

JSC NC KazMunayGas 9M of 2023 Trading Update

Astana, 27 October 2023 - Joint-stock (JSC) National Company (NC) KazMunayGas (“KMG” or “Company”), Kazakhstan's national oil and gas company, announces its operating results for the nine months of 2023.

Highlights for the nine months of 2023 compared to the nine months of 2022:

- Oil and gas condensate production increased by 9.0% and amounted to 17,508 thous. tonnes;
- Oil transportation volumes increased by 7.8% and amounted to 59,371 thous. tonnes;
- Hydrocarbons refining volumes at the Kazakh and Romanian refineries are decreased by amounted to 14,901 thous. tonnes compared to 14,896 thous. tonnes.

	9M 2023 (net to KMG)	9M 2022 (net to KMG)	%
Oil production, thous. tonnes	17,508	16,061	+9.0%
Gas production, mln m ³	7,008	5,942	+17.9%
Oil transportation, thous. tonnes	59,371	55,085	+7.8%
Oil refining, thous. tonnes	14,901	14,896	+0.03%

Operating results are represented in accordance with KMG's ownership interest in joint ventures and associates and 100% of results for consolidated subsidiaries, unless otherwise stated.

Upstream

Oil and gas condensate production volume for the nine months of 2023 amounted to 17,508 thous. tonnes (483 kbopd) representing an increase of 9.0%. Production volume of associated and natural gas raised by 17.9% to 7,008 mln m³.

Oil and condensate production, thous. tonnes	9M 2023 (net to KMG)	9M 2022 (net to KMG)	%
OMG	3,625	3,805	-4.7%
MMG	2,295	2,258	+1.7%
EMG	2,011	1,921	+4.7%
Tengiz	4,339	4,302	+0.9%
Kashagan ¹	2,301	734	+213.4%
Karachaganak	805	768	+4.8%
Others	2,132	2,273	-6.2%
Total	17,508	16,061	+9.0%

Oil production at Tengiz increased by 0.9% compared to the production volume for the same period last year and amounted to 4,339 thous. tonnes (127 kbopd). The growth was due to the reliable operation of the second-generation plant and the technological line complex. Associated gas production increased by 0.2%, amounting to 2,399 mln m³.

¹ KMG's share in the project increased to 16.88% after 15 September 2022

Oil and gas production at Kashagan net to KMG amounted to 2,301 thous. tonnes (67 kbopd) and 1 452 mln m³, respectively, showing an increase of 213.4% and 222.0%, respectively. The increase in oil production at Kashagan was associated with an increase in KMG's share in the project from 8.44% to 16.88% as a result of the completion of a deal to buy back a 50% stake in KMG Kashagan B.V. from Samruk-Kazyna JSC in September last year, as well as with the planned overhaul of the offshore and onshore complexes carried out in June 2022 and the launch of the upgraded 2 sour gas injection compressors, launched in August and September last year.

Oil and condensate production at Karachaganak increased by 4.8% and amounted to 805 thous. tonnes (23 kbopd). Gas production increased by 10.8% and amounted to 1,638 mln m³. The growth in production was due to an increase in the ability to receive sour gas from the Orenburg Gas Processing Plant.

The volume of oil and condensate production from operating assets decreased by 1.9% to 10,063 thous. tonnes (267 kbopd). The main drop in production volumes occurred at Ozenmunaigas due to emergency power outages and capacity limitations by the Mangistau Nuclear Power Plant (MAEK) from July to September of this year. Also, a decrease in production was observed in mature fields as a result of a natural decline in production. At the same time, oil production at Embanmunaigas increased due to successful geological and technical activities at mature fields and the commissioning of the Eastern wing of the S. Nurzhanova and Uaz Severnoye fields. Growth was also observed at Mangistaumunaigaz due to the rapid implementation of enhanced oil recovery methods. Gas production at operating assets decreased by 6.2% to 1,518 million m³ mainly due to a decrease in volumes at Kazakhturkmunai because of a decrease in the capacity of the line between wells and gas receiving nodes, and at Kazakhoil Aktobe due to the shutdown of the receiving party's compressors.

Midstream

The total volume of oil trunk pipelines and sea transportation increased by 7.8% to 59,371 thous. tonnes.

Oil transportation ¹ , thous. tonnes	9M 2023 (100%)	9M 2023 (net to KMG)	9M 2022 (net to KMG)	%
KazTransOil	32,416	32,416	30,003	+8.0%
Kazakhstan-China Pipeline	13,913	6,957	7,129	-2.4%
MunaiTas ²	3,987	2,033	2,067	-1.6%
Caspian Pipeline Consortium	48,021	9,964	8,995	+10.8%
Kazmortransflot	8,000	8,000	6,892	+16.1%
Total	-	59,371	55,085	+7.8%

¹ Part of the volume of oil can be transported by two or three pipeline companies, and correspondingly these volumes are counted more than once in the consolidated volume of oil transportation.

² MunaiTas is an equity-consolidated joint venture and transportation volumes are quoted at a 51% ownership interest.

The volume of oil transportation through trunk pipelines increased by 6.6% and amounted to 51,371 thous. tonnes. The main growth was due to an increase in the volume of transportation of Kashagan oil through the KazTransOil system in the direction of Samara and to the CPC system, as well as oil transportation in the direction of the port of Aktau.

The total volume of seaborne oil transportation increased by 16.1% to 8,000 thous. tonnes mainly due to an increase in transportation volumes in the Mediterranean Sea on the back of the activation of the Baku-Tbilisi-Ceyhan oil pipeline as an alternative route for the Kazakh oil export,

as well as an increase in the volumes of transported oil through the Black Sea from the CPC sea terminal in the port of Novorossiysk (Russian Federation) towards the port of Midia (Romania).

As part of the development of the Trans-Caspian route, new oil tankers “Taraz” and “Liwa” with a deadweight of 8,000 tonnes were purchased, which will be used in transporting Kazakh oil across the Caspian Sea. The new tankers belong to the Caspian Integrated Maritime Solutions Ltd joint venture, whose shareholders are the National Maritime Shipping Company Kazmortransflot (100% subsidiary of KMG) and 100% International Maritime Investments Ltd (100% subsidiary of Abu Dhabi Ports Group) (UAE).

Trading

Sales volumes of KMG's own produced oil and gas condensate increased by 8.5% and amounted to 17,703 thous. tonnes, of which 64.5% was exported.

Supplies of own produced oil and gas condensate volumes to cover the needs of the domestic market amounted to 6,278 thous. tonnes, including deliveries of crude oil from operating assets (Ozenmunaigas, Embamunaigas, Kazakhturkmunai and Urikhtau Operating) in the amount of 3,731 thous. tonnes to Atyrau, Pavlodar and Shymkent refineries for further oil refining and sales of oil products.

Downstream

Hydrocarbon refining, thous. tonnes	9M 2023 (net to KMG)	9M 2022 (net to KMG)	%
Atyrau refinery	4,367	4,167	+4.8%
Pavlodar refinery	3,973	3,970	+0.1%
Shymkent refinery ¹	2,082	2,315	-10.1%
Caspi Bitum ¹	352	361	-2.6%
Petromidia	3,840	3,817	+0.6%
Vega	287	268	+7.2%
Total	14,901	14,896	+0.03%

¹ Shymkent refinery and Caspi Bitum refining volumes are indicated at a share of 50%

The total volume of hydrocarbon processing almost unchanged compared to the same period in 2022 and amounted to 14,901 thous. tonnes:

- The volume of hydrocarbons processed at Kazakhstan refineries decreased by 0.4% and amounted to 10,774 thous. tonnes. A decrease in processing occurred at the PKOP plant due to the shutdown of the plant in July this year to repair the heat exchanger at the catalytic reforming unit. At the same time, there was an increase in refining volumes at the Atyrau Refinery due to more reliable operation of the catalytic cracking unit this year, which partially offset the decrease in refining volumes at PKOP.
- Refining volume at KMG International plants (Petromidia, Vega) in Romania increased by 1.0% and amounted to 4,127 thous. tonnes. Restoration work continues at the Petromidia plant after the incident on 21 June, the completion of which is planned until the end of November this year

The volume of production of oil products at Kazakh and Romanian refineries decreased by 0.9% and amounted to 13,673 thous. tonnes:

- Kazakhstani refineries produced 9,672 thous. tonnes of oil products, which is 1.3% less than the same period in 2022 due to the shutdown of the PKOP plant for repairs;
- Refineries of KMG International (Petromidia, Vega) produced 4,001 thous. tonnes of oil products, which is almost the same year-on-year.

For further information, please visit <http://www.kmg.kz>

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About JSC National Company KazMunayGas:

JSC National Company KazMunayGas (KMG) is Kazakhstan's leading vertically integrated oil and gas company, operating assets across the entire production cycle from the exploration and production of hydrocarbons to transportation, refining and specialized services. Established in 2002, the company represents Kazakhstan's interests in the national oil and gas industry.

KMG's main assets are as follows:

Upstream: Ozenmunaigas (OMG) – 100%, Embamunaigas (EMG) – 100%, KazakhTurkmunai (KTM) – 100%, KazMunayTeniz – 100%, Urikhtau (UO) – 100%, Mangistaumunaigaz (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, KazakhOil Aktobe (KOA) – 50%, PetroKazakhstan Inc (PKI) – 33%, Tengizchevroil (Tengiz) – 20%, Karachaganak – 10%, Kashagan – 16.88%.

Midstream: KazTransOil – 90%, Kazakhstan China Pipeline (KCP) – 50%, Munai Tas – 51%, Batumi Oil Terminal – 100%, Caspian Pipeline Consortium (CPC) – 20.75%, Kazmortransflot – 100%.

Downstream: Pavlodar refinery – 100%, Atyrau refinery – 99,53%, Shymkent refinery – 49,72%, Caspi Bitum – 50%, KMG International – 100%, Petromidia – 54,63%, Vega – 54,63%, KazRosGas – 50%, Kazakhstan Petrochemical Industries Inc – 49.5%.