

KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

**Consolidated Interim Statement of Financial Position (unaudited)**

*Tenge million*

		June 30, 2018	December 31, 2017
	Notes	Unaudited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	412,389	377,160
Intangible assets		18,620	16,296
Investments in joint ventures	6	99,202	127,548
Investments in associate	7	113,717	116,970
Receivable from a jointly controlled entity		13,942	11,519
Loans receivable from a joint venture	6	30,975	28,049
Other financial assets	8	37,340	34,778
Deferred tax asset		50,764	53,215
Other assets and advances		14,819	6,085
<b>Total non-current assets</b>		<b>791,768</b>	<b>771,620</b>
<b>Current assets</b>			
Inventories		34,535	30,697
Income taxes prepaid		1,489	2,483
VAT recoverable, net of allowance		23,247	21,574
Export customs duty and other taxes prepaid		16,569	20,717
Prepaid expenses		20,349	16,190
Trade and other receivables	8	197,119	132,680
Receivable from a jointly controlled entity		27,193	26,496
Other financial assets	8	124,619	889,687
Cash and cash equivalents	8	623,791	421,643
<b>Total current assets</b>		<b>1,068,911</b>	<b>1,562,167</b>
<b>Total assets</b>		<b>1,860,679</b>	<b>2,333,787</b>
<b>EQUITY</b>			
Share capital	9	263,095	263,095
Treasury shares	9	(725,680)	(97,677)
Other capital reserves		2,347	2,347
Retained earnings		1,761,244	1,619,466
Foreign currency translation reserve		325,536	321,488
<b>Total equity</b>		<b>1,626,542</b>	<b>2,108,719</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		1,402	1,807
Deferred tax liability		419	138
Other liabilities		1,812	-
Provisions	10	53,204	51,845
<b>Total non-current liabilities</b>		<b>56,837</b>	<b>53,790</b>
<b>Current liabilities</b>			
Borrowings		5,019	5,669
Provisions	10	31,328	31,795
Income taxes payable		6,924	3,888
Mineral extraction tax and rent tax payable		59,681	52,181
Trade and other liabilities		74,348	77,745
<b>Total current liabilities</b>		<b>177,300</b>	<b>171,278</b>
<b>Total liabilities</b>		<b>234,137</b>	<b>225,068</b>
<b>Total liabilities and equity</b>		<b>1,860,679</b>	<b>2,333,787</b>

*The notes on pages 5 to 16 are an integral part of these condensed consolidated interim financial statements.*

KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

**Consolidated Interim Statement of Comprehensive Income (unaudited)**

*Tenge million*

	Notes	Three months ended June 30,		Six months ended June 30,	
		2018	2017	2018	2017
Revenue	11	326,362	223,252	596,788	436,978
Share of results of associate and joint ventures	6,7	5,917	6,165	14,499	14,571
Finance income		4,484	7,679	11,873	14,999
<b>Total revenue and other income</b>		<b>336,763</b>	<b>237,096</b>	<b>623,160</b>	<b>466,548</b>
Production expenses	12	(90,871)	(79,464)	(173,979)	(149,543)
Selling, general and administrative expenses	13	(42,069)	(33,723)	(74,051)	(59,203)
Net loss on acquisition of a subsidiary		–	(3,249)	–	(3,249)
Exploration expenses		(8,077)	(168)	(8,452)	(168)
Depreciation, depletion and amortization		(10,693)	(8,553)	(20,920)	(16,909)
Taxes other than on income	14	(101,511)	(61,391)	(189,458)	(126,986)
Reversal of allowance for VAT recoverable, net		1,240	26,414	1,240	26,414
(Loss)/gain on disposal of property, plant and equipment	5	(364)	(200)	(908)	197
Finance costs		(1,148)	(930)	(2,703)	(2,199)
Foreign exchange gain/(loss), net		51,880	26,054	7,948	(32,599)
<b>Profit before tax</b>		<b>135,150</b>	<b>101,886</b>	<b>161,877</b>	<b>102,303</b>
Income tax expense	15	(13,838)	(16,277)	(20,051)	(14,423)
<b>Profit for the period</b>		<b>121,312</b>	<b>85,609</b>	<b>141,826</b>	<b>87,880</b>
Foreign currency translation difference		19,938	15,040	4,048	(14,683)
<b>Other comprehensive income/(loss) for the period to be reclassified to profit and loss in subsequent periods</b>		<b>19,938</b>	<b>15,040</b>	<b>4,048</b>	<b>(14,683)</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>141,250</b>	<b>100,649</b>	<b>145,874</b>	<b>73,197</b>
<b>EARNINGS PER SHARE – Tenge thousands</b>					
Basic and diluted		2.67	1.26	2.74	1.29

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KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

**Consolidated Interim Statement of Cash Flows (unaudited)**

*Tenge million*

		Six months ended June 30,	
	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Profit before tax		161,877	102,303
Adjustments to add/(deduct) non-cash items			
Depreciation, depletion and amortisation		20,920	16,909
Share of results of associate and joint ventures		(14,499)	(14,571)
Loss/(gain) on disposal of property, plant and equipment (PPE)	5	908	(197)
Forfeiture of share-based payments		-	(13)
Unrealised foreign exchange (gain)/loss on non-operating activities		(4,219)	30,225
Change in provisions		8,295	(2,545)
Reversal of allowance for VAT recoverable, net		(1,240)	(26,414)
Accrual of allowance on doubtful receivables		1,162	-
Net loss on acquisition of a subsidiary		-	3,249
Other non-cash income and expense		3,294	629
Add finance costs		2,703	2,199
Deduct finance income		(11,873)	(14,999)
Working capital adjustments			
Change in other assets		(4,532)	(604)
Change in inventories		(3,838)	617
Change in export customs duty, VAT recoverable and other taxes prepaid		3,715	14,443
Change in prepaid expenses		(4,159)	(7,987)
Change in trade and other receivables		(40,679)	7,724
Change in trade and other payables		(3,287)	(6,170)
Change in mineral extraction and rent tax payable and prepaid		7,426	36,427
Income tax (paid)/refunded		(20,704)	12,096
<b>Net cash generated from operating activities</b>		<b>101,270</b>	<b>153,321</b>
<b>Cash flows from investing activities</b>			
Purchases of PPE and advances paid for PPE	5	(63,321)	(49,951)
Proceeds from sale of PPE		-	496
Purchases of intangible assets		(3,262)	(368)
Loans provided to a joint venture		(387)	(814)
Dividends received from joint ventures and associate, net of withholding tax		26,399	38,159
Withdrawal/(placement) of deposits		746,852	(80,421)
Proceeds from acquisition of a subsidiary		-	181
Interest received		12,751	4,963
<b>Net cash generated from/(used in) investing activities</b>		<b>719,032</b>	<b>(87,755)</b>
<b>Cash flows from financing activities</b>			
Share buyback	9	(628,003)	-
Repayment of borrowings		(1,178)	(1,192)
Dividends paid to Company's shareholders		(119)	(36)
<b>Net cash used in financing activities</b>		<b>(629,300)</b>	<b>(1,228)</b>
Net change in cash and cash equivalents		191,002	64,338
Cash and cash equivalents at the beginning of the period	8	421,643	162,091
Net foreign exchange difference on cash and cash equivalents		11,146	(6,998)
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>623,791</b>	<b>219,431</b>

*The notes on pages 5 to 16 are an integral part of these condensed consolidated interim financial statements.*

KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

Consolidated Interim Statement of Changes in Equity (unaudited)

Tenge million

	Share capital	Treasury shares	Other capital reserves	Retained earnings	Foreign currency translation reserve	Total Equity
As at December 31, 2016 (audited)	263,095	(97,752)	2,448	1,444,351	321,370	1,933,512
Profit for the period	-	-	-	87,880	-	87,880
Other comprehensive loss	-	-	-	-	(14,683)	(14,683)
<b>Total comprehensive income</b>	-	-	-	87,880	(14,683)	73,197
Exercise of employee options	-	60	(69)	9	-	-
Forfeiture of share-based payments	-	-	(13)	-	-	(13)
Dividends (Note 9)	-	-	-	(19,761)	-	(19,761)
<b>As at June 30, 2017 (unaudited)</b>	<b>263,095</b>	<b>(97,692)</b>	<b>2,366</b>	<b>1,512,479</b>	<b>306,687</b>	<b>1,986,935</b>
As at December 31, 2017 (audited)	263,095	(97,677)	2,347	1,619,466	321,488	2,108,719
Profit for the period	-	-	-	141,826	-	141,826
Other comprehensive income	-	-	-	-	4,048	4,048
<b>Total comprehensive income</b>	-	-	-	141,826	4,048	145,874
Share buyback (Note 9)	-	(628,003)	-	-	-	(628,003)
Dividends (Note 9)	-	-	-	(48)	-	(48)
<b>As at June 30, 2018 (unaudited)</b>	<b>263,095</b>	<b>(725,680)</b>	<b>2,347</b>	<b>1,761,244</b>	<b>325,536</b>	<b>1,626,542</b>

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