



Strong growth in Kazakhstan

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COVERING territory equivalent in size to the whole of Western Europe, the former Soviet republic of Kazakhstan has attracted plenty of interest from Western Australian companies seeking to exploit its mineral reserves.

Situated on the border of Russia to the north, Kyrgyzstan, Uzbekistan and Turkmenistan to the south, the Caspian Sea to the west and China to the east, Kazakhstan gained independence in 1991 following the break-up of the USSR.

In 1991, Nursultan Nazarbayev became the country's president, heading a government described as a presidential republic with 'moderate' international policies.

Perth-based Association of Mineral Exploration Companies public affairs manager, Ian Loftus, said Kazakhstan was largely untapped but had become important.

"We have a travel group and we are booking more people to go over," Mr Loftus said. "There are more tenements or joint ventures being picked up in Kazakhstan and a lot of companies are trying to get in there."

Last month, oil and gas producer Chevron transferred the managing director of its Australasia business unit, Jay Johnson, to a new role as managing director of Chevron's Eurasia business unit, based in Kazakhstan.

Kazakhstan's economy, which relies heavily on oil production and mining, has achieved double-digit economic growth since 2002.

The region's natural resources include oil, natural gas, coal, iron ore, manganese, chrome, nickel, cobalt, uranium, copper and gold.

Central Asia Resources, a West Perth-based minerals explorer, currently has a number of gold projects in Kazakhstan.

Director and company secretary, Angela Dent said Kazakhstan was underdeveloped in its mineral resources providing the sort of opportunities the company had found.

Ms Dent said the company had overcome language and cultural issues because its founding director Dr Waldemar Mueller was a Kazakh-born Australian resident, who oversees the drilling programs and all aspects of the company's business in the country.

According to Ms Dent, Kazakhstan's large and well-developed oil industry has provided the government with funds to develop the necessary infrastructure, as well as mining and tax laws which remove many of the risks normally associated with exploration projects in regions like Central Asia.

The national currency is the tenge, which has been growing in strength

against the \$US in recent years as the government encourages Western investment, particularly from the world's leading oil producers.

In 2000, the largest international oil find in 30 years was discovered in Kazakhstan, and since the country's independence there has been major foreign investment in the Caspian oil sector.

Initially focusing on the Mangistau Basin in south west Kazakhstan, West Perth-based Jupiter Energy began operating in the country 12 months ago.

Jupiter Energy chairman Geoff Gander said the Kazakhstan had some exceptional prospective land opportunities, however a series of recent announcements suggested a move towards the nationalisation of assets.

"A new import tax has been introduced and it seems to be a little unclear as to what the government's current view of foreign companies is," Mr Gander said. "This nationalisation of assets raises question marks and we are currently trying to assess how this will impact on us."

Presently, there are over 200 producing fields in Kazakhstan with recoverable reserves of oil currently estimated to be more than 55 billion barrels.



REPUBLIC OF KAZAKHSTAN

Population: 15.4 million.
Capital: Astana.
Major languages: Kazakh, Russian.
Major religions: Islam, Christianity.
Life expectancy: 58 years (men), 69 years (women) (UN).
Monetary unit: Tenge.
Main exports: Oil, uranium, ferrous and nonferrous metals, machinery, chemicals, grain, wool, meat, coal.
GNI per capita: US \$2,930 (World Bank, 2006).