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**JSC NATIONAL COMPANY KAZMUNAYGAS
ANNOUNCES CASH TENDER OFFER FOR CERTAIN
OUTSTANDING DEBT SECURITIES**

Astana, Kazakhstan, 5 November 2015.

JSC National Company KazMunayGas (“**KMG**”), on behalf of itself and KazMunaiGaz Finance Sub B.V. (“**KMG Finance**”), has today launched a cash tender offer (the “**Offer**”) inviting all holders of Notes (as defined below) in any Series (as defined below) to tender their Notes, subject to the conditions set out in the Offer to Purchase Memorandum dated 5 November 2015 (the “**Offer to Purchase Memorandum**”).

The Notes targeted by the Offer are: (i) any and all of the outstanding U.S.\$2,000,000,000 5.75% Notes due 2043 issued by KMG (the “**2043 Notes**”); (ii) any and all of the outstanding U.S.\$1,000,000,000 6.00% Notes due 2044 issued by KMG (the “**2044 Notes**” and, together with the 2043 Notes, the “**First Priority Notes**”); (iii) the outstanding U.S.\$1,000,000,000 4.40% Notes due 2023 issued by KMG (the “**2023 Notes**”); (iv) the outstanding U.S.\$500,000,000 4.875% Notes due 2025 issued by KMG (the “**2025 Notes**” and, together with the 2023 Notes, the “**Second Priority Notes**”); (v) the outstanding U.S.\$1,500,000,000 7.00% Notes due 2020 issued by KMG (the “**2020 Notes**”); and (vi) the outstanding U.S.\$1,250,000,000 6.375% Notes due 2021 issued by KMG (the “**2021 Notes**” and, together with the 2020 Notes, the “**Third Priority Notes**” and, collectively with the First Priority Notes and the Second Priority Notes, the “**Notes**”). Each of the 2043 Notes, the 2044 Notes, the 2023 Notes, the 2025 Notes, the 2020 Notes and the 2021 Notes are herein referred to as a “**Series**” of Notes.

KMG is offering to purchase Notes in Series for aggregate Cash Consideration of up to U.S.\$3,400,000,000 (the “**Maximum Tender Consideration**”). The “**Cash Consideration**” payable for each U.S.\$1,000 in principal amount of Notes accepted for purchase shall be the sum of (a) U.S.\$1,000 multiplied by the relevant price specified for the Series of such Notes as being the Early Price or the Standard Price (as the case may be) in the table below (in each case, the “**Relevant Price**”), plus (b) all accrued and unpaid interest on such Notes, from (and including) the last interest payment date applicable to such Series of Notes to (but excluding) the Early Settlement Date or the Standard Settlement Date (as applicable) (“**Accrued Interest**”). The Early Price (as set forth in the table below) will apply to Notes validly tendered (and not validly withdrawn) at or prior to the Early Expiration Time (as defined below). The Cash Consideration payable in respect of such Notes shall hereinafter be referred to as the “**Early Consideration**”. The Standard Price (as set forth in the table below) will apply to Notes validly tendered (and not validly withdrawn) at or prior to the Standard Expiration Time (as defined below). The Cash Consideration payable in respect of such Notes shall hereinafter be referred to as the “**Standard Consideration**”. Holders of Notes (each, a “**Holder**” and, together, the “**Holders**”) that are eligible to receive the applicable Early Consideration will not be eligible also to receive any Standard Consideration. All Notes which are validly tendered (and not validly withdrawn) in the Offer may be accepted for purchase subject always to KMG’s right to reject any such tender in its discretion as provided for in the Offer to Purchase Memorandum. The Offer is made pursuant to the Offer to Purchase Memorandum, which sets out a comprehensive description of the terms of the Offer.

The following table sets forth details of the Offer applicable to Notes in each Series, respectively:

Priority Acceptance Level	Series of Notes	ISIN (Reg S/ 144A):	Cusip (Rule 144A):	Maturity	Principal Amount Outstanding ¹ :	Relevant Price	
						Early Price	Standard Price
First Priority Notes	2043 Notes	XS0925015157 / US46639UAB17	46639UAB1	30 April 2043	U.S.\$2,000,000,000	88.50%	85.50%
	2044 Notes	XS1134544151 / US48667QAK13	48667QAK1	7 November 2044	U.S.\$1,000,000,000	90.50%	87.50%
Second Priority Notes	2023 Notes	XS0925015074 / US46639UAA34	46639UAA3	30 April 2023	U.S.\$1,000,000,000	95.50%	92.50%
	2025 Notes	XS1132166031 / US48667QAH83	48667QAH8	7 May 2025	U.S.\$ 500,000,000	95.50%	92.50%
Third Priority Notes	2020 Notes	XS0506527851 / US48667QAE52	48667QAE5	5 May 2020	U.S.\$1,500,000,000	107.75%	104.75%
	2021 Notes	XS0556885753 / US48667QAF28	48667QAF2	9 April 2021	U.S.\$1,250,000,000	104.75%	101.75%

Note:

(1) Aggregate principal amount of Notes outstanding as at the date of this announcement.

Notes that are accepted for purchase by KMG (and not validly withdrawn) shall be purchased in the following order of priority (the “**Acceptance Priority**”) up to an aggregate amount equal to the Maximum Tender Consideration: (i) firstly, the First Priority Notes; (ii) secondly, on a *pro rata* basis and on a *pari passu* basis, the Second Priority Notes; and (iii) thirdly, on a *pro rata* basis and on a *pari passu* basis, the Third Priority Notes ((i) through (iii) (inclusive) each a “**Priority Acceptance Level**”). In the event that any pro-rationing of Notes in any Priority Acceptance Level is required, Notes validly tendered (and not validly withdrawn) in such Priority Acceptance Level shall be pro-rated by a factor equal to (i) the amount of the Maximum Tender Consideration not previously applied to purchase Notes with a higher Priority Acceptance Level, divided by (ii) the aggregate Cash Consideration payable in respect of such validly tendered Notes. The principal amount of each Note that is validly tendered (and not validly withdrawn) and accepted for purchase, which becomes subject to pro-ration, will be rounded down to the nearest U.S.\$1,000 in principal amount after giving effect to the relevant pro-ration.

The Offer will expire at 11:59 p.m. (New York time) on 4 December 2015, unless the Offer Period is extended or earlier terminated (the “**Standard Expiration Time**”). To be eligible to receive the applicable Early Consideration, Holders must validly tender (and not validly withdraw) their Notes to Citibank N.A., London Branch (the “**Tender Agent**”) at or prior to 5:00 p.m. (New York time) on 19 November 2015 (such date and time, as the same may be extended, the “**Early Expiration Time**”). Holders who validly tender (and do not validly withdraw) their Notes to the Tender Agent after the Early Expiration Time but at or prior to the Standard Expiration Time shall be eligible to receive only the applicable Standard Consideration (as defined below). All Holders may tender Notes from and including the date of this announcement until the Standard Expiration Time. Any tender of Notes received by the Tender Agent after the Standard Expiration Time will not be accepted.

Holders of First Priority Notes that are validly tendered (and not validly withdrawn) at or prior to the Early Expiration Time and accepted for purchase will be eligible to receive the applicable Early Consideration for their Notes, which will be payable on or about 24 November 2015 (“**Early Settlement Date**”).

Holders of Second Priority Notes and Third Priority Notes that are validly tendered (and not validly withdrawn) at or prior to the Early Expiration Time and accepted for purchase will be eligible to receive the applicable Early Consideration for their Notes, which will be payable on or about 10 December 2015 (the “**Standard Settlement Date**”).

Holders of Notes in any Priority Acceptance Level that are validly tendered after the Early Expiration Time but at or prior to the Standard Expiration Time and accepted for purchase will be eligible to receive the applicable Standard Consideration for their Notes, which will be payable on the Standard Settlement Date.

Notes tendered before the Early Expiration Time may be validly withdrawn by delivery of a withdrawal instruction that is received by the Tender Agent at any time before 5:00 p.m. (New York time) on 19 November 2015 (the “**Withdrawal Time**”), unless extended by KMG in its discretion (following consultation with KMG Finance), but not thereafter. Notes tendered after the Early Expiration Time may not be withdrawn. Payment for Notes accepted for purchase will be made by deposit of immediately available funds by, or on behalf of KMG on the Early Settlement Date or the Standard Settlement Date (as the case may be). Notes that are not validly tendered or are not accepted for purchase pursuant to the Offer will remain outstanding and remain subject to the terms and conditions of such Notes.

KMG expects to announce the early tender results in respect of the Offer, including (i) the principal amount of First Priority Notes accepted for purchase, and (ii) the Early Settlement Date on or around 20 November 2015. KMG expects to announce the final results of the Offer, including (i) the principal amount of Notes accepted for purchase, (ii) any pro-ration by Priority Acceptance Level, and (iii) the Standard Settlement Date on or around 7 December 2015. All announcements made by KMG in respect of the Offer will be made via an announcement through the London Stock Exchange’s Regulatory News Service. KMG will also make announcements in respect of the Offer by publication on the website of the Kazakhstan Stock Exchange (at www.kase.kz).

The Offer is subject to the satisfaction or waiver (to the extent such conditions are capable of being waived) of certain conditions set forth in the Offer to Purchase Memorandum. KMG (following consultation with KMG Finance) reserves the right to waive (to the extent such conditions are capable of being waived) or modify any one or more of the conditions to the Offer, in whole or in part, at any time with respect to any or all of the Notes subject thereto. The complete terms and conditions of the offer are set forth in the Offer to Purchase Memorandum. Holders are urged to read the Offer to Purchase Memorandum carefully before making any decision with respect to the tender offer.

Each of Citigroup Global Markets Limited and Credit Suisse Securities (Europe) Limited has been appointed to act as a Dealer Manager for purposes of the Offer (together, the “**Dealer Managers**”). Citibank, N.A., London Branch has been retained to act as Tender Agent.

Any questions or requests for assistance or for copies of the Offer to Purchase Memorandum may be directed to the Tender Agent:

The Tender Agent for the Offer is:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Attention: Exchange Team – Agency & Trust
Telephone: +44 207 508 3867
Fax: +44 20 3320 2405
Email: exchange.gats@citi.com

A Holder may also contact the Dealer Managers at the telephone numbers set forth below or such Holder's custodian for assistance concerning the Offer.

The Dealer Managers for the Offer 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
+1 (800) 558 3745 (U.S. toll free)
+1 (212) 723 6106 (Collect)

Email: liabilitymanagement.europe@citi.com

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ
United Kingdom

Attention: Liability Management

Telephone:

+44 20 7883 8763

Email: liability.management@creditsuisse.com

Disclaimer

This announcement must be read in conjunction with the Offer to Purchase Memorandum. This announcement and the Offer to Purchase Memorandum contain important information which must be read carefully before any decision is made with respect to the Offer. If any Holder is in any doubt as to the contents of this announcement or the Offer to Purchase Memorandum or the action it should take, such Holder is advised to seek its own financial advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, legal adviser, accountant or other independent financial adviser.

This announcement is for informational purposes only. The Offer is being made only pursuant to the Offer to Purchase Memorandum and only in such jurisdictions as is permitted under applicable law. Neither this announcement nor the Offer to Purchase Memorandum constitutes an offer to purchase or the solicitation of an offer to tender or sell Notes to or from any person located or resident in any jurisdiction where such offer or solicitation is unlawful.

The Dealer Managers and the Tender Agent (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this announcement, the Offer to Purchase Memorandum or the Offer. The Tender Agent is the agent of KMG and KMG Finance and owes no duty to any Holder. None of the KMG, KMG Finance, the Dealer Managers or the Tender Agent or any of their respective directors, employees or affiliates makes any recommendation as to whether or not Holders should participate in the Offer or refrain from taking any action in the Offer with respect to any of such Notes, and none of them has authorised any person to make any such recommendation.

Forward-Looking Statements

KMG and KMG Finance consider portions of this announcement and the Offer to Purchase Memorandum to be forward-looking statements. Forward-looking statements can be identified by the use of words such as "may", "will", "plan", "should", "expect", "anticipate", "estimate", "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which neither KMG nor KMG Finance can predict with accuracy and some of which neither KMG nor KMG Finance could even anticipate. Although KMG and KMG Finance believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, no assurance can be given that such expectations will be achieved. Future events and actual results, financial and otherwise,

may differ materially from the results discussed in the forward-looking statements as a result of risks and uncertainties, including, without limitation, possible changes in the timing and consummation of the Offer. Holders are cautioned not to place undue reliance on these forward-looking statements. Neither KMG nor KMG Finance assumes any obligation to update and supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise except as may be required under applicable securities laws.

The forward-looking statements contained in this announcement and the Offer to Purchase Memorandum speak only as of the date of this announcement and the Offer to Purchase Memorandum. Neither KMG nor KMG Finance undertakes to publicly update, except as required by applicable securities laws, any forward-looking statement to reflect events or circumstances after the date as of which such statement has been made or to reflect the occurrence of unanticipated events.

Offer and Distribution Restrictions

Neither this announcement nor the Offer to Purchase Memorandum constitutes an invitation to participate in the Offer to or from any person located or resident in any jurisdiction where it is unlawful to make such invitation or for there to be such participation under applicable securities or other laws. In certain jurisdictions, the distribution of this announcement and the Offer to Purchase Memorandum may be restricted by law. Persons into whose possession this announcement or the Offer to Purchase Memorandum comes are required by KMG, KMG Finance, the Dealer Managers and the Tender Agent to inform themselves about and to observe any such restrictions.

General

Neither this announcement nor the Offer to Purchase Memorandum constitutes an offer to purchase or the solicitation of an offer to tender or sell Notes to or from any person located or resident in any jurisdiction where such offer or solicitation is unlawful, and tenders of Notes by Holders originating from any jurisdiction in which such offer or solicitation is unlawful will be rejected. In those jurisdictions where the securities laws or other laws require the Offer to be made by a licenced broker or dealer and any Dealer Manager or any of its respective affiliates is such a licenced broker or dealer in such jurisdiction, the Offer shall be deemed to be made on behalf of KMG by such Dealer Manager or affiliate (as the case may be) in such jurisdiction and the Offer is not made in any such jurisdiction where either a Dealer Manager or any of its affiliates is not licenced. Neither the delivery of this announcement or the Offer to Purchase Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of KMG or KMG Finance since the date hereof, or that the information herein is correct as of any time subsequent to the date hereof.

Each Holder participating in the Offer will be deemed to give certain representations in respect of the jurisdictions referred to below, and generally, on submission of Notes for tender in the Offer. Any tender of Notes for purchase pursuant to the Offer from a Holder that is unable to make these representations will be rejected. Each of KMG, KMG Finance, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result KMG (following consultation with KMG Finance) determines (for any reason) that such representation is not correct, such tender will be rejected.

United Kingdom

This announcement and the Offer to Purchase Memorandum are for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This announcement and the Offer to Purchase Memorandum are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement and the Offer to Purchase Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Republic of Italy

None of this announcement, the Offer to Purchase Memorandum or any other documents or materials relating to this announcement and the Offer to Purchase Memorandum has been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”), and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “Issuers’ Regulation”), as the case may be. This announcement and the Offer to Purchase Memorandum is also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers’ Regulation.

A Holder located in the Republic of Italy may tender Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with Notes or the Offer.

Belgium

In Belgium, the Offer will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors referred to in Article 10, § 1 of the Belgian law on the public offering of investment instruments and the admission of investment instruments to trading on regulated markets dated 16 June 2006, as amended from time to time (the “Belgian Prospectus Law”). None of this announcement, the Offer to Purchase Memorandum or any other documentation or material relating to the Offer has been or will be submitted to the Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit voor financiële diensten en markten*”) for approval. Accordingly, in Belgium, the Offer may not be made by way of a public offer within the meaning of article 3 of the Belgian Prospectus Law and article 3 of the Belgian act on public takeover offers dated 1 April 2007, as amended from time to time (the “**Belgian Takeover Act**”). Therefore, the Offer may not be promoted vis-à-vis, and is not being made to, any person in Belgium (with the exception of “qualified investors” within the meaning of article 10, § 1 of the Belgian Prospectus Law that are acting for their own account and without prejudice to the application of article 6 § 4 of the Takeover Act). This announcement and the Offer to Purchase Memorandum and any other documentation or material relating to the Offer (including memoranda, information circulars, brochures or similar documents) have not been forwarded or made available to, and are not being forwarded or made available to, directly or indirectly, any such person. With regard to Belgium, this announcement and the Offer to Purchase Memorandum has been transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offer. Accordingly, the information contained in this announcement and the Offer to Purchase Memorandum may not be used for any other purpose or be transmitted to any other person in Belgium (without prejudice to the application of article 6 § 4 of the Takeover Act).

The Republic of France

This announcement and the Offer is not being made, directly or indirectly, to the general public in the Republic of France. None of this announcement, the Offer to Purchase Memorandum or any other documentation or material relating to the Offer (including memorandums, information circulars, brochures or similar documents) has been distributed to, or is being distributed to, the general public in the Republic of France. Only (i) persons that provide investment services in the field of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) (that are not individuals) acting for their own account, in each case as defined in or pursuant to articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French *Code Monétaire et Financier*, may participate in the Offer. This announcement and the Offer to Purchase Memorandum has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Republic of Kazakhstan

The Offer is not being made, directly or indirectly, in the Republic of Kazakhstan, except in compliance with the laws of the Republic of Kazakhstan. Neither this announcement nor the Offer to Purchase Memorandum have been or will be submitted for clearance to, or approved by, the National Bank of Kazakhstan.