

KAZAKHSTAN

PART THREE

Monday, May 7, 2007

The oil-rich and faithful friend Washington has longed for

Over the next few years, when an American gazes up at a new skyscraper, swings by a gas station or turns on a light—or whether shopping for a product manufactured in China, weaved in India, or innovated in California—odds are that somewhere down the line Kazakhstan's natural riches will have been a basic ingredient. Kazakhstan, a rapidly developing nation the size of Western Europe, is on the fast track toward emerging as one of the world's most important sources for raw materials, from oil and gas to metals and minerals. It has tremendous oil reserves only now coming on line and vast, largely untapped amounts of just about every conceivable natural commodity, from gold to copper to uranium.

Only recently has the world woken up to Kazakhstan's importance as the ultimate raw materials smorgasbord. With the largest recoverable crude oil reserves in Central Asia, it is steadily moving toward becoming one of the top ten oil and gas producers in the world—the country will produce more than three million barrels a day by 2015. A single Caspian oil deposit, the Kashagan oil field, is the largest field outside the Middle East, the fifth largest oil reserve in the world and was one of the biggest oil discoveries on the globe in the last 30 years.

Already a significant energy provider, Kazakhstan is on the brink of entering the oil and gas big league, a transformation with profound implications for a global economy eager to loosen its dependence on the Middle East, as well as greatly anticipated by the country's striving citizens. In the 16 years since its emergence from the break up of the Soviet Union, the country has become central to a brighter future in global energy security.

Oil is famous for living in volatile, feverish



KAS TRANS OIL

Kazakhstan is on the fast track to becoming one of the world's most important sources for raw materials, from its extensive oil and gas reserves to metals and minerals.

places. Not so with Kazakhstan, a country that first entered the world's consciousness in the early 1990s when its President, Nursultan Nazarbayev, volunteered to totally dismantle Kazakhstan's huge arsenal of nuclear weapons inherited from the Soviet era.

Since then, President Nazarbayev has nimbly formulated a national energy policy that serves as a force for global stability rather than undermining it, introducing what he calls a "multi-vector" strategy that embraces investors and customers from all over to participate in the nation's oil wealth. In a world where many energy-rich nations have used their oil to favor one region over another or to promote a particular political agenda, Kazakhstan

has sought a tight partnership with both east and west. A telling example: it is a major partner in the new Baku-Tbilisi-Ceyhan pipeline, or BTC, built by Chevron that sends oil from the



**BAKTYKOZHA
IZMUKHAMBETOV**
Minister of Energy

Facts & figures

► MAJOR OIL&GAS PORTS:

Aktau Seaport, Atyrau, Kuryk Port

► MAJOR OIL&GAS FIELDS:

Kashagan, Karachaganak, Aktobe, Kumkol

► MAIN REFINERIES:

Pavlodar, Shymkent, Atrrau

► PRESENCE OF OIL INDUSTRY

MAJORS: Chevron, Total, CNPC, BG Group, Lukoil, ExxonMobil, Shell, ENI

► CURRENT GAS RESERVES:

65-100 trillion cubic feet

► PROJECTED GAS RESERVES:

5 trillion cubic meters by 2015

► CURRENT OIL PRODUCTION:

1.29 million barrels per day

KAZAKHSTAN

Project directed and coordinated by:
Michael Artacho
and Eleanor Legge-Bourke

Continued on next page

KAZAKHSTAN

Continued from previous page

Caspian through Turkey to the Mediterranean.

While Kazakhstan faces challenges in overcoming a lack of corporate transparency and elements

of corruption, the World Bank has recently named it as one of the top 20 most attractive nations for foreign investment "mainly due to the fact that the government has created the legislative and regulatory environment that enables compa-

nies to invest on reliable and stable terms," says Baktykozha Izmukhambetov, Kazakhstan's Minister of Energy & Mineral Resources.

But within Kazakhstan's labyrinth of oil-related international partner-

ships, the connection to the United States has played a key role. To date, the U.S. is the largest investor in Kazakhstan and an important trading partner. Last year bilateral trade amounted to almost \$2 billion. Almaty's consistent development policy based on three priorities- infrastructure, education and innovation and technology- has enabled the country to receive some \$50 billion in foreign investment over the last 16 years, with a third coming from the U.S.

"From the very inception of our economic reforms, American investments, financial resources, technology and research-related developments have been the foundation of our way forward," said President Nazarbayev, who has presided over an astonishing economic growth year-over-year of 10% during the last five years.

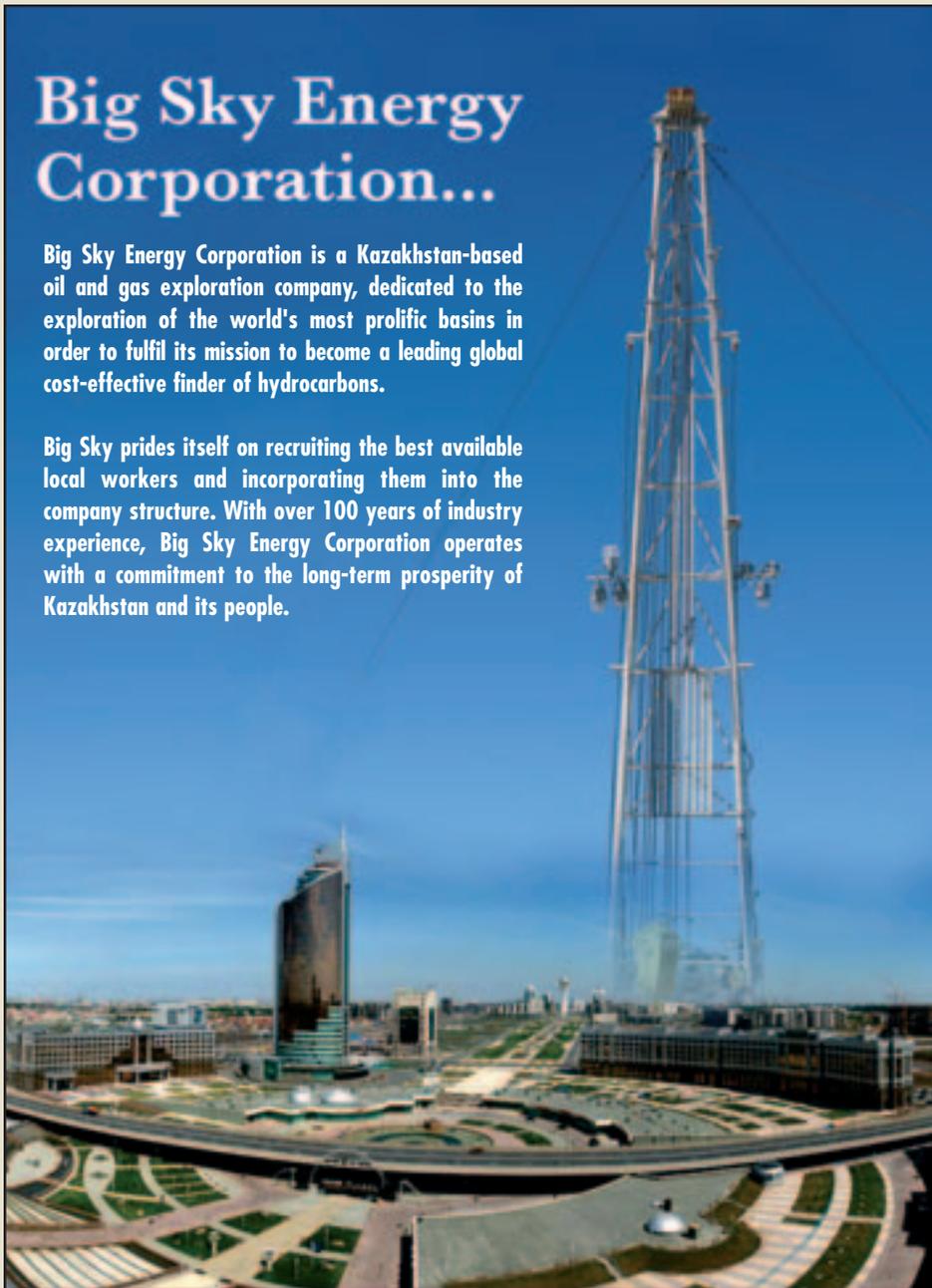
"The U.S. has ambitious objectives here", echoed Jambulat J. Sarsenov, General Director of KazEnergy, an association which is a shining example of the country's innovative energy policy. KazEnergy brings together 29 oil and gas companies operating here, irrespective of their status, be they national, private or international with the common aim of creating a cohesive, forward-looking framework for oil extraction. "The common cliché of the oil industry as entailing a certain degree of risk and a difficult extraction environment does not reflect the reality here," says Mr. Sarsenov, referring to the special challenges involved in extracting oil from the shallow waters of the Caspian Sea.

"Today," he adds, "the oil industry is an advanced sector that raises significant amounts of revenue. KazEnergy's priority is to invest this money into the development of cutting-edge and environmentally-friendly technologies that will have an impact not only on the oil and gas sector but also on a wide range of other, non-related industries."

Big Sky Energy Corporation...

Big Sky Energy Corporation is a Kazakhstan-based oil and gas exploration company, dedicated to the exploration of the world's most prolific basins in order to fulfil its mission to become a leading global cost-effective finder of hydrocarbons.

Big Sky prides itself on recruiting the best available local workers and incorporating them into the company structure. With over 100 years of industry experience, Big Sky Energy Corporation operates with a commitment to the long-term prosperity of Kazakhstan and its people.



www.bigskycanada.com

Big Sky

Read this supplement on our website:
www.universalnews-us.com/kazakhstan3

Produced by Universal News Inc. For further information contact Virginia Cortavitarte, Universal News Chrysler Building - 132 East 43rd Street, Suite 317, New York, N.Y. 10017 Phone: +1 (212) 286 1706

KAZAKHSTAN

Big Sky: highly capitalized and with a wealth of expertise

With just a few years under its belt, Big Sky Energy Corporation is already reaping the rewards of their work, and they're just getting started

The phrase "Big Oil" is redundant with interpretation during this era of change in the energy market and the public's attention is increasingly placed on the industry. Indeed, many oil companies are big, and they have come to Kazakhstan to develop the country's astonishingly promising hydrocarbon fields.

Oil may be big, however, the oil industry relies on smaller, nimble and independent companies to enter the sector. Their entry revitalizes and reinvents the business, providing challenges to old problems and taking on tricky niches that the big players don't deem profitable— or profitable enough.

Here, too, Kazakhstan is represented. Take Big Sky Energy Corporation which, in just a few short years focusing almost exclusively on Kazakhstan's reserves, became highly capitalized. The company reached agreements with partners to develop three blocks in Kazakhstan's Caspian region, including the 75 square kilometer (29 square miles) Morskoe Block located on the northeast shore of the Caspian Sea only ten kilometers (6.2 miles) from Kazakhstan's mammoth and largest-producing Tengiz oil field.

Morskoe represents around 80 million barrels of recoverable reserves, "certainly something to get excited about. According to numerous analysts we have been



Big Sky, which is currently operating in the renowned pre-Caspian and Jungar Basins, is on its way to reaching its goal of becoming a leading low-cost finder of hydrocarbons.

very successful in finding oil where and when we said we would. This is one thing we know how to do," says S.A. Sehsuvaroglu, former President and CEO of Big Sky. He calls Big Sky his "swan song" after over 27 years of oil and gas expertise accumulated throughout a career at Halliburton Energy Services, its engineering division Kellogg Brown & Root, and Nelson Resources where Mr. Sehsuvaroglu oversaw production, which climbed from a volume of zero all the way to 40,000 barrels per day.

A priority for Kazakhstan's President Nursultan Nazarbaev from the beginning of his tenure as head of an independent nation has been to aggressively direct foreign oil companies to hire, train and promote local citizens. Mr. Nazarbaev has advocated for his citizens' participation in the oil sector to be re-

flected up to the executive suites—a vital political position that is surprisingly, and shockingly rare among emerging petrol-rich states.

Big Sky has responded proactively and vigorously:

"It is vitally important to have Kazakh citizens working within their country's oil industry," says Mr. Sehsuvaroglu. "In the old days there was a double standard in the industry whereby Americans overseas got paid more than their counterparts in whatever country in which they happened to live. Also if you sent a Frenchman or a British citizen to the U.S. they didn't get paid as much as their American counterparts. I always found this strange and unjust so when I had the chance I actually broke the bank on that one. The people that work here in Big Sky get paid for their skill sets regardless of their nationality. We pay extremely attractive and competitive rates; this is something which helps make Big Sky a rewarding place to work."



S.A. SEHSUVAROGLU
Former President and CEO
Big Sky Energy Corporation

Turning a problem into a profitable opportunity

Kazakhstan's rapid development has produced remarkable gains across the nation-building spectrum, from political advances to financial windfalls. In Kazakhstan, progress is incontrovertible. In Almaty, the country's bustling commercial capital, roads once bereft of cars are now choked with high-end European imports. In Astana, world-class architecture is creating new marvels in steel and glass.

But progress is rarely without detours; those crowded Almaty roads have some bumps and those new buildings sometimes fail to glitter. Likewise, Big Sky's experience in Kazakhstan has occasionally stumbled. A former employee once tried to defraud the company of a major drilling block, and the company has also faced some budgetary-related difficulties. Both these issues have been overcome, however, and in the process Big Sky did what business schools like to commend: turn a problem into an opportunity for innovation. In this case, recovering the block allowed for new seismic investigations "which helped us save millions of dollars," said S.A. Sehsuvaroglu, President and CEO of Big Sky. "We also brought in some new ideas and techniques in terms of re-processing and exploration."

KAZAKHSTAN

Business talks for mutual benefit: Washington and Astana

Kazakhstan is not a convenient pit stop for American travelers. Yet again and again, American political luminaries have made the long trek to the Central Asian nation. Last year, Vice President Dick Cheney, Secretary of State Condoleezza Rice and former President Bill Clinton all dropped in to affirm a strategically vital relationship that has been forged by shared values and a commitment to a mutually beneficial energy policy.

Last September, President Nursultan Nazarbayev returned the favor, visiting the White House. It was no secret that energy strategy topped the agenda.

That's a lot of talk for one year. But then, Kazakhstan has a lot of oil, as the actual production of over 1.2 million barrels per day is only a fraction of the expected future output, and moreover, it is one of the few countries that have both huge proven reserves and an

avowedly US-friendly foreign policy.

As Washington is turning to countries outside the rupturing Middle East and other hostile OPEC member states such as Venezuela, Kazakhstan is positioned to play an increasingly strategic role providing the U.S. with a meaningful, alternative source for oil.

A clear indicator of Washington's growing interest in Kazakhstan is the amount of investment pouring into the country's economy.

"American investment has been a key driver in the economic growth, leading to job creation, increased state revenues, and the transfer of valuable technology," says U.S. Ambassador John Ordway at a recent oil industry conference, adding: "For their part, American energy companies implement industry-leading safety and environmental standards and contribute to the local communities where they reside."



KAZ TRANS OIL

The national oil titan

By 2015 KazMunaiGaz is aiming to reach 3 million barrels per day and has set even higher prospects once infrastructure is improved

Every country needs a national narrative. Here, the storyline repeated by everyone begins in the early 1990s when the country first opened its vast oil fields to foreign partners who brought badly needed expertise to the struggling oil producers. Sixteen years after independence, however, Kazakhstan's oil sector has come into its own. Increasingly, the country is producing legions of homegrown engineers, geologists and other industry specialists. Many of these professionals gravitate toward Kazakhstan's premier, blue chip oil company, KazMunaiGaz, the national titanic oil and gas corporation.

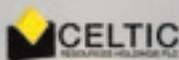
The KazMunaiGaz (KMG) Group of Companies accounts for 8 percent of the country's total GDP. This year the company plans to produce 62.5 million tons of oil. "We are actually ready to produce much more, but in order to do so we need to improve the infrastructure of the oil and gas sector," explains Zhakhsybek Kulekeyev, First Vice President of JSC NC KazMunaiGas.

By 2010 the company will bring total production to 2 million barrels a day and in 2015, the aim is to reach 3 million barrels. "The increase in

production will need huge investments to build the infrastructure required," says Mr. Kulekeyev, who oversaw the company's 40 percent flotation on the London Stock Exchange, the largest in Kazakhstan's history, which raised \$2 billion.

KazMunaiGaz is also taking a leadership role in building Kazakhstan's own energy security. Through its transportation subsidiary, KazTransOil, the company plans to link a pipeline between the eastern half of the country, where much of the oil is located, with the western half, where most of the population lives. Connecting Kazakhstan is no small task as it is the ninth largest country in the world. A second large-scale project for KazTransOil is the construction of the Eskene-Kuryk pipeline that will service the giant Kashagan oilfield, now being developed by an international consortium including, among others, Agip, Shell, ExxonMobil and Total.

According to Mr. Kulekeyev, "The most interesting projects for future investors are in the Caspian offshore sector," where KazMunaiGaz has a leading role. Apart from its oil resources, the Caspian area has "a colossal potential for tourism," according to Krymbek Kusherbayev, Governor of the Mangystau Region, who adds: "I believe it will one day look like the modern United Arab Emirates."



KAZAKHSTAN THE ELEMENT OF OUR SUCCESS

Celtic Resources is a foundation investor in the Kazakhstan gold industry, with operating mines at Suzdal and Zherek. With the recent acquisition of Eureka Mining Plc, Celtic has added to its assets a 50% interest in the Shorskoye Molybdenum mine in Kazakhstan and two large copper deposits in Chelyabinsk, Southern Russia. Our attributable resource base now exceeds 4M oz of gold, 2.3M tones of copper and 22M lbs of Molybdenum.

CELTIC RESOURCES IS LISTED ON THE LONDON AIM MARKET (CER)

Hatfield House, 1st Floor, 82/84 Stamford Street, London SE1 1LX
t: +44 (0) 207 921 8800 f: +44 (0) 207 921 8801
e: londonoffice@celticresources.com | w: www.celticresources.com

KAZAKHSTAN

Oil and gas company finds success abroad

Max Petroleum PLC goes to Kazakhstan to explore one of the world's richest oil and gas basins

Globally, the oil industry has become increasingly a government affair. According to a recent Rice University study, 77 percent of the world's 1.15

trillion barrels of proven reserves are in the hands of national oil companies, while 14 of the 20 largest oil-producing companies are state-owned or controlled. Some big oil producing states, such as Saudi Arabia, exclude foreign oil and gas companies altogether.



STEVE KAPPELLE
CEO of Max
Petroleum

In contrast Kazakhstan has welcomed foreign players to the table, encouraging their entry into the country's lucrative and emerging oil and gas sector. This has created opportunities for enterprising young companies to participate in the exploration and development of

one of the most prolific hydrocarbon basins in the world.

Max Petroleum is a regional success story, having secured a strong local partner and licenses to explore four onshore blocks in the Pre-Caspian basin. It listed on the London Stock Exchange's Alternative Investment Market in

October 2005 at \$0.70 per share and has more than quadrupled in value since its initial public offering (IPO). "The market has recognized that we have assets with incredible growth potential and have assembled a highly-qualified management team to tap into that potential," said Steve Kappelle, the company's CEO and Australia's Honorary Consul in Kazakhstan.

While investor attention has eluded Kazakhstan in the past, Mr. Kappelle says the country's low profile is history. "The country has risen remarkably quickly to prominence in London and the U.S. as an attractive emerging market for investors, combining vast mineral resources with a stable political and regulatory environment."

The company's strategy, explained Mr. Kappelle, is to "have a portfolio approach combining lower cost shallow and intermediate drilling to provide early production, revenue and cash flow, with a deep exploration program to test prospects with multiple billion barrels of reserve potential."



Max Petroleum is taking full advantage of Kazakhstan's well-developed infrastructure and excellent hydrocarbon potential.



UNLIMITED HORIZONS

Max Petroleum Plc is an independent oil and gas exploration and production company with operations in the Republic of Kazakhstan, including four onshore blocks covering 3.4 million acres in one of the most prolific hydrocarbon basins in the world.



MAX PETROLEUM PLC

London Office
Second Floor, 22 Conduit Street,
London, W1S 2XR, United Kingdom
Tel: +44 20 7355 9590 Fax: +44 20 7495 3501
E-mail: info@maxpetroleum.com
www.maxpetroleum.com

Almaty Office
Fourth Floor, 32 'A' Manasa Street,
Almaty 050008, Republic of Kazakhstan
Tel: +7 3272 378 382 Fax: +7 3272 378 381

KAZAKHSTAN

'Another hundred years of prosperity'

The Shell Companies have a surprisingly long history in Kazakhstan, as the firm drilled its first well there a hundred years ago. Martin Ferstl, Country Chairman of the Shell Companies of Kazakhstan, discusses the company's current operations.



MARTIN FERSTL

Country Chairman of the Shell Companies of Kazakhstan

How has Kazakhstan become one of the most exciting destinations for investment in global oil and gas markets?

Kazakhstan has been an oil province for a century, and in fact Shell drilled its first well in 1907 in the Atyrau region. Accordingly it is a country where oil has a history. This industry really took

off in the last 15 years thanks to the government's firm commitment to invite foreign investors to help develop the country's natural resources. Today the proven reserves exceed 13 billion barrels and there is probably the same amount of oil reserves that are not yet proven according to the American

Geological Survey. Natural gas also has tremendous potential. Thus, the resources here guarantee that the country can look forward to another 100 years of strong economic activity.

What are some of the steps that Shell has taken to active-

ly protect the delicate environment on and near the Caspian Sea?

We make absolutely sure that our facilities are entirely cleaned up from old leftovers, we make sure that contaminated waste is safely stored and de-contaminated before it is disposed of and we have a program of ensuring that the integrity of the production facilities is always up to scratch. Also staff training and development is very important.

How would you describe Shell's overall commitment towards developing the potential of the people of Kazakhstan?

We have a firm commitment to sustainable development, in performing socially to aid in Kazakhstan's development. We are keen on designing social investment programs for the long-term, maximizing technology transfer and generating employment for the local communities.

PM Lucas Ltd. champions education and innovation

PM Lucas Enterprises Limited's roots reach far back. In 1901 Captain Anthony Francis Lucas developed what is today the renowned "Lucas Spindle Top" gusher, a technique based on salt extraction that basically "re-solved all of the basic principles in drilling and have not been changed for over 100 years. Drilling technology has improved but the core principles are the same," explains the General Director, Pavle Matijevic, who is a leading researcher in reservoir extraction.

The company is no longer a man with a drill bit, PM Lucas is a multidisciplinary group of engineering and service companies active in the oil, gas and civil construction sectors, and with 70 different projects in Kazakhstan.

The oil industry, predicated on future returns, is famous for

its congenital optimism. In fact, Mr. Matijevic sees human resources as the only constraint on growth, saying, "The biggest problem for the oil and gas industry is that young people do not study petroleum engineering any more." PM Lucas is currently financing the education of 71 students in Kazakhstan.

For the company, the nation's competitive advantage in the industry boils down to political stability and an educated workforce.

Mr. Matijevic has said, "I think that success in life is due to education. Kazakhstan is number one in this throughout the whole region. For this reason I believe that Kazakhstan will achieve not only its target of producing 3.5 million barrels of oil by 2015, but I believe it will also achieve every goal that it sets out to reach."



PAVLE MATIJEVIC
General Director
PM Lucas
Enterprises Ltd.

There is only ever one outcome:

PROBLEM SOLVED

Lucas Engineering Solutions
for the Oil & Gas Industry

113 Baytursinov str. Almaty Kazakhstan tel. +7 3272 501222 fax +7 3272 501221

www.pmlucas.com

KAZAKHSTAN

Kazakhmys consolidates leading position in global metals market

Headquartered in London and with offices in Kazakhstan and Germany, Kazakhmys plc has a truly international perspective. Employing 66,000 people, it is the largest refined copper producer in Kazakhstan, and ranks tenth in an extremely competitive global market.

Profits in 2004 were \$441.3 million, which is indicative of the company's strength and the vast natural resources Kazakhstan has to offer. Kazakhmys' principal activities are the mining, processing, smelting and refining of A-grade copper products, as well as zinc, gold and silver. "Kazakhstan's land mass is five times bigger than France, so there is still significant room for further developing



PHOTO: KAZAKHMYYS

Kazakhmys is the world's tenth largest producer of refined copper in a highly competitive global market conducted by growing demand.

our potential," explains Vladimir Kim, the Chairman of Kazakhmys.

Kazakhstan's position, economically and geographically, is ideally suited to the burgeoning refined metals industry. The extreme interest of the lucrative Chinese market and a year-on-year increase in global demand confirms Kazakhmys' leading position. In 2004, the company acquired MKM of Germany, a leading producer of copper tubes and coils,

providing a vital European outlet. "The mining industry in Kazakhstan is more than 70 years old," explains Mr. Kim, "and it was, and still is, the driving force behind our economy. The boom in mineral prices at the moment makes it a very good time for foreign investors to come here."

Fresh opportunities abound across Kazakhstan. The Aktogay project in the Balkhash region alone has copper reserves totaling 1,594

million tons. Further mines in Zhaman-Aybat and Artyemyevskoe are expected to begin production this year, augmenting processing capacity.

Kazakhmys has embraced regulations to limit and eventually eradicate harmful emissions and actively pursues a rehabilitation strategy, returning production areas to their natural state once reserves have been exhausted.

Celtic Resources brings new technologies to mining sector

The mining industry has only scratched the surface of Kazakhstan's mineral potential.

Literally.

Kazakhstan is considered one of the world's most promising sources for just about every mineral and metal valued in today's economy. But the country is also thickly veined with "blind deposits"—vast reservoirs of valuable raw materials that have yet to be discovered let alone exploited. A former Soviet State, Kazakhstan's mining potential has never been fully mapped by high-tech technologies.

The potential for excavating Kazakhstan's blind deposits is what excites Kevin A. Foo, Managing Director of Celtic Resources Holdings PLC. Mr.

Foo has 35 years of experience in the mining industry, yet Kazakhstan, he says, presents an entirely new and challenging opportunity to bring new technologies, such as new oxidation techniques that allow for far better recovery of gold and a technique called BIOX that was spearheaded by Celtic, to one of the most dynamic mining economies in the world. "We are quite proud that Celtic Resources has been an innovator and implementer of new technologies in Kazakhstan," says Mr. Foo. "We are looking at a major consolidation phase in the industry. We expect and intend to lead this integration right through the region."



Hard work, acumen and expertise

have made Kazakhmys PLC a flagship company in the mining sector and a leading copper producer in Kazakhstan. Successfully listed on the LSE and among the big players in the FTSE 100, we are determined to build upon our already stellar reputation, and it's precisely this global thinking of ours that is making us a leader on the world stage.

Becoming a world player

www.kazakhmys.com

KAZAKHSTAN

Where others see adversity, Caspian Services sees opportunity

Since its inception in 1998, the Nevada-registered oilfield services company has provided a wide array of reliable, bankable solutions in one of the energy industry's most challenging regions - the North Caspian.

"Our business model is quite simple really," says Laird Garrard, Caspian Services President and Chief Executive Officer. "We base it on the fact that there is very little infrastructure or equipment in place."

Caspian Services has carved out a niche as one of the leading providers of diversified services to some of the biggest players in Kazakhstan's oil and gas industry, such as Saipem S.p.A., Veritas Caspian and in particular Agip KCO, the consortium developing Kashagan, the largest oil development project in more than three decades.

Kashagan is unique in the annals of the petroleum industry. Not only have the oil multinationals and their contractors

for the most part had to start from scratch, but they have had to do this under some of the most difficult environmental, logistical and technical conditions.

The usual approaches do not apply. Artificial islands replace deep-sea rigs since the waters are often as little as one meter deep. Goods can be transported only during the few months when the sea is free of ice. Not one drop of sewage can be released into the environmentally delicate region.

Seismic testing is only permitted during periods when local endangered species such as seals and sturgeon are not breeding.

Adding to any service company's headaches is the fact that the Caspian is a landlocked sea where even the smallest of components must be shipped in over thousands of kilometers.

Caspian Services has cracked these problems with methods that are as elegant as they are dependable - using for example "TODO" fittings, taken from Formula One racing, to assure zero-discharge of waste water. The average Caspian Services

vessel has 20-30 of these fittings.

In fact, Caspian Services has not just persevered- it has greatly expanded its services portfolio. The company started out with maritime logistics and now boasts an expansive fleet of shallow water vessels, ideally suited to operate in the North

Caspian, as well as multipurpose utility crafts, tugboats, survey vessels and multicat workboats.

In 2004 the company purchased TatArka LLP and acquired a controlling interest in Kazmorgeophysica, two local providers which allowed it to branch into onshore and offshore seismic and geophysical surveys.

Today the up-and-coming company is poised to launch the \$70 million Atash Marine Base,

a marine loading facility in Bautino on the Caspian's northeast shore.

Caspian Services hopes the facility- with jetties, water and fuel service stations, loading and storage facilities and transit berthings- will service not only its own vessels when it is completed in 2007, but much of the sea traffic in the region.

However, none of this would have been possible, explains Mr. Garrard, if Kazakhstan were not the attractive investment climate it is today.

"We felt that the governance situation, the stability, the margins and the overall economic

conditions were right," he says. "I believe Kazakhstan is way ahead of the pack."

And the best is yet to come. Despite the company's considerable successes to date, Mr. Garrard says that he still considers Caspian Services to be a start-up, given the tremendous opportunities for expansion that are just about to explode in Kazakhstan's oil and gas sector.

"What we have done is to put in place the key infrastructure and the right team to really gain from the growth that is definitely about to happen," Mr. Garrard states.



LAIRD GARRARD
President and
Chief Executive of
Caspian Services

CASPIAN SERVICES INC.
www.caspianamericas.com

SEISMIC SERVICES

MARINE SERVICES

No problems Only solutions