

*By thinking about others,
we care about ourselves*



ECONOMIC IMPACT

138 Payments to the Republic

140 Supply chain

142 Local Content development

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148 Power supply



/ GRI 2-23 /

BUSINESS PRINCIPLE:
Communities

We aim to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the general wellbeing of the communities within which we work.

We build productive, collaborative and trusting relationships with government, our shareholders, our business partners, the local communities where we work and with each other.

BUSINESS PRINCIPLE:
Economic

We seek to compete fairly and ethically within the framework of applicable competition laws.

2024

SUPPLY CHAIN

385
contractors and suppliers

Contracts and contract amendments for over

US\$ **1** bln

LOCAL CONTENT SHARE IN GOODS, WORKS AND SERVICES:

65%
or
679.7
US\$ mln

PAYMENTS TO THE REPUBLIC OF KAZAKHSTAN

US\$ **2.459** bln

SOCIAL AND INFRASTRUCTURE PROJECTS

4
projects completed in the WKO

Total invested

US\$ **8.8** mln

POWER SUPPLY TO THE WKO

217.7
mln kwh

PAYMENTS TO THE REPUBLIC / GRI 207-1, 207-2, 207-3, SDG 8.1, 10.4 /

KPO performs its operations as the Operator in conformity to the terms of the Final Production Sharing Agreement (hereinafter "FPSA") executed between the Karachaganak Project shareholders and the Government of the Republic of Kazakhstan.

/ GRI 2-1 /

The Venture is financed by shareholders and all main assets built or acquired by KPO are not written off, exhausted or depreciated, considering the stipulated right of the shareholders to use the assets as per the FPSA. The FPSA envisages capitalization with regard to the debt and the capital. Accordingly, the KPO financial reporting does not contain information about the volumes of sales and results of financial and economic activities. The revenues resulting from the KPO activities are shared between the Government of the Republic of Kazakhstan and the shareholders who separately reflect information on their financial activities, including revenues, netbacks, capitalization and other in their financial reports. **/ GRI 2-6, 201-1 /**

The KPO tax regime is regulated by the Final Production Sharing Agreement and the applicable tax legislation of the Republic of Kazakhstan. In accordance with the article XIX of the FPSA the current activities under the above-mentioned agreement is not subject to corporate income tax in Kazakhstan. The corporate income tax is a commitment of shareholders or Parent Companies of KPO and is reflected in their financial reports. **/ GRI 207-4 /**

During the last few years KPO has been repeatedly recognised as the second largest tax-payer, whose contributions amount to a substantial part of the entire tax income of the state budget, in the National Reports on implementation of the Extractive Industries Transparency Initiative in the Republic of Kazakhstan.

KPO, wherever possible, seeks to build up an open dialogue and co-operative relationship with the tax authorities based on the mutual respect and transparency in order to form a favourable environment for business development and social area in West Kazakhstan Oblast. When tax benefits or tax exemptions are applicable KPO also seeks to ensure their transparency and compliance with legislative and regulatory framework.

KPO strictly follows the RoK legislation norms and fulfils its tax legal relationships in accordance with the Extractive Industries Transparency Initiative (EITI) global standard that promotes reflection of the income transparency and accountability in the oil & gas and mining industries.

On the practical plane, the KPO tax strategy consists of correct calculation of taxes, minimization of double taxation risks and prevention of any disputes with tax authorities. In relation with this, the Company's key principle is the timely payment of all taxes payable and prompt submission of all information required by the law or necessary for correct determination of taxes payable to the relevant authorities.

In accordance with Risk Management Systems (RMS) in place throughout Kazakhstan used in the planning and organisation of tax inspections, based on the tax authorities assessment, KPO was assigned a high level of risk in the first quarter of 2024, and medium level of risk of possible non-fulfilment of tax obligations to the Republic in the second, third, and fourth quarters of 2024.

For KPO, the level of risk could impact the amount of VAT return under the new VAT return rules with the RMS applied because the criteria to determine the level of tax payer's risk (low / medium / high) in the majority of cases are identical to the risk level criteria applied to confirm the credibility of the exceeded VAT return amounts.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

KPO supports the Extractive Industries Transparency Initiative (EITI) in order to ensure the transparency of revenues and the whole value creation chain in the process of natural resources management in the Republic of Kazakhstan (RoK).

In 2024, KPO paid taxes to the RoK budget in the amount of US\$ 2.459 bln (as per the exchange rate in the internal SAP accounting system) in accordance with the EITI requirements. This information is reflected in the RoK National Report on the Extractive Industries Transparency Initiative for 2024.

Information about the taxes, paid by KPO to the state budget of the RoK, is publicly available at <http://egsu.energo.gov.kz> in the section "Final report on tax and non-tax payments/contributions from the RoK oil & gas and mining payers".

KPO submits separate EITI reports on its tax liabilities to the RoK authorities from 2014. KPO payments for the period from 2014 to 2024 are represented in Table 54.

Tab. 50. KPO taxes and compulsory payments in 2014–2024 (US\$)

| 2014 | 2015 | 2016 | 2017* | 2018 | 2019 | 2020** | 2021 | 2022 | 2023 | 2024 |
|---------|---------|-----------|-----------|---------|---------|-----------|---------|-------|-----------|-----------|
| 2.1 bln | 1.2 bln | 0.369 bln | 0.746 bln | 1.9 bln | 1.6 bln | 0.971 bln | 1.6 bln | 3 bln | 2.156 bln | 2.459 bln |

Note: * Variance from the amount of 897MM published in the Sustainability Report 2017 is explained by the reflected return amount after the reconciliation of data between the payer and the beneficiary at a later stage.
 ** Starting from 2020 converting from KZT to US\$ KPO uses calculations at the moment of payment in accordance with the internal SAP accounting system and not in accordance with the RoK National Bank rate as of the end of the accounting period.



Why is it important to us? / GRI 3-3 /

KPO procurement process is challenged with economic risks, such as limited market competition, inflation, exchange rate fluctuation, increase of raw material costs and searching for alternative sources of supply of the certain categories of goods and services. In order to maximize mitigation of these risks, KPO develops technical specifications and tender requirements in a transparent and objective way to ensure market competition, applies various compensation mechanisms covering potential economic fluctuations in contract terms and conditions, and other measures to secure KPO interests as described further.



Dos Santos Silvestre Carlos Antonio
Supply Chain Director

SUPPLY CHAIN / GRI 204-1 /

Development of the Karachaganak Field implies for Kazakhstan more than just generating income and taxes from oil and gas production. This is also an establishment of long-term and strong partnerships, which is supposed to positively impact and promote economic development in the region.

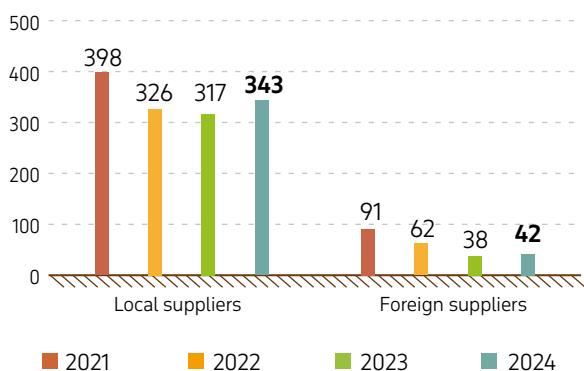
Working with local suppliers and contractors constitutes an essential part of the economic development of the region and Kazakhstan as a whole.

In 2024, KPO awarded contracts and contract amendments to 385 contractors and suppliers, nearly 89% of which were local entities.

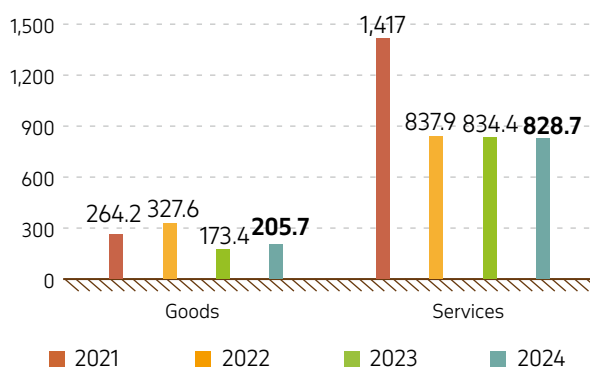
In 2024, KPO signed 220 contracts and contract amendments for delivery of goods worth about US\$ 0.21 bln and 509 contracts and contract amendments for services worth over US\$ 0.83 bln.

KPO insists on contractual relationships with suppliers and contractors, who maintain high standards and demonstrate commitment to personal and process safety when providing services or goods, as well as maintaining the set standards of ethics, compliance and sustainable development.

Graph 28. KPO contractors and suppliers, 2021-2024



Graph 29. Value of contracts and contract amendments (mln US\$), 2021-2024



KPO is committed to conducting its business ethically and in compliance with the established [Code of Conduct](#), all applicable laws and regulations. KPO insists on contractual relationships with suppliers and contractors, who maintain high standards and demonstrate commitment to personal and process safety when providing services or goods, as well as maintaining the set standards of ethics, compliance and sustainable development. These fundamental principles are incorporated in and are evaluated at every stage of the contract and procurement process until the closure of the contract. / GRI 414-1 /

KPO standard contract terms and conditions include number of provisions, which cover Ethics and Business Practices, anti-corruption and conflict of interest. Since 2022, the provisions for industrial relations between KPO and Contractors are in force in order to strengthen social responsibility of contractors and to ensure stable social environment within their own staff. Please read more in this Report in "Industrial relations".

KPO regularly update its standard terms and conditions of contracts to reflect the latest RoK legislation and KPO requirements.

KPO performs its contracts and procurement activities in compliance with the legislation and the Karachaganak Joint Operating Committee's Tender Procedures, which regulate procurement of goods, works and services for the Karachaganak Project.

Digital tools are widely applied in contractual activities. In accordance with the latest Tender Procedure since 2020 KPO has been accepting electronic documents in processing tender submissions which extensively accelerate bid processes. The Tender Procedures focus on the development of local content including goods manufacturing in the Republic of Kazakhstan by means of early tenders, trial orders, contracts in exchange of investments, conditional bid reduction, and Kazakh-only tenders. At the end of 2023 KPO successfully awarded the contract for provision of e-procurement system, implementation support, run and maintain services. This will allow KPO to digitalize procurement process and increase its efficiency. The launch of the new system is ongoing.

COMMUNICATION WITH POTENTIAL SUPPLIERS / GRI 2-29, 3-3 /

KPO uses multiple opportunities to engage with potential suppliers and contractors and presents its requirements to the local market participants

To help local potential contractors and suppliers better compete and to minimize disqualification risks for such companies, KPO conducts structured pre-tender engagement sessions. In these sessions, clear explanations of KPO tender requirements are provided to the bidders, as well as lessons learned.

Development of local producers including cooperation with internationally recognised and experienced suppliers of goods, works and services are also encouraged.

As a transparent operator, KPO annually publishes its procurement plans on its [website](#) at www.kpo.kz.

Potential suppliers interested in participating in KPO tenders are encouraged to register and keep their

"vendor's profile" up-to-date in [KPO Vendor database](#) (please see details at www.kpo.kz) or directly in Kazakhstan Unified Vendor ALASH Database. It is very important for potential contractors and suppliers to provide accurate and relevant information on their competencies and experience to be considered by KPO in its sourcing strategies.

KPO provides opportunities to companies to ask questions on the page <https://cp.kpo.kz/> on its website. The questions are directed to the responsible KPO department. There is also a tab with answers on "Frequently Asked Questions" available on this page.

KPO is actively engaged in the events conducted by Atameken, KazService, IMB Center and other oil-and-gas organisations or associations. Delivering Local Content targets is a key commitment of KPO to the Republic of Kazakhstan and is well recognized by KPO.

Why is it important to us? / GRI 3-3 /

KPO fully supports the initiatives of the Republic of Kazakhstan on development of Kazakhstani suppliers and recognises the importance of involving more domestic producers in the implementation of Karachaganak Project. For this purpose, KPO has introduced mechanisms into the procurement process to facilitate participation of domestic companies in KPO operations. At the same time, for the Company, the RoK Authority and local producers there are risks associated with quality of goods produced in Kazakhstan and increase in their production cost due to the limited market for raw materials in the Republic of Kazakhstan, as well as changing taxation system and certification requirements according to international standards.



Mukhtar Mankeyev
Vice General Director

LOCAL CONTENT DEVELOPMENT / GRI 203-2, SDG 8.1, 8.3, 9.2, 9.3, 17.7, 17.17 /

Since the beginning of the Karachaganak field development, KPO has been actively increasing the local content (LC) share in Karachaganak Project by engaging the Kazakhstani goods producers and service providers. This implies the reduction in import and increase the share of goods, services and works (GWS) of local nature in the total volume of goods, works and services procured for the Karachaganak Project.

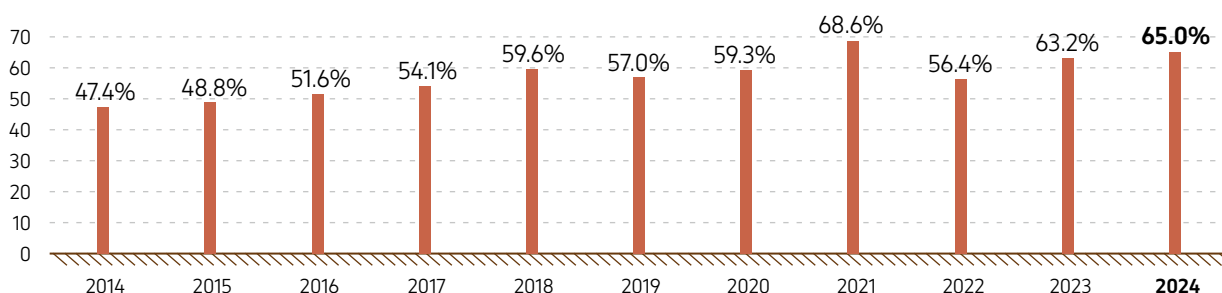
2024–2029 KPO LC Development Programme in GWS at the Karachaganak Project has been developed and approved by the JOC resolution 14/2024 on December 2024. The objectives of the Programme is in line with both state initiatives for the RoK machine building, industrialization and digitization development and KPO LC corporate policy. This Program defines

the LC development objectives and tasks, as well as the key performance assessment and monitoring indicators. / GRI 2-29, 3-3 /

In 2024, KPO LC development initiatives have led to the following results: / GRI 204-1 /

- The Local Content share in procurement of Goods, Works and Services in the Karachaganak Project for 2024 was 65.00% (equivalent to US\$ 679.7 mln) which is higher by 2% vs. planned 62%.
- Goods locally made in Kazakhstan were purchased in amount of US\$ 88.3 mln, which constitutes 42.3% of total scope of goods procured by KPO (of which 18.2% is the Local Content share as specified in the CT-KZ Certificate¹³).

Graph 30. Local Content share in total KPO purchases, 2014–2024. / GRI 204-1 /



¹³ Certificate confirming that the goods have been produced or processed in Kazakhstan. This certificate is intended for circulation in Kazakhstan, for example, when participating in the procurement of subsoil users or in public procurement.

ECONOMIC IMPACT

Since the execution of FPSA in 1997, as at the end of 2024 the cumulative share of Local Content in Goods, Works and Services in Karachaganak Project had exceeded US\$ 10.80 bln. / **GRI 204-1** /

KPO is placing major emphasis on increasing LC share in procurement of goods produced in Kazakhstan.

In 2024, 9 contracts with a total value of over US\$ 33 mln were signed for the needs of the Karachaganak Project for production of the following types of goods in Kazakhstan: electrical equipment (distribution board), valves, containers, heat exchangers, bulk materials, mechanical seals (spare parts), measurement instruments, personal protective instruments, concrete slabs, etc.

KPO is placing major emphasis on increasing LC share in procurement of goods produced in Kazakhstan.

Holding of "Kazakhstani tenders" contribute to the growth of competitiveness of local producers and suppliers. In 2024, KPO initiated 10 "Kazakhstani tenders" exclusively among local companies for the total amount of US\$ 36.9 mln. As a result, KPO awarded 1 contract to the total amount of US\$ 340 thousands. Other "Kazakhstani tenders" are in progress.

Tab. 51. "Kazakhstani tenders" initiated by KPO for 2021-2024

| Period | Initiated | | Executed contracts | |
|--------|-------------------|------------------------------|--------------------|--------------------------------------|
| | Number of tenders | Amount of the order, mln USD | Number | Total value of the contract, mln USD |
| 2021 | 12 | 50.2 | 11 | 22.2 |
| 2022 | 10 | 383.8 | 7 | 65.4 |
| 2023 | 7 | 60.5 | 2 | 8.2 |
| 2024 | 10 | 36.9 | 1 | 0.34 |

As part of the efforts to enhance the sustainable development of local suppliers in the region where it operates, West Kazakhstan Oblast (WKO), as of 2024 KPO paid US\$539.84 mln to enterprises in WKO for delivery of Goods, Works and Services, the share of local content in which reached US\$377.26 mln or 69.88%.

In addition, the Company regularly invites the WKO enterprises, including enterprises from machine building sector, to take part in market research and in tenders for delivery of Goods, Works and Services as well as to various activities organised by the Company to develop and improve the local businesses competitiveness. The results for 2024 are as follows:

Tab. 52. Share of KPO's local content in the supply of goods, works and services in WKO, 2024

| Description | Number of contracts | Number of contractors | Expenses, mln USD | Local Content share, % | Local Content share, mln USD |
|--------------|---------------------|-----------------------|-------------------|------------------------|------------------------------|
| Goods | 92 | 47 | 55.04 | 10.35% | 5.70 |
| Works | 39 | 24 | 309.97 | 65.66% | 203.52 |
| Services | 196 | 105 | 174.83 | 96.12% | 168.04 |
| TOTAL | 327 | 176 | 539.84 | 69.88% | 377.26 |

LONG-TERM INITIATIVES / GRI 2-28 /

KPO actively cooperates with "International Oil & Gas Machine Building Centre" (IMBC), which was established to support development of oil and gas goods production in Kazakhstan. In this respect, IMBC acts as a connecting bridge between the largest oil and gas Operators and machine-building enterprises of the RoK.

The primary objective of the IMBC is to promote sustainable development of oil and gas goods production in Kazakhstan and to increase local content in Operators' procurement.

The main activity of the IMBC is to analyse, forecast, propose solutions and provide technical support to the producers. Taking this into account, the capability development plans are designed by IMBC to increase capacity of domestic companies. Also, IMBC serves as a bridge between Operators and investors who express interest in localization of oil and gas equipment production in the RoK, as well as with various financial institutions and state bodies to support such investment projects. IMB Centre, together with investors develop localization plans, which are submitted to the Operators for their consideration, thus the Centre contributes to technology transfer, including that of the world's leading manufacturers of oil and gas equipment.

During the 3-year period from 2021, the IMBC continued its co-operation with local manufacturers of Goods of Commodity Groups A, B, C on development of their potential, specifically with manufacturers of valves, electrical devices and instrumentation, piping, pumps and seals, air conditioning systems and process filters, insulation materials, chemicals, HVAC equipment, PPE etc. Thus, the IMBC is currently maintaining capacity development plans (CDP) with 14 local manufacturers. Implemented CDP are considered by KPO during the vendors pre-qualification process and tenders. Also, IMBC negotiates with companies wishing to localize their activities (investment cases) in the territory of the RoK and provided KPO with 23 investment cases for analysis of demands and further consideration in its operation activities.

In 2024, the Operators agreed Commodity group D was agreed on June 2024 (Compressors; Actuators; Steel and metal materials; Workshop equipment and handtools).

KPO involves companies to participate in the ongoing tenders. As per the cooperation with IMBC, 5 contracts were awarded in 2024, such as Trial order for the provision of junction and change boxes, provision of valves, measurement instruments, electrical materials and spare parts for existing equipment including the explosion protection (ex) materials etc.

In 2024 Operators agreed to expand mandate of IMBC. The new mandate provides for the admission of new members, which will have a generally positive impact on IMBC's activities.

KPO actively participates and takes a key role in jointly conducted events, such as:

- IMBC Forum on 10-Jul'24, Atyrau;
- Open Doors' Day on 10-12 Jul'24, Atyrau (23MoU signed);
- IMBC seminar on the goods at Tengiz, Kashagan and Karachaganak on Group A, 02-Oct'24, Atyrau;
- Seminar on IMBC of commodity of category B – attended by KPO on 12th December in Atyrau.

In the frame of OEM localization activities, since the introduction of the original equipment production localization initiative in 2019, KPO has signed 16 Road Maps for localization of goods and concluded 68 contracts with Original Equipment Manufacturers for the amount of over US\$ 4,821.6 mln. As a result, in 2024 supply of high-tech OEM goods, manufactured in RoK, was performed exceeding the actual LC percent of contractual commitments:

- Personal Gas Detectors of Honeywell. Localization: 56.6% (vs. commitment 15%);
- Remote Telemetry Unit. Localization: 51.8% (vs. commitment 15%);
- Well Head Control Panel. Localization: 30.9% (vs. commitment 14%).

KPO will continue implementation of the Road Maps, which includes the attraction of additional investments.

ENGAGEMENT ON LOCAL CONTENT / GRI 2.28, SDG 17.16, 17.17 /

Recognizing the crucial role of local businesses for KPO operations, the LCD team initiated eight series of online technical awareness webinars. KPO technical experts aimed these collaborative efforts, conducted in conjunction with Contracting & Procurement and HSE departments, to bridge the gap between the company and the local supplier community.

The webinars served as a vital platform for knowledge dissemination, focusing on key aspects of the company's Local Content development strategy, procurement processes and familiarizing with technical requirements for the following type of goods such as chemicals, valves, handling and firefighting equipment, HVAC, oil filters, isolation materials, piping products and electrical equipment.

Through interactive presentations and engaging Q&A sessions, the webinars empowered local suppliers with the knowledge and tools necessary to successfully participate in company tenders and contribute effectively to LC development initiatives.

These online events, conducted throughout the year, fostered a collaborative environment, strengthened relationships between the company and local businesses, and ultimately contributed to the achievement of the company's ambitious LC goals. Representatives of more than 150 local manufacturers and foreign companies, who are interested in or have plans for localization, took part in the webinars.



SUPPORTING SOCIAL INFRASTRUCTURE

/ GRI 203-1, SDG 9.1, 17.17 /

KPO implements social and infrastructure projects in the West Kazakhstan Oblast (WKO) on the annual basis under the terms of Annex 5 to the Final Production Sharing Agreement.

A list of social and infrastructure projects is annually agreed between KPO and the WKO Akimat. The list is compiled by the WKO Akimat in line with the state priorities and considering the needs for development of the West Kazakhstan Oblast infrastructure, education and healthcare systems, as well as sports and infrastructure in the region. Further, the list of the projects is approved by the KPO Joint Operating Committee.

From the moment of endorsement KPO manages projects, including procurement processes, until the facilities are fully completed and then handed over to the balance sheet of the Republic of Kazakhstan. In cases when the projects are not completed by the year end, the unspent funds are carried over to the next calendar year. All social and infrastructure projects are performed by Kazakhstani contractors.

/ GRI 3-3 /

In 2024, the construction of two Sports and Health Centres for 320 spectators was completed in Taskala village of Taskala district and Kaztalovka village of Kaztalovsky district. The construction of

the Centres has contributed to the development of sports infrastructure as well as to the improvement of healthy lifestyle conditions for the community. The Sports and Health Centres are fitted with modern sports equipment, which allows a wide range of sport events and workouts. The Centres' buildings include specialized halls for wrestling, boxing and gymnastics, gyms are designed and suitable for basketball, volleyball and other sports competitions, as well as administrative offices. The Sports and Health Centres meet modern standards and offer comfortable conditions for sports activities.

The construction of two new Sports and Health Centres in Saralzhyn village of Kaztalovka district, WKO and in Zharsuat village of Burlin district, WKO was completed as part of a comprehensive project to cover rural community in provision of modern educational institutions, implemented jointly with the WKO Akimat.

The new schools meet all modern requirements enabling most comfortable conditions for studies. These educational institutions have been equipped with all required equipment and classrooms, including assembly hall, sports hall with separate shower rooms and toilets, training classrooms, modern canteen and administration offices. Schools are fully furnished with modern training equipment and handed over on a turn-key basis. / SDG 4.a /



Opening of Secondary school No 17 in Uralsk

In addition, the relevant equipment and personal protective equipment were purchased under the project of establishing a vocational training centre at the premises of existing public college in Aksai. The project is being implemented as agreed by the WKO Akimat with the aim of import substitution as well as training and development of local manpower for Categories 4 and 3 in-demand jobs at enterprises to increase the competitiveness of Kazakhstani personnel.

This equipment will not only train novice specialists in welding practice but will also provide an opportunity for recognition of the experienced welders qualifications. It is planned to supply consumables in 2025.

Additionally in 2024, major repairs for four schools in Uralsk, Uralsk Youth Cultural Center (House of Culture), and reconstruction of two road sections of the highway "Podstepnoye – Fedorovka – RF border were commenced."

The completion of the revegetation project on the territory of the former Berezovka and Bestau settlements, which began in 2023, was postponed to 2025 due to additional scope of work introduced according to the issued Environmental Expert opinion. The list of projects completed in 2024 is shown in Table 56.

Tab. 53. Social and infrastructure projects completed by KPO in 2024 / GRI 203-1, SDG 17.17.1 (C171702) /

| Area | Project name | Actual costs (mln KZT)* | Actual costs (mln USD)* |
|--------------------|---|-------------------------|-------------------------|
| Civil construction | Construction of a small ungraded school for 60 pupils in Saralzhyh village of Kaztalovsky district, WKO. | 793.3 | 1.7 |
| | Construction of a small-staffing school for 108 children in Zharsuat village, Burlin district, WKO. | 938.9 | 2.0 |
| | Construction of Sports and Health Centre for 320 spectators in Kaztalovka village Kaztalovsky district, WKO | 1,177.5 | 2.6 |
| | Construction of Sports and Health Centre for 320 spectators in Taskala village, Taskalinskiy district, WKO | 1,142.9 | 2.5 |
| TOTAL: | | 4,052.6 | 8.8 |

*Amounts are VAT inclusive



Sports and Health Centre in Taskala village, Taskalinskiy district, WKO

POWER SUPPLY / SDG 7.1 /

For production needs within the Karachaganak field, KPO generates electrical power at its own Gas Turbine Power Plant (further as GTPP). Generated power is transmitted to the own production units: KPC, Unit 2, Unit 3, Gathering, Eco Centre, Pilot Camp, IT&T Data Centre in Aksai, Karachaganak – Atyrau transportation system covering the oil pumping station in Bolshoi Chagan and block valve stations 1-26.

Four turbines, three of which are dual-fuelled, are installed and operating at the KPO Gas Turbine Power Plant.

In 2024, annual boroscopic inspections of turbines were carried out at the GTPP to diagnose the internal condition of the turbine sections. An inspection of the hot-gas-path of turbine No. 4 was accomplished in February. Major repairs of turbine No. 2 were carried out from October to November. The works were performed without delays, within the schedule and in good quality. Materials and spare parts were provided in a timely manner.

POWER SUPPLY TO THE WEST KAZAKHSTAN OBLAST / GRI 203-1 /

As part of the Karachaganak Field Final Production Sharing Agreement (Art.I, Section 1.1.), KPO generates and exports power to the West Kazakhstan Oblast. In average, in 2024 the capacity to satisfy the needs of the West Kazakhstan Oblast communities is circa 25 MW in winter and circa 23 MW in summer.

KPO has been exporting power to power supply organizations, such as Batys Energoresursy LLP and Aksaienergo LLP till 30 November 2023 (Aksaienergo LLP closed from 1st December 2023), which in their turn have been supplying the power to the communities and other end consumers in the West Kazakhstan Oblast.

In the course of 2024, the total volume of KPO power export to WKO was equal to ~ 217.7 mln kWh. Decrease of the power export in comparison with 2023 was due

to the planned preventive maintenance of turbines and generator in 2024. The terms and scope of planned preventive maintenance are regulated by the operating hours of the main GTPP equipment.

Supply of power and fuel gas in 2022 – 2024 is listed in Table 54.

During 2023, electricity generation was mostly based on KPO's own gas. Purchases of gas from a third-party supplier for the production of electrical energy for the needs of the region amounted to some 10.8% of the total volume of gas consumption at the GTPP. In addition to the above period, gas supplies from a third-party supplier were carried out during certain periods of unstable operation of the fuel gas production plant at section 5-339 of the KPC facility.

Tab. 54. KPO's supply of power and the fuel gas use, 2022–2024

| Description | UoM | 2024 | 2023 | 2022 |
|--|--------------------|---------------|---------------|---------------|
| Power exported to WKO, including: | mln kWh | 217.74 | 226.79 | 246.33 |
| • to Batys Energoresursy LLP | mln kWh | 21.74 | 202.74 | 220.05 |
| • to Aksaienergo LLP | mln kWh | 0.0 | 24.05 | 26.28 |
| Use of fuel gas to generate power for WKO, including: | mln m3 | 75.59 | 77.50 | 84.74 |
| • KPO gas sale to generate power for WKO | mln m ³ | 63.36 | 61.07 | 69.12 |
| • From the third-party supplier to generate power for WKO | mln m ³ | 8.17 | 16.43 | 15.62 |

POWER SUPPLY SYSTEM

The local power system at the Karachaganak Oil Gas Condensate Field consists of 110 kV power grids, which, according to lines of responsibility, are owned by three entities represented by KPO, AksaiGasPromenergo JSC and Zapadno-Kazakhstanskaya REK LLP, as well as the KPO 35 kV power lines.

As part of the current initiative aimed to develop measures to reduce accident rate and to increase

the stability of the in-field power system in order to substantially minimize production losses due to the influence of the Power grid, a specially organized working group of KPO experts have performed an analysis based on which in 2023 the work with engagement of third parties was carried out to review of the received proposals.

OBLIGATIONS TO SUPPORT OF THE USE OF RENEWABLE ENERGY SOURCES / GRI 201-2, OG2 /

KPO generates power at its own Gas Turbine Power Plant, thus our Company is classified as a contingent consumer in accordance with the Law of the Republic of Kazakhstan on Support of the Use of Renewable Energy Sources (RES).

In 2024, KPO purchased such energy in the volume of **14,858,638 kWh** worth over **KZT 650 mln.**

Contingent consumers are obliged to purchase power generated at the RES facilities in amounts proportional to their share of planned consumption in total power consumption volume of the Republic. As a responsible entity, KPO purchases appropriate scopes of the RES energy from the authorized organization "Financial Settlement Centre on the RES Support" LLP, thereby complying with the legislative requirements aimed at supporting the renewables and contributing to the Green Energy development in Kazakhstan.

In 2024, KPO purchased such energy in the volume of 14,858,638 kWh (equivalent to 53,567 GJ) worth over KZT 650 mln.

