

PRESS RELEASE

KMG EP reserves update as at 31 December 2013

Astana, 11 April 2014. JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”) announces the results of the reserves audit as at 31 December 2013 performed by the independent consultant Miller and Lents, Ltd. (“MLL”) at Ozenmunaigas JSC (“OMG”), Embamunaigas JSC (“EMG”), and Ural Oil and Gas LLP (“UOG” where KMG EP holds a 50% stake) fields.

According to the MLL report there were no significant changes in hydrocarbon reserves as at the end of 2013 compared to the reserves as at the end of 2012.

- Proved (1P) reserves increased by 4.6% or 5.4 million tonnes to 122.1 million tonnes (902 million barrels);
- Proved plus probable (2P) reserves increased by 0.6% or 0.9 million tonnes to 148.8 million tonnes (1,101 million barrels);
- Proved, probable plus possible (3P) reserves declined by 0.4% or 0.7 million tonnes to 182.7 million tonnes (1,349 million barrels).

The increase in 1P and 2P reserves is mainly due to:

- consideration of long-term plans for drilling of new wells and geological and technical measures on producing assets;
- revision of estimated annual production decline rate;
- positive test results of exploration wells at Rozhkovskoye field (Fedorovskiy block).

The results of the assessment of liquid hydrocarbons as at 31 December 2013¹

	Million tonnes			Million barrels		
	1P	2P	3P	1P	2P	3P
Reserves as at 31/12/2012	116.8	147.9	183.4	863	1,092	1,351
Production	8.0	8.0	8.0	59	59	59
Reserves replacement	13.4	8.9	7.3	98	68	56
Reserves as at 31/12/2013	122.1	148.8	182.7	902	1,101	1,349

Assessment of 2P reserves of joint ventures were made separately by independent auditors². KMG EP’s share in overall 2P reserves of Kazgermunai (KGM) (50% stake), CCEL (CCEL)

¹ The assessment was made based on the data available as at 31 December 2013. Any further changes of economic parameters and assumptions will be included in the 2014 reserves report.

² Assessment of KGM and CCEL reserves were made by “Miller and Lents, Ltd.” as at 31.12.2013 and 31.10.2013 accordingly. PKI – “McDaniel & Associates Consultants Ltd” as at 31.12.2013.

(50% stake) and Petrokazakhstan Inc. (PKI) (33% stake) as at the end of 2013 amounted to 51 million tonnes (365 million barrels). Therefore, consolidated 2P reserves of KMG EP including its stakes in KGM, CCEL, and PKI as at the end of 2013 amounted to 200 million tonnes (1,466 million barrels).

Consolidated reserves

	Million tonnes		Million barrels	
	1P	2P	1P	2P
KMG EP	122	149	902	1,101
KGM 50%, CCEL 50%, PKI 33%	39	51	283	365
Consolidated reserves	161	200	1,185	1,466

Notes to editors

KMG EP is among the top three Kazakh oil and gas producers. The overall production in 2013 was 12.4 million tonnes (an average of 251 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 2013 was 200 million tonnes (1.5 bn bbl), out of which 148.8 million tonnes (1.1 bn bbl) relates to Ozenmunaigas, Embamunaigas, and UOG (Rozhkovskoye field, Fyodorovski 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. The International rating agency Standard & Poor's (S&P) confirmed KMG EP's "BBB-" corporate credit rating in May 2013.

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