schematic drawing attached.
Transformers	Description to show type & characteristics, power (Watt), dielectric media (liquid etc.)	Power transformer, 50kVA, liquid dielectric, schematic Drawing attached.
Electric panels & modules	Technical specification / data sheet Voltage necessary.	Electric switchboard panels 380 V; PLC controllers 220V
Electric cables	Description to show voltage, cross section, number of, presence of fittings, purpose (telecommunication, power, coaxial etc)	1000 V 3 x 5 mm cored electric power cable, PVC insulated with connectors (or without connectors)
Radio related equipment	Technical specification / data sheet	Radio telemetry system for down-hole data processing as per attached specifications
Computer related equipment	Technical specification / data sheet	Server Toshiba No... Digital data processing system c/w 3x100MHz Compaq computer, 3x14" monitors, 2 printers
Gas in cylinders	Volume to be measured in m3 provided for by HS tariff; intended usage. Cylinders must be shown as individual item with weight & value.	Oxygen in bottles for welding, pes, 0,175 m3
20/40 foot containers	Container to be shown as an individual item with weight & value	
Electric batteries	Description to show type of batteries and capacity in A/h	NiCa battery 65 A/h
Metal water or gas tanks	Description to show intended usage & capacity in litres, presence of seams, thickness of wall	Metal water seamless tank, 1000 lts with 5 mm wall thickness.
Ceramic tiles, floor carpets, plastic covering materials, wood and plywood building materials	Quantity to be measured in provided for by HS tariff	Ceramic tiles, 100 m2; PVC floor covering, 2 rolls, 100 m2

APPENDIX 2 RECOMMENDED PACKING LIST

PACKING LIST							
INVOICE No.				KPO PURCHASE ORDER No.			
DATE							
SUPPLIER (name and address)							
CONSIGNEE KARACHAGANAK PETROLEUM OPERATING BV 090300 KAZAKHSTAN, WESTERN KAZAKHSTAN OBLAST BURLINSKY REGION, AKSAI 2 FOR THE OPERATIONS DIRECTORATE				ПОЛУЧАТЕЛЬ КАРАЧАГАНАК ПЕТРОЛЕУМ ОПЕРЕЙТИНГ БВ 090300 КАЗАХСТАН, ЗАПАДНО-КАЗАХСТАНСКАЯ ОБЛАСТЬ БУРЛИНСКИЙ РАЙОН, АКСАЙ 2 ДЛЯ ДИРЕКТОРАТА ПО ПРОИЗВОДСТВУ			
KPO PO ITEM No.	DESCRIPTION OF GOODS NOTE: Here must be indicated full description of material with it's physical and technical parameters	QUANTITY OF ITEMS	UNIT OF MEASURE	GROSS WT	NETT WT	UNIT PRICE	TOTAL AMOUNT (currency)
TOTAL		0		0.00			
NUMBER OF PACKAGES							
TYPE OF PACKAGES							
TOTAL VOLUME							
WE HEREBY CERTIFY THAT THIS INVOICE IS TRUE AND CORRECT AND THE GOODS WERE MANUFACTURED IN NOTE: HERE MUST BE INDICATED COUNTRY OF ORIGIN OF GOODS							
<u>Supplier's Representative handed over the goods to the COMPANY nominated SAGA TERMINAL LOGISTICS STL LLP as per the contract :</u>				<u>The Freight Forwarder accepted the goods from Supplier</u>			

