

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO, OR TO ANY PERSON LOCATED OR RESIDENT IN, ANY JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS ANNOUNCEMENT OR THE TENDER OFFER AND CONSENT SOLICITATION MEMORANDUM.

3 May 2018

JSC NC “KAZMUNAYGAS” AND KMG FINANCE SUB B.V. ANNOUNCE RESULTS OF MEETINGS AND TENDER OFFERS TO THE HOLDERS OF THE OUTSTANDING:

- **U.S.\$1,500,000,000 7.000% NOTES DUE 2020 (ISIN (REG S): XS0506527851; ISIN (RULE 144A): US48667QAE52; CUSIP (RULE 144A): 48667QAE5);**
- **U.S.\$1,250,000,000 6.375% NOTES DUE 2021 (ISIN (REG S): XS0556885753; ISIN (RULE 144A): US48667QAF28; CUSIP (RULE 144A): 48667QAF2);**
- **U.S.\$500,000,000 4.875% NOTES DUE 2025 (ISIN (REG S): XS1132166031; ISIN (RULE 144A): US48667QAH83; CUSIP (RULE 144A): 48667QAH8); AND**
- **U.S.\$2,000,000,000 5.750% NOTES DUE 2043 (ISIN (REG S): XS0925015157; ISIN (RULE 144A): US46639UAB17; CUSIP (RULE 144A): 46639UAB1)**

On 3 April 2018, JSC NC “KAZMUNAYGAS” (the “**Issuer**”) and KMG FINANCE SUB B.V. (“**KMG Finance**”) announced their invitations to each holder (a “**Holder**”) (subject to certain offer and distribution restrictions referred to below):

- of the Issuer’s outstanding U.S.\$1,500,000,000 7.000% Notes due 2020 (the “**2020 Notes**”) to tender any or all of such 2020 Notes held by the Holder for purchase by the Issuer for cash (the “**2020 Tender Offer**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2020 Extraordinary Resolution**”), the terms and conditions of the Notes (the “**2020 Conditions**”) to provide for mandatory early redemption of the 2020 Notes by the Issuer (the “**2020 Proposal**”, and together with the 2020 Tender Offer, the “**2020 Offer**”);
- of the Issuer’s outstanding U.S.\$1,250,000,000 6.375% Notes due 2021 (the “**2021 Notes**”) to tender any or all of such 2021 Notes held by the Holder for purchase by the Issuer for cash (the “**2021 Tender Offer**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2021 Extraordinary Resolution**”), the terms and conditions of the Notes (the “**2021 Conditions**”) to provide for mandatory early redemption of the 2021 Notes by the Issuer (the “**2021 Proposal**”, and together with the 2021 Tender Offer, the “**2021 Offer**”);
- of the Issuer’s outstanding U.S.\$500,000,000 4.875% Notes due 2025 (the “**2025 Notes**”) to tender any or all of such 2025 Notes held by the Holder for purchase by the Issuer for cash (the “**2025 Tender Offer**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2025 Extraordinary Resolution**”), the terms and conditions of the Notes (the “**2025 Conditions**”) to provide for mandatory early redemption of the 2025 Notes by the Issuer (the “**2025 Proposal**”, and together with the 2025 Tender Offer, the “**2025 Offer**”); and
- of the Issuer’s outstanding U.S.\$2,000,000,000 5.750% Notes due 2043 (the “**2043 Notes**”, and together with the 2020 Notes, the 2021 Notes and the 2025 Notes, the “**Notes**”) to tender any or all of such 2043 Notes held by the Holder for purchase by the Issuer for cash (the “**2043 Tender Offer**”, and together with the 2020 Tender Offer, the 2021 Tender Offer and the 2025 Tender Offer, the “**Tender Offers**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2043 Extraordinary Resolution**”, and together

with the 2020 Extraordinary Resolution, the 2021 Extraordinary Resolution and the 2025 Extraordinary Resolution, the “**Extraordinary Resolutions**”), the terms and conditions of the Notes (the “**2043 Conditions**”, and together with the 2020 Conditions, the 2021 Conditions and the 2025 Conditions, the “**Conditions**”) to provide for mandatory early redemption of the 2043 Notes by the Issuer (the “**2043 Proposal**”, and together with the 2043 Tender Offer, the “**2043 Offer**”; the 2020 Proposal, the 2021 Proposal, the 2025 Proposal and the 2043 Proposal, the “**Proposals**”; and the 2020 Offer, the 2021 Offer, the 2025 Offer and the 2043 Offer, the “**Offers**”).

The Offers were made on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum dated 3 April 2018 (the “**Memorandum**”).

Capitalised terms used in this announcement but not defined herein have the meaning given to them in the Memorandum.

The Issuer and KMG Finance hereby give notice to Holders that the Extraordinary Resolutions in respect of each series of Notes set out in the Notices of Meetings dated 3 April 2018 were duly passed at the Meetings held today. Supplemental trust deeds (the “**Supplemental Trust Deeds**”) in respect of each series of Notes dated 3 May 2018 have been signed by the Issuer, KMG Finance and Citicorp Trustee Company Limited, as trustee, and the amendments to the Conditions of each series of Notes contemplated therein have been implemented effective today.

As of the Expiration Deadline, being 10:00 a.m. (London time) on 1 May 2018, the Issuer and KMG Finance had received valid Tender Instructions and Voting Instructions in favour of the relevant Proposal (without Notes being tendered) in respect of each series of Notes as set out below:

Description of the Notes	Outstanding Principal Amount	Tender Instructions Received (in principal amount of Notes)	Percentage of the Outstanding Notes Tendered	Additional Voting Instructions Received in Favour of the Relevant Proposal (in principal amount of Notes)	Total Instructions received in Favour of the Relevant Proposal (in principal amount of Notes)	Percentage of the Outstanding Notes in respect of which Instructions in Favour of the Relevant Proposal have been Received
The 2020 Notes	U.S.\$1,371,437,000	U.S.\$1,182,359,000	86.21%	U.S.\$119,438,000	U.S.\$1,301,797,000	94.92%
The 2021 Notes	U.S.\$1,130,274,000	U.S.\$963,799,000	85.27%	U.S.\$80,079,000	U.S.\$1,043,878,000	92.36%
The 2025 Notes	U.S.\$123,177,000	U.S.\$117,137,000	95.10%	U.S.\$0	U.S.\$117,137,000	95.10%
The 2043 Notes	U.S.\$512,249,000	U.S.\$473,053,000	92.35%	U.S.\$31,440,000	U.S.\$504,493,000	98.49%

On 24 April 2018, the Issuer completed the issuance of its U.S.\$500,000,000 4.750% Notes due 2025, U.S.\$1,250,000,000 5.375% Notes due 2030 and U.S.\$1,500,000,000 6.375% Notes due 2048. Accordingly, the New Financing Condition has been satisfied.

The Issuer intends to purchase all of the validly tendered Notes of each series, as well as pay the relevant Early Consent Fees for Notes in respect of which Voting Instructions in favour of the relevant Proposal were delivered prior to the Early Participation Deadline, on the Settlement Date as set out below.

Description of the Notes	Principal Amount tendered prior to Early Participation Deadline	Total Consideration per U.S.\$1,000 principal amount of Notes tendered prior to Early Participation Deadline	Principal Amount tendered after Early Participation Deadline and prior to Expiration Deadline	Tender Offer Consideration per U.S.\$1,000 principal amount of Notes tendered after Early Participation Deadline and prior to Expiration Deadline	Additional Voting Instructions Received in Favour of the Relevant Proposal prior to Early Participation Deadline (in principal amount of Notes)	Early Consent Fee per U.S.\$1,000 principal amount of Notes
The 2020 Notes	U.S.\$1,181,533,000	U.S.\$1,089.50	U.S.\$826,000	U.S.\$1,069.50	U.S.\$119,438,000	U.S.\$20.00
The 2021 Notes	U.S.\$959,707,000	U.S.\$1,093.50	U.S.\$4,092,000	U.S.\$1,073.50	U.S.\$77,079,000	U.S.\$20.00
The 2025 Notes	U.S.\$117,137,000	U.S.\$1,055.50	U.S.\$0	U.S.\$1,025.50	U.S.\$0	U.S.\$30.00
The 2043 Notes	U.S.\$472,553,000	U.S.\$1,088.00	U.S.\$500,000	U.S.\$1,048.00	U.S.\$31,440,000	U.S.\$40.00

In each case the Issuer will pay the relevant Accrued Interest, as well as the relevant Total Consideration or Tender Offer Consideration, as the case may be. The Settlement Date will be 4 May 2018. All Notes purchased by the Issuer in the Tender Offers will be delivered to the Registrar for cancellation.

The amendments to the Conditions of each series of Notes set out in the Supplemental Trust Deeds have been implemented and, accordingly, all of the Notes of each series which remain outstanding following settlement of the Tender Offers will be redeemed at the relevant Early Redemption Amount set out in the table below, together with the relevant Accrued Interest, on the Early Redemption Date, which is expected to be 11 May 2018 (and in no event later than two Business Days following 11 May 2018).

Description of the Notes	Principal amount of Notes outstanding following settlement of the Tender Offers	Early Redemption Amount per U.S.\$1,000 principal amount of Notes outstanding
The 2020 Notes	U.S.\$189,078,000	U.S.\$1,069.50
The 2021 Notes	U.S.\$166,475,000	U.S.\$1,073.50
The 2025 Notes	U.S.\$6,040,000	U.S.\$1,025.50
The 2043 Notes	U.S.\$39,196,000	U.S.\$1,048.00

The Dealer Managers in respect of the Offers are:

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7986 8969
Email: liabilitymanagement.europe@citi.com

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Attention: Liability management
Telephone: +44 20 7134 2468
Email: em_europe_lm@jpmorgan.com

JSC Halyk Finance

109“V” Abay avenue, 5th floor
A05A1B9
Almaty
Republic of Kazakhstan

Attention: Consulting and Underwriting
Department
Telephone: +7-727-357-3177
Email: IB@halykfinance.kz

MUFG Securities EMEA plc

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Attention: Liability Management Group
Telephone: +44-207-577-4048/4218
Email: DCM-LM@int.sc.mufg.jp

UBS AG, London Branch

5 Broadgate
London EC2M 2QS
United Kingdom

Attention: Liability Management Group
Telephone (US): (collect) +1 (203) 719-4210; (toll free) +1 (888) 719-4210
Telephone (UK): +44 20 7568 2133
Email: ol-liabilitymanagement-eu@ubs.com

The Tender and Tabulation Agent in respect of the Offers is:

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Attention: David Shilson / Alexander Yangaev
Fax: +44 203 004 1590
Telephone; +44 207 704 0880
Email: kmg@lucid-is.com
Website: <https://portal.lucid-is.com>

This announcement is made by:

JSC NC “KazMunayGas”

19, Kabanbay Batyr Street
Astana 010000
Kazakhstan

KazMunaiGaz Finance Sub B.V.

Strawinskylaan 723 (WTC Tower A, 7th Floor)
1077 XX Amsterdam
The Netherlands

This announcement is made by Mr. Dauren Karabayev, Executive Vice President and Chief Financial Officer, on behalf of JSC NC “KazMunayGas” and Mr. Otmar E. Carolus, Managing Director, on behalf of KazMunaiGaz Finance Sub B.V. and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (16 April 2014).

DISCLAIMER

This announcement must be read in conjunction with the Memorandum. This announcement and the Memorandum contain important information which should be read carefully. If you are in any doubt as to the contents of this announcement or the Memorandum, you are recommended to seek your own financial and legal advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, legal adviser, accountant or other independent financial adviser. This announcement is for informational purposes only.

None of the Dealer Managers, the Tender and Tabulation Agent or the Trustee (or their respective affiliates, directors, officers, employees and agents) have separately verified the information contained in the Memorandum and none of the Dealer Managers, the Tender and Tabulation Agent or the Trustee, their affiliates or their respective directors, officers, employees or agents makes any representations, warranties, undertakings or recommendations whatsoever (express or implied) regarding this announcement, the Memorandum or the Offers and none of such persons accepts any liability or responsibility as to the accuracy or completeness of the information contained in this announcement, the Memorandum or any other information provided by the Issuer or KMG Finance in connection with or in relation to the Offers or any failure by the Issuer or KMG Finance to disclose material information with regard to the Issuer, KMG Finance or the Offers. The Tender and Tabulation Agent is the agent of the Issuer and KMG Finance and owes no duty to any Holder.