

Press-release

JSC NC KazMunayGas (“KMG”) announces successful issue of 7, 12 and 30.5-year Eurobonds for a total of U.S.\$ 3.25 bn under KMG’s ongoing liability management exercise.

On April 3rd, KMG and KMG FINANCE SUB B.V. (“KMG Finance”) announced their invitation to each holder of KMG’s outstanding notes due 2020, 2021, 2025 and 2043 with a total outstanding principal amount of U.S.\$ 3.14 bn (the "Notes") to tender any or all of such Notes for purchase by KMG for cash and concurrently to consent to amend the terms and conditions of the Notes to provide for mandatory early redemption of these Notes by KMG. As of the early participation deadline on April 16th, KMG and KMG Finance received instructions for the tender offers and consent solicitations of the holders of the Notes representing a total nominal value of U.S.\$ 2.96 bn. Thus, a minimum quorum of 75% of each series of the outstanding Notes for the holders to approve the above agenda was achieved after only 2 weeks from the launch of KMG’s and KMG Finance’s proposals.

On April 17th, KMG opened a global investor book for its new benchmark-sized 7, 12 and 30.5-year Eurobonds. Orders from investors in Kazakhstan were collected through the Kazakhstan Stock Exchange (the “KASE”) simultaneously with the international bookbuilding. The initial price guidance was set at yields to maturity of around 4.875%, 5.500% and 6.600%, respectively, but backed by a strong investor support was later revised to the ranges of 4.750%–4.875%, 5.375%–5.500% and 6.450%–6.600%, respectively. Upon the books’ closing on the same day, a very robust global demand represented by orders from over 230 accounts for a total of c. U.S.\$ 8.5 bn allowed KMG to price the deal at the lowest levels of the revised ranges – i.e. at 4.750% for the U.S.\$ 500 MM 7-year series with the same coupon rate, at 5.375% for the U.S.\$ 1.25 bn 12-year series with the same coupon rate and at 6.450% for the U.S.\$ 1.5 bn 30.5-year series with the coupon rate of 6.375% per annum. Geographically, the investor distribution was as follows:

	7-year	12-year	30.5-year
USA	58%	46%	52%
UK	23%	36%	28%
Europe	14%	13%	12%
Kazakhstan, Asia and Middle East	5%	5%	8%

The new Eurobonds are rated BBB- (Fitch) / Baa3 (Moody’s).

The Eurobonds were settled on April 24th. The net proceeds received by KMG will be used to fund the purchase of any or all of the outstanding Notes, tendered and accepted for purchase in the tender offers and the redemption of any such Notes remaining outstanding after the settlement of the tender offers, as well as the payment of early consent fees in connection therewith, and the balance to be used for general corporate purposes.

The Eurobonds are listed on the London Stock Exchange and the KASE.

Citi, Halyk Finance, J.P. Morgan, MUFG and UBS were mandated as joint lead managers and joint bookrunners. Dechert LLP and Dechert Kazakhstan Limited acted as legal advisers to KMG, while White&Case and White&Case Kazakhstan acted as legal advisers to the joint lead managers.