

TENGIZCHEVROIL OIL FIELD - KAZAKHSTAN



Basic Information

Project name: Tengizchevroil

Borrower: Tengizchevroil Finance Company International Ltd (TCO)

Sector: Oil & Gas

Country: Kazakhstan

Financial Product: Project Financing

ISP's role: Senior Mandated Lead Arranger and Bookrunner

Equator Principles category: A

Project description

The expansion of the Tengiz oil field in Kazakhstan has a total project cost estimated to be approximately USD 42 billion, which was closed in 2016, has won Project Finance International's (PFI) prestigious **European Oil & Gas Deal of the Year award**. **According to PFI, TCO was the biggest Final Investment Decision in the oil sector in 2016.** Kazakhstan holds a 20% stake in the venture via state oil and gas firm KazMunayGaz (KMG). Chevron owns 50%, Exxon Mobil has 25%, and Lukoil 5%. It was financed on a structured basis, with both bank and bond debt. Banca IMI was appointed both a Senior Mandated Lead Arranger & Bookrunner on the bank debt and a Joint Bookrunner on the bond debt.

The project will increase TCO's production to 39 million tonnes per year, 850,000 barrels per day, by 2022 from 27 million tonnes per year currently.

Identification of Potential Environmental and Social Impacts

- Air Quality
- Greenhouse Gas Emissions
- Waste
- Soil, Groundwater, and Surface Water
- Terrestrial Ecology
- Water Resources
- Noise
- Marine Waters and Sediment
- Marine Ecology
- Biodiversity/Critical Habitats

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- Traffic and Transport
- Labor and Working Conditions
- Community Health, Safety, and Security
- Livelihoods and Socio Economics
- Human Rights
- Cultural Heritage
- Eco-system Services

The Environmental, Social & Health Impact Assessment (ESHIA) was undertaken in accordance with the laws and regulations of the Republic of Kazakhstan and in alignment with IFC Performance Standards, the Equator Principles and TCO LLP corporate standards.

The impact assessment took into consideration measures that are already in place to prevent or manage project potential impacts, such as project design, existing company plans and procedures, mitigation requirements from permits or approved EIAs, and control measures included in company plans and contract requirements.

The impact assessment process has resulted in several measures developed by the *Future Growth Project-Wellhead Pressure Management Project* (FGP-WPMP) to ensure that potential impacts are managed appropriately. [more information](#)