

## PRESS RELEASE

### KMG EP held a meeting of the Board of Directors

**Astana, March 19, 2014.** Yesterday the Board of Directors of JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") met to approve the meeting agenda and set a date for the Shareholders Annual General Meeting ("AGM") for 13 May 2014.

The AGM agenda: approve annual consolidated financial statements and the Company's 2013 Annual Report, agree dividend regarding 2013 earnings per ordinary and preferred shares of KMG EP, evaluate the Board of Director's performance in 2013 and other questions.

The Board of Directors has recommended a dividend for the 2013 earnings per ordinary and preferred share of KMG EP of 1,976 Tenge which is equivalent to about 135 billion Tenge<sup>1</sup> (approximately US\$730 million<sup>2</sup>). This will be voted upon at the AGM.

If approved, the payment of the 2013 annual dividend will be made starting 24 June 2014 to shareholders of record as of 23 May 2014.

Independent directors suggested payment of a substantial special dividend. This proposal was deferred by the Board of Directors for later consideration.

The Board of Directors adopted budget adjustment taking into account the increase in export and domestic tariffs of JSC "KazTransOil" from January 1, 2014.

The Board of Directors also agreed to implement a Unified System of Wages (USoW) of employees working in the upstream oil and gas division from 1 April 2014 onwards. This ruling leads to employee benefits increase by 21 billion Tenge (US\$113 million<sup>2</sup>) in 2014 budget including an increase of 10% of wages in connection with the devaluation of the Tenge in February 2014.

USoW will be implemented throughout the NC KazMunaiGas Group. The USoW will provide unified tariff rates for workers within their monthly payroll. This is a new payroll system which considers the difference in complexity of work within the same occupation for all employees.

#### Notes to editors

**KMG EP** is among the top three Kazakh oil and gas producers. The overall production in 2013 was 12.4mt (an average of 251kbopd) 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 2012 was 204 mt (1.5bn bbl), out of which 148 mt (1.1bn bbl) relates to Ozenmunaigas and Embamunaigas. 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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<sup>1</sup> Calculated based on number of shares outstanding as at March 18, 2014.

<sup>2</sup> Translated at the rate of 185 KZT/USD (a midpoint of the current indicative range established by the National Bank of Kazakhstan).

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