

3.6. CASPIAN PIPELINE CONSORTIUM (CPC)

Transneft exercises trust management of 24% of shares of CPC-R and CPC-K owned by the Russian Federation (organisations comprising the Caspian Pipeline Consortium and registered in Russia and Kazakhstan, respectively). The Company owns 7% of shares in CPC-R and CPC-K through controlled entities.

The CPC pipeline system is one of the largest investment projects in the energy sector with the involvement of foreign capital in the CIS. The length of the Tengiz – Novorossiysk pipeline that linked oilfields in Western Kazakhstan with the Novorossiysk sea terminal is 1,511 km.

The capacity of the Tengiz – Novorossiysk oil pipeline is 67 MTPA. In 2019, the implementation of

the CPC Oil Pipeline System Debottlenecking Project to expand the throughput capacity to 81.5 million tonnes of crude oil per year was approved. In 2020, CPC shipped 59 million tonnes of oil at the marine terminal in Novorossiysk, including 51.8 million tonnes of oil from Kazakhstan shippers and 7.2 million tonnes of oil from Russian shippers.

In September 2020, CPC fully repaid the debt to shareholders. The budget of the Russian Federation received USD 48.74 million, payments to Transneft Group amounted to USD 24.52 million. In 2021, CPC plans to start paying dividends.

