

Overview of capital expenditures

In 2017, capital expenditures of EMG JSC exceeded 38 billion tenge. More than 30% of investments were spent on construction work in connection with the implementation of strategic projects. Approximately 20% of expenditures were accounted for each of the following activities: operational drilling, procurement of fixed and intangible assets as well as prospecting and exploration.

Capital expenditures, million tenge

Expenditure item	2013	2014	2015	2016	2017
Construction work	13,749	12,333	10,685	30,989	12,618
Operational drilling	13,232	13,279	9,213	8,253	8,632
Procurement of fixed and intangible assets	5,004	4,556	5,564	3,536	8,375
Prospecting and exploratory drilling	3,792	3,225	2,163	4,620	8,118
Other	740	15,606	549	1,271	304
Total CAPEX	36,518	48,999	28,174	48,669	38,047

In the period of 2014–2017, a major investment project was implemented – construction of a complex facility for treatment of associated petroleum gas from Prorva group of fields with a capacity of 150 million m³ of gas per year, totaling to 35 billion tenge.

The constructed facility is intended for associated gas utilization at Prorva group of fields (S. Nurzhanov field, West Prorva, Aktobe, Dosmukhambetovskoye fields) in Zhylyoi district of Atyrau region.

This project has allowed the Company to completely eliminate gas flaring and increase oil production of Zhylyoimunaygas OGPD at Prorva cluster.

Commercial gas is transported through the field gas pipeline of Tolkyngas treatment plant – gas gathering station; stable gas condensate is used for own needs.

More than 500 temporary jobs were created during the construction of the gas treatment plant. After the plant was put into operation, Embamunaygas JSC created a new gas treatment and sulphur production shop of the Production Department for the development of Prorva group of fields of Zhylyoimunaygas OGPD with a staff number of more than 100 new permanent jobs.