



PRESS RELEASE

KMG EP Announces Exploration Results

Astana, 18 February 2016. JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces the results of exploration activities at the north-eastern flank of S. Nurzhanov field, Liman and Akkuduk blocks.

While testing the productive Triassic reservoir of the directional well drilled in 2015 at the north-eastern flank of S. Nurzhanov field, the well flowed at a rate of 130 tonnes per day (about 900 bopd) of light crude oil on a 7 mm choke. Following Triassic the testing works will continue at Jurassic and Cretaceous reservoirs. Preliminarily prospective resources are estimated at 3.9 mln tonnes of recoverable hydrocarbons. In 2016-2017 the Company plans to drill two appraisal wells to identify new deposits, estimate reserves and prepare for the trial production. The company plans to start trial production in 2018.

The new deposit at the north-eastern flank of S. Nurzhanov field is separated from the main producing S. Nurzhanov field by the fault system ranging 180 m and more. S. Nurzhanov field, one of the main fields of JSC “Embamunaigas” (EMG), is in production since 1963, accounting for 17% of EMG production and 16% of 2P reserves.

At Liman block while testing the subsalt Permian reservoir of the exploration well PR-3 a natural oil flow rate of 3.3 cubic meters per day (20 bopd) was obtained. The Company plans to drill four exploration wells in 2016, make preliminary reserves estimate and prepare for the trial production. Trial production is expected in 2017-18 from the subsalt layers at Liman block.

While performing testing, the exploration well at the new area adjacent to the producing Akkuduk field flowed at a rate of up to 18 cubic meters per day (110 bopd), and, as a result the new deposit in Middle Jurassic horizons was discovered. The Company plans to drill two appraisal wells in 2016-2017 and start commercial production of the new area of the field after completing the approval of the reserves estimates and field development plan.

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 total consolidated volume of proved and probable reserves including shares in the associates, as at the end of 2014 was 177 million tonnes (1,303 mmbbl), out of which 132 million tonnes (981 mmbbl) relates to Ozenmunaigas, Embamunaigas, and Ural Oil and Gas (Rozhkovskoye field, Fyodorovskiy 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.

For further details please contact us at:

KMG EP Investor Relations (+7 7172 97 5433)
Yerlan Kaldybayev
e-mail: ir@kmgep.kz

KMG EP Public Relations (+7 7172 97 79 08)
Elena Pak
e-mail: pr@kmgep.kz

Brunswick Group (+44 207 404 5959)
Carole Cable
e-mail: KMGEP@brunswickgroup.com

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