

OIL & GAS TRADE MISSION
Atyrau, Kazakhstan
April 7-11, 2009

MISSION DESCRIPTION

The United States Department of Commerce is organizing a three-day industry-specific Oil & Gas Equipment and Services Mission to the 8th North-Caspian Regional Exhibition (Atyrau Oil & Gas) April 8-10, 2009. Organized by the International Trade Administration's Energy Team and the U.S. Commercial Service office in Almaty, the mission will include representatives from a variety of U.S. firms specializing in the following product areas: offshore/onshore oil and gas drilling and production equipment; turbines, compressors and pumps for pipeline applications; measurement and process control equipment for pipeline applications; industrial automation, control and monitoring systems for refineries, gas processing and petrochemical plants, seismic processing and interpretation, petroleum software development, sulfur removal and disposal technologies, well stimulation, field abandonment services. These mission participants will be introduced to international agents, distributors, and end-users whose capabilities and services are targeted to each participant's needs.

Participants will have an opportunity to meet with major international exploration & production companies and integrated service providers operating in Kazakhstan. The mission will also include matchmaking with potential local partners, visiting sites of commercial interest and visiting the 8th North-Caspian Regional Exhibition. We hope to attract 8-15 U.S. company representatives responsible for their corporate activity in Eurasia.

COMMERCIAL SETTING

Kazakhstan has the Caspian Sea region's largest recoverable crude oil reserves and accounts for approximately two-thirds of the roughly 1.8 million barrels per day (bpd) currently being produced in the region. The Government of Kazakhstan and foreign investors continue to focus heavily on the hydrocarbons sector, which so far has received approximately 60% of the estimated \$58 billion in foreign direct investment in Kazakhstan since 1991, and makes up approximately 53% of its export revenue. Existing oil extraction sites offshore in the North Caspian, combined with onshore fields currently under development, mark Kazakhstan as a potentially major near-term oil exporter. Already its oil production has reached 1.4 million bpd, with daily output expected to total 2.6 million bpd by 2015. As a result, foreign investors are increasing their focus in its energy infrastructure, including oil transportation routes such as the Baku-Tbilisi-Ceyhan pipeline.

Oil industry sources estimate that Kazakhstan could eventually attract up to \$140 billion of foreign investment in its oil infrastructure. Industry experts and the U.S. Commercial Service in Almaty estimate that the current market for oil and gas field equipment and services will grow to \$6.8 billion in 2008, and will continue growing at 15-30% annually over the next three years. Kazakhstan as yet has no experience in offshore production and operations. This experience gap offers many opportunities for U.S. service companies in rig work, support infrastructure, and environmentally sensitive technologies. The Caspian Basin's oil-bearing formations are generally quite deep (15,000 feet), under considerable pressure, and often contain a high degree of sulfur and other contaminants, making special drilling and processing equipment necessary. Additionally, U.S. oil and gas field equipment suppliers have the potential for solid growth over the next decade as new fields are brought on-stream and secondary recovery methods are introduced to existing deposits.

Kazakhstan's oil and gas market provides excellent opportunities for U.S. companies within the following product areas:

1. Oil and Gas Well Development
2. Field Operation

3. Offshore Oil and Gas Exploration/Exploitation Equipment
4. Gathering, Treatment, Transportation and Storage of Oil, Petrochemical Products and Natural Gas
5. Pumps, Fittings and Valves
6. Gas Detection and Monitoring Systems
7. Oil and Gas Field Chemicals
8. Pipeline Construction Equipment
9. Pipeline Corrosion Controls

8th North-Caspian Regional Exhibition

The 8th North-Caspian Regional Exhibition is an annual three-day exhibition that brings together over 140 international companies involved in every aspect of the oil and gas sector. The event, which in 2007 attracted over 3,500 industry specialists from more than 30 countries, can serve as an excellent vehicle for U.S. firms wishing to promote their goods and services in Kazakhstan.

MISSION GOALS

The mission will assist representatives of American companies responsible for business activity in Eurasia with their efforts to identify profitable opportunities and new markets for their respective U.S. companies and to increase their export potential. The summary of results expected from the mission includes finding potential partners, agents and distributors, joint venture partners, and provide market knowledge for future expansion.

MISSION SCENARIO

Applications received after February 1, 2009, will be considered only if space and scheduling constraints permit.

MISSION TIMETABLE

Tuesday, April 7, 2009

This day will allow firms to arrive into Kazakhstan and meet with other mission members. CS Almaty staff will provide a country briefing and review the mission agenda.

- Arrive Atyrau
- Country Briefing and Mission Overview
- Amcham Sundowner Networking Reception

Wednesday, April 8, 2009

This day will be dedicated to providing market knowledge and “how to” information from experienced firms that have been operating in the market for several years, as well as the project operators. Meetings may include:

- Agip KCO
- TengizChevroil
- Halliburton
- Parson Fluor Daniel
- Baker Hughes
- Schlumberger

Thursday, April 9, 2009

This day will be dedicated to meeting local firms that can serve as agents, distributors or partners. All matchmaking meetings will take place at the hotel or at the trade show.

- Visit to the Atyrau Oil and Gas Exhibition floor
- Matchmaking Meetings
- Mission Networking Reception

Friday, April 10, 2009

This day will be dedicated to follow-up with firms that are attending the exhibition and have demonstrated interest in meeting with mission participants via the U.S. Trade Mission Catalog Booth. We will also hold a half-day seminar that will allow mission members to make presentations on their firms.

- Mission seminar for local companies and suppliers.
- No-host Mission wrap up dinner.

Saturday, April 11, 2009

- Depart Atyrau

PARTICIPATION REQUIREMENTS

All parties interested in participating in the Commercial Service Oil and Gas Trade Mission to Atyrau, Kazakhstan must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 8 and a maximum of 15 companies will be selected to participate in the mission from the applicant pool. U.S. companies already doing business with Kazakhstan as well as U.S. companies seeking to enter Kazakhstan for the first time may apply.

Fees and Expenses:

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee will be \$3,800 for a small or medium-sized enterprise (SME)* and \$6,250 for large firms. The fee for each additional firm representative (SME or large firm) is \$300. Expenses for travel, lodging, most meals, and incidentals will be the responsibility of each mission participant. Delegation members will be able to take advantage of Embassy rates for hotel rooms

Conditions for Participation:

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service.

Selection Criteria for Participation: Selection will be based on the following criteria:

- Suitability of the company's products or services to the Kazakhstani oil and gas equipment and services market
- Applicant's potential for business in Kazakhstan, including likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the mission

* An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see http://www.sba.gov/services/contracting_opportunities/sizestandardsttopics/index.html). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including posting on the Commerce Department trade missions calendar -- <http://www.ita.doc.gov/doctm/tmcal.html> -- and other Internet websites, publication in domestic trade publications and association newsletters, direct outreach to internal automotive clients and automotive distribution lists, posting in the Federal Register, and announcements at industry meetings, symposia, conferences, and trade shows.

Recruitment for the mission will begin immediately and conclude no later than February 1, 2008. The mission will open on a first come first served basis. Applications received after February 1, 2009, will be considered only if space and scheduling constraints permit.

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