

## PRESS RELEASE

### KMG EP Announces Result of Extraordinary General Meeting

**Astana, August 3, 2016.** JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces the results of the votes by the Independent Shareholders held today at the Extraordinary General Meeting (“EGM”).

The Independent Shareholders voted “Against” Resolutions 1 and 2 regarding the introduction of changes and amendments to the Relationship Agreement and Charter of the Company. Because the Independent Shareholders did not endorse both Resolutions 1 and 2, the Purchase Offer did not enter into force and the proposed changes and amendments to the Relationship Agreement and Charter of the Company will not proceed, in accordance with the terms set out in the JSC NC KazMunayGas (“NC KMG”) Circular. The voting results are presented in the table below.

	“For” (number)	% of votes cast	“Against” (number)	% of votes cast
Resolution 1	3,804,848 ordinary shares	24.3%	11,831,964 ordinary shares	75.7%
Resolution 2	3,804,848 ordinary shares	24.3%	11,831,964 ordinary shares	75.7%
Resolution 3	Not discussed as Resolutions 1 and 2 did not pass			
Resolution 4	Not discussed as Resolutions 1 and 2 did not pass			

JSC “Single accumulative pension fund” (“SAPF”) did not comply with the requirements of Kazakh legislation on disclosure of beneficial owners of Global Depository Receipts (“GDRs”) in the accounting system of the JSC “Central securities depository”, and, therefore, SAPF was unable to cast its GDR votes at the EGM. A representative of SAPF indicated at the EGM, that had SAPF complied with all legal requirements, SAPF would have cast its GDR votes in favour of Resolutions 1 and 2 proposed at the EGM.

For illustrative purposes only, the results of the EGM adjusted to include SAPF, were:

	“For” (number)	% of votes cast	“Against” (number)	% of votes cast
Resolution 1	5,634,534 ordinary shares	32.3%	11,831,964 ordinary shares	67.7%
Resolution 2	5,634,534 ordinary shares	32.3%	11,831,964 ordinary shares	67.7%
Resolution 3	Not discussed as Resolutions 1 and 2 did not pass			
Resolution 4	Not discussed as Resolutions 1 and 2 did not pass			

**Kurmangazy Iskaziyev, Chief Executive Officer of KMG EP said:**

*“KMG EP’s management and staff remain focussed on continuing to successfully deliver the Company’s on-going operational strategy. We look forward to a constructive relationship with NC KMG as we seek to create full value for all shareholders.”*



*"We are entirely focussed on maximising efficiency and productivity, reducing capex and opex and successfully implementing the "Quick Wins" of the exploration and production segment's Transformation program."*

**Philip Dayer, Independent Director of the Board of KMG EP added:**

*"On behalf of the Independent Directors, we look forward to working collaboratively with NC KMG and the KMG EP management team to deliver further value for all shareholders."*

**NOTES:**

1. The total number of KMG EP ordinary shares, excluding treasury shares, is 66,185,909, of which NC KMG holds 43,087,006 ordinary shares, equivalent to 258,522,036 GDRs.
2. On 17 June 2016 the Board of Directors of the Company, at the request of its largest shareholder NC KMG and pursuant to Clause 10.11 of the Company's Charter, convened the EGM.
3. Capitalised terms used but not defined in this announcement have the meanings given to them in the response circular issued by the INEDs on 17 June 2016.
4. This announcement contains inside information.

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**Notes to Editors**

**KMG EP** is among the top three Kazakh oil producers. The overall production in 2015 was 12.4 million tonnes (251 kbopd) of crude oil, including the Company's share in Kazgermunai, CCEL and PKI. The Company's volume of proved and probable reserves excluding shares in the associates, at the end of 2015 was 193 million tonnes (1,409 mmbbl). 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 at its IPO in September 2006.

**Forward-looking statements**

*This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology including, but not limited to, the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "target", "will", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include, but are not limited to, statements regarding the Company's intentions,*



*beliefs and statements of current expectations concerning, amongst other things, the Company's results of operations, financial condition, liquidity, prospects, growth, potential acquisitions, strategies and as to the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. Forward-looking statements are not guarantees of future performance and the actual results of the Company's operations, financial condition and liquidity and the development of the country and the industries in which the Company operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. The Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements or industry information set out in this document, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.*