

## Kazakhstan's offshore industry

Most of Kazakhstan's present oil production comes from onshore reserves in the west. Almost all of the world's largest oil and gas companies have a presence in Atyrau, the country's oil and gas capital. More well-known oil and gas deposits are also located in the area around the city of Aktau on the Mangistau Peninsula on the eastern shore of the Caspian Sea, and around Aksai in the north, close to Russia.

However, the most famous, and probably the largest, is the North Kashagan formation, discovered only a few years ago. With estimated reserves of up to 12 billion barrels, this deposit is believed to be the world's largest offshore discovery in the past 30 years. Interest in this project is amplified by its strategic location in what is known as the East-West Energy Corridor. The North Kashagan field is now being explored by Agip KCO, a subsidiary of ENI S.p.A. of Milan, Italy. An agreement was reached in February 2004 with the Government of Kazakhstan that production, originally planned for 2004, could start in 2008.

Most onshore deposits in Kazakhstan have been in production for a number of years. To increase oil production, the government has introduced a new program to exploit the still-untapped offshore fields in the northern Caspian Sea. The Program for the Development of the Caspian Sea region, announced in June 2003, calls for an increase in annual oil production in three stages, from 40 million tons in 2003 to 150 million tons by 2015. Most of the new production is expected to come from offshore deposits.

At present, Kazakhstan produces about one million barrels a day. Half comes from three large onshore deposits in the west: Tengiz (developed by the international consortium Tengizchevroil, led by ChevronTexaco), Karachaganak

(developed by another international consortium led by British Gas), and Uzen (developed by KazMunayGas, the national oil and gas company).

### Key contacts

Canadian companies are already successfully operating in Kazakhstan, and current trends indicate that there are opportunities for more. The China National Petroleum Council and KazMunayGas recently announced construction of a 1000-km pipeline that will link Central Kazakhstan to the Chinese border of Alashankou.

There are also new opportunities for Canadian companies in the environmental sector. The Government of Kazakhstan is keen to ensure the safety and protect the unique north Caspian ecological area. Canadian companies can still find opportunities with North American producers, such as PetroKazakhstan, Nelson Resources, Nations Energy, Aurado Energy and China Energy Ventures.

Arthur Iralin, the business development officer responsible for the oil and gas sector in Kazakhstan, can provide contact information for Canadian companies active in the market, key local parties and large multinational operators.

### KIOGE 2004

There will be a Canadian Pavilion at the **Kazakhstan International Oil and Gas Exhibition** (October 5-8, 2004), the largest oil and gas show in Central Asia and the major oil and gas event in Kazakhstan. **For more information**, contact Arthur Iralin, e-mail: [arthur.iralin@dfait-maeci.gc.ca](mailto:arthur.iralin@dfait-maeci.gc.ca).

### Virtual Trade Commissioner

When you register as a client of the Canadian Trade Commissioner Service, you will receive personalized Web service involving marketing information and business leads that match your international business interests. It only takes 10 minutes to do at [www.infoexport.gc.ca/ie-en/login.jsp](http://www.infoexport.gc.ca/ie-en/login.jsp).

## Alberta companies explore Kazakhstan market

Alberta Economic Development and the Trade Commissioner Service in Almaty, Kazakhstan, together organized an oil and gas trade mission to Kazakhstan from May 17 to 21, 2004. The mission comprised 10 Alberta companies with a wide range of products and services for the sector.

As an introduction to the market, the Canadian Embassy's Trade Section briefed participants on doing business in Kazakhstan. Ambassador Hector Cowan hosted a reception where mission participants met with representatives of Canadian companies already in the area. They also met with over 50 local companies at two networking sessions in Almaty and Atyrau.

The Canadians were formally introduced to the deputy governor of Atyrau province, and met with representatives of Agip KCO, the operating company responsible for developing offshore deposits in the Caspian Sea.

The final leg of the mission brought the group to the capital, Astana, to meet with KazMunayGas, as well as Kazakhstan Contract Agency and Kazakhstan Institute for Oil and Gas. These two agencies are key sources for Canadian companies to find good local contacts.

The Canadian participants were **Flexpipe Systems, GeoAnalytic, Hycal Energy Research Laboratories, Komex, Master Flo Valve, Precision Drilling, the Southern Alberta Institute of Technology, SNC-Lavalin, Kvaerner Process Systems Canada** and **Toromont Process Systems**.

## Canadian Lobster Festival in Paris

The 11th **Canadian Lobster Festival** was launched on April 27 with the French press in attendance at L'Arbuci, a renowned restaurant in the heart of the Latin Quarter. Over 120 guests, mainly journalists and Canadian and French arts and theatre personalities, joined Claude Laverdure, Canadian Ambassador in Paris, at this gastronomic event. The Head of Mission invited the guests to visit our great country and discover other Canadian specialties.



From left: Pierre Blanc, co-owner of Frères Blanc; Caroline Blanc, General Manager; Ambassador Claude Laverdure; and Canada's King of the Seas

Under the leadership of Bernard Leprince, Chef des cuisines of the Frères Blanc restaurants, this year's launch of the Lobster Festival exemplified refinement, creativity and quality. The festival was held from May 17 to June 13 at L'Arbuci and the

other Frères Blanc establishments, the entrances and tables of which will be adorned from mid-May to the end of

the summer with posters, brochures and menus featuring photos of Canada. This is excellent visibility at a very reasonable

price, made possible by the well-established festival. This is a superb campaign to market and position Canadian lobster as a high-end product.

Over 600 tonnes of live Canadian lobster are shipped to France every year. Last year, over 10,000 lobster dinners were served during the festival.

The Canadian partners working with Frères Blanc restaurants on this large-scale launch were **Fruits & Passion Boutiques Inc., Base Concept Inc.**, Agriculture and Agri-Food Canada, **Air Canada**, the Canadian Tourism Commission and the Canadian Embassy in Paris.

For more information, contact Lucie Tremblay, Counsellor, Commercial Affairs, Canadian Embassy in Paris, tel.: (011-33-1) 44-43-23-70, fax: (011-33-1) 44-43-29-98, e-mail: [lucie.tremblay@dfait-maeci.gc.ca](mailto:lucie.tremblay@dfait-maeci.gc.ca).

## Canada-EU relations — continued from page 1

relationship between Canada and the EU represents a shared vision in several areas.

Canada's trade relations with the EU are rich and diversified. The EU represents Canada's second-most important trading partner: our annual two-way trade in goods and services is over \$78 billion. Canada's direct investment in the EU has grown substantially over the past decade, reaching over \$100 billion—just surpassing EU investment in Canada.

Canada's trade and investment relations with the EU should grow.

To read more about Canada and Europe, see issue 22 of **Canada World View**, Foreign Affairs Canada's quarterly foreign policy magazine, on-line at [www.dfait-maeci.gc.ca/canada-magazine](http://www.dfait-maeci.gc.ca/canada-magazine).

Both Canada and the EU have a common interest in promoting an open and fair international trading system.

### People connections

The connections between our people could grow in many ways. Recognizing the inherent value of people-to-people exchanges, Canada would encourage more educational, cultural and professional opportunities for the exchange of people—leaders and youth in particular—on both sides of the Atlantic.

### Common interests

Canada and the EU can continue to cooperate closely whenever possible within the multilateral framework to seek solutions to global problems, whether this involves meeting the targets of the Kyoto Protocol, progressing on initiatives that would make the world a safer place, or addressing our shared interests and concerns in the North.



By combining the benefits of EU membership with those of an enhanced relationship with Canada—a G7 country representing one of the most successful economies in the world and a natural transatlantic bridge—European countries stand to win by working with Canada on many fronts. Clearly, Canada and the EU have much to share, and their renewed association promises a gainful future.