



PRESS RELEASE

KMG EP held Board of Directors meeting and the Annual General Meeting of Shareholders

Astana, May 20, 2015. JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") held its regular Board of Directors ("the Board") meeting and the Annual General Meeting of Shareholders ("AGM") on May 19, 2015.

2015 budget revision

The Board of Directors approved the revision of the 2015 budget and business plan for 2015-2019.

Production

Planned production in 2015 is expected to be 5,478 thousand tonnes (110 kbopd) from JSC OzenMunaiGas (OMG), which is 123 thousand tonnes or 2% more than the planned volume approved earlier. Upwards revision of the production plan at OMG is due to ahead of plan production drilling from the beginning of the year at OMG fields and planned drilling of additional 38 wells. It is expected that additional production volume from drilling 38 new wells will be 74 thousand tonnes.

Production plan at JSC EmbaMunaiGas (EMG) remains unchanged and is expected to be 2,800 thousand tonnes (56 kbopd).

Thus, the total planned production volume in 2015 from OMG and EMG is expected to be 8,278 thousand tonnes (166 kbopd). The OMG and EMG production profile is expected to be 8,182 thousand tonnes (165 kbopd) in 2016, 8,160 thousand tonnes (164 kbopd) in 2017, 8,193 thousand tonnes (165 kbopd) in 2018 and 8,203 thousand tonnes (165 kbopd) in 2019.

The Company's share in the planned production of Kazgermunai (KGM), CCEL (CCEL) and PetroKazakhstan Inc. (PKI) in 2015 remains unchanged compared to the earlier approved budget and is expected to be 1,499 thousand tonnes (32 kbopd), 1,050 thousand tonnes (19 kbopd) and 1,439 thousand tonnes (31 kbopd), respectively.

Capital expenditures

Capital expenditure in 2015 is expected to be 95 bn Tenge (US\$516m¹), which is 11 bn Tenge (US\$59m) or 13% more than the capital expenditure plan for 2015 approved in March 2015. Higher capex is largely due to additional drilling of 38 wells at OMG. Thus, 217 wells planned to be drilled in 2015 at OMG and EMG compared with 179 wells approved in March 2015.

Current estimate of the capital expenditure is 113 bn Tenge (US\$611m) in 2016, 99 bn Tenge (US\$533m) in 2017, 98 bn Tenge (US\$529m) in 2018 and 97 bn Tenge (US\$524m) in 2019.

The approved business plan requires further work on certain aspects to achieve cash neutrality.

The negotiations on domestic oil prices are ongoing.

¹ Amounts shown in US dollars ("US\$" or "\$") have been translated solely for the convenience of the reader at the average rate of 185 tenge/US dollar.

AGM results

The shareholders approved the Financial Statements and the Annual Report for 2014.

The shareholders also approved the dividend for 2014 of 440 Tenge (including taxes to be withheld in accordance with the legislation of Kazakhstan) per one ordinary and one preferred share of KMG EP. This is equivalent to about 30 bn Tenge² (US\$162m³).

The dividend size (per one ordinary and one preferred share) is fixed in US dollars on the date when the Board decision was made.

The payment of the annual dividend for 2014 will be made to shareholders of record as at 23:59 of June 1, 2015 and will commence on July 1, 2015.

Notes to editors

KMG EP is among the top three Kazakh oil producers. The overall production in 2014 was 12.3 million tonnes (250 kbopd) of crude oil, including the Company's share in Kazgermunai, CCEL and PKI. The Company's total consolidated volume of proved and probable reserves including shares in the associates, as at the end of 2014 was 177 million tonnes (1,303 mmbbl), out of which 132 million tonnes (981 mmbbl) relates to Ozenmunaigas, Embamunaigas, and Ural Oil and Gas (Rozhkovskoye field, Fyodorovskiy block). The Company's shares are listed on the Kazakhstan Stock Exchange and the GDRs are listed on The London Stock Exchange. The Company raised over US\$2bn in its IPO in September 2006.

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² Calculated based on number of shares outstanding as of April 7, 2015.

³ Converted at the official NBK rate as of April 7, 2015.

