

**Share issue prospectus
registered by the Agency of the
Republic of Kazakhstan on
Regulation and Supervision of
Financial Market and Financial
Institutions as of September 13,
2004**

**Edition № 1
to the share issue prospectus of JSC KazTransOil**

1. In Section 1 of the Share issue prospectus:

- 1) In paragraph 1 the words «On natural monopolies» should be substituted with words «On natural monopolies and regulated markets»;
- 2) Paragraph 5 should be read as follows:

“5. Information on location of the association, contact phone and fax numbers, e-mail account.

Legal address: 19 Kabanbai Batyr Avenue, Astana city, 010000, Republic of Kazakhstan.

Actual address: 19 Kabanbai Batyr Avenue, Astana city, 010000, Republic of Kazakhstan.

Contact phone numbers: 8 (7172) 555-145, 555-144; fax: 8 (7172) 24-32-32.

E-mail address: office@kaztransoil.kz

3) Item 7 should be read as follows:

“Types of activities conducted by the Company:

- 1) Delivery of services on transportation of oil (pumping, transfer, discharge, loading, storage, mixing) and oil products on main pipelines;
- 2) Determining an order of access for legal entities and individuals to the Company’s pipeline system;
- 3) Development and implementation of new technologies;
- 4) Conducting market researches for sales of hydrocarbon crude and its processed products;
- 5) Participation in development and implementation of state and national qualification of the Company employees;
- 6) Conducting professional training, development training and qualifications upgrade of Company employees;
- 7) Conducting negotiations and concluding contracts on oil and other operations;
- 8) Sales of oil at external and internal markets;
- 9) Projecting, funding, construction, possession and exploitation of the pipeline system on the territory of the Republic of Kazakhstan and abroad including facilities on storage, loading, and transfer to the other types of transport that transport liquid hydrocarbon crude;
- 10) Implementing activities on exploitation and delivery of technical service of the main pipelines that belong to other legal entities;

- 11) Organization of transportation and transit of the Kazakhstani oil on the pipeline systems of other countries (operator activity on a single routing);
 - 12) Delivery of services on transportation of natural gas on the dividing out pipelines for consumers of the Republic of Kazakhstan;
 - 13) Delivery of services on transfer and division of electric power;
 - 14) Delivery of services on production, transfer and division of thermal energy;
 - 15) Delivery of service on water supply on main pipelines;
 - 16) Implementing scientific and technological, manufacturing and economic and external economic activity;
 - 17) Delivery of consulting and technical services on preparation and development of projects of the oil transport infrastructure;
 - 18) Other activity not forbidden by legislation of the Republic of Kazakhstan.”;
- 4) Paragraph 9 should be as follows:

“9. Titles, dates of registration, location and mail addresses of the Company’s all branch offices and representations.

- 1) Western branch office of "KazTransoil" Open Joint Stock Company (JSC);

Date of Registration – June 12, 1997;

Location and Post address: 94 Z. Gumarov Street, Atyrau city 060009 Republic of Kazakhstan;

- 2) Eastern branch of JSC "KazTransOil":

Date of Registration - July 21, 2001

Location and Post address: 16 Lugovaya Street 140004 Pavlodar city, Republic of Kazakhstan.

- 3) Branch office "Computing Center for collective use of JSC "KazTransOil"

Date of Registration - December 25, 2002

Location and Post address: 2 Gabdullina Street, Astana city 010000, Republic of Kazakhstan.

- 4) Branch Office "Scientific and Technical Center" of JSC "KazTransOil"

Date of Registration - September 4, 2000;

Location and Post Address: 142 Bogembai Batyr, left wing of the 5th floor, Almaty city, 050000, Republic of Kazakhstan.

- 5) Representative Office of JSC "KazTransoil" in Moscow city:

Date of registration - August 30, 1999;

Location and Post Address: Vspolnyi bystreet, building 5, vlock 2, Moscow city, 123001, Russian Federation.

6) Representative office of JSC "KazTransOil" in Kiev city:

Date of Registration - December 16, 2003;

Location and Post Address: 50 Artema Street, Kiev, 04050, Ukraine.

7) Representative office of JSC "KazTransOil" in Samara city:

June 11, 2004

Location and Post Address: 33 Mologvardeiskaya Street, E, room 37, Samara oblast, Samara city 443099 Russian Federation;

8) Representative office of JSC "KazTransOil" in Omsk city:

Date of Registration - January 22, 2007;

Location and Postal Address: 51 Tarskaya Street, Omsk, 644007 Russian Federation.

5) Add paragraphs 10-1 and 10-2 with the following content:

"10-1. Date of adoption of the Corporate Management Code by the Association:

The Corporate Management Code of JSC "KazTransOil" was approved by the decision of the sole shareholder of the Company (minutes of the meeting of the Board of Directors of JSC "KazMunaiGas" as of November 24, 2008 #13/2008).

10-2. Date of approval of the method for determination of the cost of shares for sale by the Association by the general assembly of shareholders of the Company:

The methods for determination of share costs for purchase by JSC "KazTransOil" is an indispensable part of the share issue prospectus. The methods of determination of the cost of shares at their requisition by JSC "KazTransOil" is approved by the decision of the only shareholder of the Association (minutes of the meeting of the Board of Directors of the joint stock company national company "KazMunaiGas" as of December 10, 2007 # 14/2007).

2. In Section of 2 of the Share Issue Prospectus:

1) Paragraphs 11 and 12 should be as follows:

"11. The Company's Board of Directors:

- 1) Last name, First name, if available - Patronymic, Year of Birth of the Chairman and Members of the Company's Board of Directors (with indication of independent directors);
- 2) Positions held by the individuals mentioned in subparagraph 1) of the present paragraph for the last three years up to present time in chronological order, including part-time job;

(Date on subparagraphs 1) and 2) of the present paragraph are reflected in the table below):

Full name	Date of	Positions held for the last three years up to
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	Birth	present time in a chronological order including part-time jobs
Chairman of the Board of Directors		
Shmanov Nurtas Nuribekovich - representative of interests of the Sole Shareholder	24.12.1956	05.2006-12.2007 - Deputy Director General on General Issues of the closed joint-stock corporation "KTK-R"; 12.2007-01.2009 - Director General (The Chair of the Management Board) of JSC "KazTransOil"; 01.2009-06.2009 - Managing Director of JSC National Company "KazMunaiGas"; 06.2009 - up to present time - Managing Director on Oil Transportation (Member of the Board) of the JSC "KazMunaiGas".
Members of the Board of Directors:		
Darbayev Arman Amangeldiyevich - Representative of interests of the Sole shareholder	04.08.1969	05.2006-06-2009 - Executive Director on Transportation of the JSC National Company "KazMunaiGas"; 06.2009 - up to present time - General Manager on Oil Transportation Projects of the JSC National Company "KazMunaiGas".
Sultan Nurbol Sarybaiuly - Director General (The Chair of the Management Board) of JSC "KazTransOil"	30.06.1953	2006-2008 - General Advisor in the Pipeline Association, Washington, USA. 2008- up to present time - member of the Board of Directors of JSC "KazTransOil"
Daniel Mikhailik - independent director	30.06.1953	2006-2008 - General Advisor in Pipeline Association, Washington, USA; 2008 - up to present - member of the Board of Director of the JSC "KazTransOil".
Mustafa Khabib - independent director	10.12.1944	2007-11.2008 - Consultant of AGIP KCO (Kashagan Project); 11.2008 - up to present time - member of the Board of Directors of JSC "KazTransOil".

3) Percentage of the voting shares belonging to the Board of Directors members as opposed to the total number of the Company voting shares:

Members of the Board of Directors do not have the Company's shares. The Percentage rate is 0%.

4) Percentage of shares (participatory shares), belonging to the Board of Directors members in subsidiary and dependent organizations as opposed to the total number of the placed shares (participatory shares) of these organizations:

Members of the Board of Directors do not have shares (participatory shares) in subsidiary and dependent organizations, the percentage is 0%.

5) The changes in the structure of the Board of Directors during the previous two years and the reasons for the mentioned changes:

In accordance with the order of JSC National Company KazMunaiGas as of April 23, 2006 #217 being the decision of the sole shareholder of the Company the authority of the Company's Board of Directors have been terminated since March 23, 2006.

In accordance with the order of JSC National Company «KazMunaiGaz» as of April 23 2008 # 228, being the decision of the sole shareholder of the Company, the Company's Board of Directors was selected for the duration of three years in the following compound:

- 1) Berlibayev Daniyar Amirbayevich – Chairman of the Board of Directors, representative of the interests of the shareholder – JSC National Company «KazMunaiGas»;
- 2) Satubaldina Zhannat Sagandykovna – member of the Board of Directors, representative of the interests of the shareholder – JSC National Company «KazMunaiGas»;
- 3) Sauranbayev Nurlan Yermekovich – member of the Board of Directors, representative of interests of the shareholder – JSC National Company «KazMunaiGas»;
- 4) Filatov Alexandr Alexandrovich – independent director;
- 5) Kusainov Aidarkhan Maratovich – independent director;
- 6) Shmanov Nurtas Nuribekovich – member of the Board of Directors, Director General (The Chair of the Management Board) of the Company;

The above mentioned order as of April 23, 2008 #228 is deemed to have lost force by the Order of JSC National Company «KazMunaiGaz» as of July 16, 2008.

The Company's new Board of Directors was elected for three years in the following compound:

- 1) Idenov Maksat Bagitovich – Chairman of the Board of Directors, representative of interests of a shareholder – JSC National Company «KazMunaiGaz»;
- 2) Berlibayev Daniyar Amirbayevich – member of the Board of Directors, representative of the interests of a shareholder – JSC National Company «KazMunaiGaz»;
- 3) Shmanov Nurtas Nuribekovich – member of the Board of Directors, Director General (The Chair of the Management Board) of the Company;
- 4) Daniel Mikhalik – independent director;
- 5) Baikenov Kadyr Karkabatovich – independent director.

Independent Director Baikenov Kadyr Karkabatovich has been removed from the Company's Board of Directors and Khabib Mustafa was selected as an independent director for the term of powers of the Company's Board of Directors in accordance with the decision of the Company's sole shareholder .

The powers of the Board of Directors members Idenov Maksat Bagitovich, Chairman of the Board of Directors and Berlibayev Daniyar Amirbayevich have been terminated before its

term in accordance with the decision of the Company's sole shareholder as of September 16, 2009 (protocol of the JSC National Company KazMunaiGas Board of Directors under #11/2009) and Shmanov Nurtas Nuribekovich and Darbayev Arman Amangeldiyevich were selected as representatives of interests of the Sole Shareholder for the term upon expiry of the term of powers of the Board of Directors as a whole. Shmanov Nurtas Nuribekovich was elected as the Chairman of the Company's Board of Directors.»

12. The Directorate is the Company's collegial executive body.

1) Last name, First Name, and if available – Patronimic, Date of Birth of each of the Directorate members including the The Chair of the Management Board;

2) positions held by the people, indicated in subparagraph 1) of the present paragraph for the last three years up to present time, in a chronological order, including part-time jobs with indication of powers.

(Data on subparagraphs 1) and 2) of the present paragraph are given in the table below)

Full Name	Date of Birth	Positions held for the last three years up to present time including part-time job, with indication of powers
The Chair of the Management Board		
Sultan Nurbol Sarybayevich	30.04.1976	04.2006-12.2008 – Director General of the «Meridian Capital» Limited Liability Partnership; 01.2009 – up to present time – Director General (The Chair of the Management Board) of JSC «KazTransOil»
Directorate members:		
Taubaldiyev Talgat Satybayevich	20.12.1962	03.2006-02.2009 – Director of the Western Branch Office of JSC «KazTransOil»; 02.2009-04.2009 – Advisor to the Director General, Acting First Deputy Directors General of JSC «KazTransOil»; 04.2009-06.2009 – First Deputy Director General of JSC «KazTransOil»; 06.2009- up to present time - Deputy Director General of JSC «KazTransOil».
Nusupova Asem Bekovna	01.05.1975	01.2007 – 12.2008 – Vice-Minister of Health of the Republic of Kazakhstan; 12.2008-06.2009 – Deputy Director General of JSC «KazTransOil» on Economy and Finance; 06.2009 – up to present time – Managing Director of JSC «KazTransOil» on Economy and Finance.
Otarov Bolat Isatayevich	23.02.1966	03.2006 – 05.2007 – Executive Director of JSC

		«KazTransOil» in transportation; 05.2007-06.2009 – Deputy Director General of JSC «KazTransOil» in Transportation; 06.2009- up to present time – Managing Director of JSC «KazTransOil» in Transportation.
Pirogov Alexei Georgiyevich	26.03.1961	03.2006 – 02.2009 – Deputy Director General of JSC «KazTransOil» on Production; 02.2009-06.2009 – Technical Director of JSC «KazTransOil»; 06.2009 – up to present time – Managing Director of JSC «KazTransOil» on Production.
Sultangaliyevna Zhanna Orynbasarovna	08.02.1959	08.1998 – up to present time – chief accountant of JSC «KazTransOil».
Isakov Zhaidarman Azimkhanovich	29.10.1965	10.2002 – up to present time – Director of JSC «KazTransOil» Legal Department.

3) percentage of the voting shares belonging to the individuals indicated in subparagraph 1) of the present paragraph as opposed to the total number of the Company's voting shares:

The Directorate members do not have the Company's shares. The percentage is 0%.

2) paragraph 14 should be worded as follows:

«14. Company's Organizational structure.

- 1) Structural divisions of the Company;
- 2) Total number of employees of the Company who own shares of the Company and their overall share from the overall number of the placed shares in percent:
The Company employees do not own the Company's shares.
- 3) Information on managers of the Company's divisions and representative offices (Last name, First name, if available – patronymic, Date of Birth).

(Information on subparagraphs 1), 4) and 5) of the present item are given in the table below)

#	Title of the Structural division of the Company, including branch offices and representative offices of the Company	Full Name of the managers of the structural divisions, including branch offices and representative offices of the Company	Date of Birth
1.	Personnel Management Department	Akbergenov Serik Ishanbekovich	27.11.1977
2.	Press-service	Samakova Raisa	14.01.1955

		Baigazyevna	
3.	Receiving Office	Akaeva Shapagat Akaevna	16.10.1954
4.	Legal Department	Isakov Zhaidarman Azimkhanovich	29.10.1965
5.	Transportation Department	Mendybayev Erbolat	12.11.1965
6.	Operations Department	Arynov Sabit Abildaevich	29.06.1977
7.	Department of Labor and Fire Safety	Abishev Abai Aitbaevich	17.04.1976
8.	Technical Police Department	Nietkaliyev Adilbek Talgatovich	24.11.1951
9.	Department of Major Construction Work and Repair	Sembin Dulat Egimbayevich	19.07.1954
10.	Telecommunication Department	Zhaksylykov Berik Serikbayevich	16.07.1973
11.	Department of Automated Systems on Management of Technological Processes and Metrological Support	Popova Natalya Vladimirovna	24.10.1961
12.	Main dispatchers control division	Kusherbayev Konilimshat Edilovich	10.05.1966
13.	Transport Logistics Department	Yuryeva Tatyana Viktorovna	23.05.1969
14.	Procurement Department	Salimov Nurtai Ismailovich	25.04.1965
15.	Contracting Department	Soltanbayev Yerkebulan Khasenovich	18.04.1979
16.	Service on Management of the Intergrated System of Management	Tuitebayeva Aizhan Saltanatovna	01.01.1974
17.	Treasury	Mombayeva Marzhan Zholdasovna	14.12.1971
18.	Central Accountant's Office	Sultangaliyeva Zhanna Orynbasarovna	08.02.1959
19.	Department of Corporate Development and Investament Projects	Krylova Zhanna Valentinovna	05.04.1974
20.	Departfment on Preparing of the International Standards of Financial Reporing	Sarmagambetova Madina Kairulloovna	05.09.1971
21.	Tariff Regulation Department	Grigoryeva Svetlana Petrovna	23.02.1953
22.	Engineering Department	Musagaliyev Bakhyt Zeinullaevich	08.07.1967
23.	Planning and Economic Analysis Department	Yeseneyev Meiram Aliakparovich	30.04.1977
24.	Service on Ensuring Security of Corporate Ownership and Information	Kuramshin Rinat Ravilyevich	09.03.1968
25.	Service on Organization of Labor and Salary	Abiyev Kambarbek Abiyevich	20.11.1951
26.	Service on Provision of Operator	Tabulevich Vitaliy	20.04.1970

	Service of the Central Office	Leonidovich	
27.	Administrative Department	Duisepayev Serzhan Bekdauletovich	04.07.1971
28.	The Company's Western Branch Office	Mamonov Ferdinat Abdrakhimovich	09.11.1947
29.	The Company's Eastern Branch Office	Lukpanov Zhenisbek Kozhasovich	07.05.1967
30.	Branch Office «JSC «KazTransOil» Multi-Access Computing Center»	Shekimov Alshyn Zhappasovich	22.12.1973
31.	Branch Office «JSC «KazTransOil» National Technical Center»	Aldiyarov Timur Kubaisovich	29.05.1952
32.	Company's Representative Office in Moscow	Dolgikh Sergey Nikolaevich	27.04.1956
33.	Company's Representative Office in Samara	Kuvatova Elena Petrovna	15.07.1957
34.	Company's Representative Office in Omsk	Mikulik Vitaliy Pavlovich	01.01.1947
35.	Company's Representative Office in Kiyev	Zhumagulov Gabit Kuantkanovich	08.03.1974

«;

3) Paragraph 17 shall be worded as follows:

«17. Information on Industrial, Bank, Financial Groups, Holdings, Consolidated Groups, Associations, Consortiums, where the Company participates.

Company owns 0,908 percent of the placed shares of JSC «Public Pension Fund of Narodnyi Bank of Kazakhstan», branch organization JSC «Narodnyai Bank of Kazakhstan. The abbreviated title – JSC «Pension Savings Fund of Narodnyi Bank of Kazakhstan». Address: 96/98 Zheltoksan Street, Almaty city, 050000, Republic of Kazakhstan.

The Company participates in the Kazakhstani Association of organizations of the oil and gas and energy complex «KAZENERGY». Address: 22 Kabanbai batyr avenue, B-16, Almaty rayon, Astana city, 010000, Republic of Kazakhstan.

3. the last indent of paragraph 35 of section 7 of the share issue prospectus should be worded as follows:

19 Kabanbai batyr avenue, Astana city, office C0425, Department of Corporate Development and Investment Projects.».

Acting Director General (The Chair of the Management Board)

A. Nusupova

Chief Accountant

Zh. Sultangaliyeva

**Approved by the Board of Directors
of JSC national Company «KazMunaiGaz»
Protocol #14/2007
as of December 10, 2007**

**Methods
for Determination of the Share Cost
for reacquisition by JSC «KazTransOil»**

1. The present methods were developed in accordance with requirements of the Law of the Republic of Kazakhstan «On Joint-Stock Companies» (further - Law) and the Statute of JSC «KazTransOil» (hereinafter - Company) for determination of costs of the Company shares for reacquisition by the Company;
2. The present methods are used for reacquisition by the Company of the outstanding shares in cases stipulated by the Law;
3. Order and limitations in reacquisition of the outstanding shares by the Company are established in accordance with the Law;
4. Determine the following methods for determining the cost of share for their reacquisition by the Company:
 - 1) The cost defined by an independent estimator, who has the corresponding licence;
 - 2) Net book value determined in accordance with the international standards of financial reporting;
 - 3) Value, determined through the use of indicators of capitalization of the economic value added cost'
 - 4) Cost determined through the method of discounted money flows;
5. Calculations of the cost of shares determined by an independent estimator, having the corresponding licence is prepared in the form of the report on the cost of the Company's shares.

The date of the report on the cost of the Company's shares must be not later than 30 calendar days before the Company Board of Directors makes a decision on reacquisition of shares by the Company.
6. Calculation of the net book value determined in accordance with the International Standards of Financial Reporting is done the following way:
S=E/Q,
Where
S – is the cost of one share
E – is a net book value of own capital

Q – total number of outstanding shares.

The data on accounting balance for the last reporting date (year, quarter, month) preceding the date of the decision made by the Board of Directors on reacquisition of shares by the Company are used for calculations.

7. The calculation of the share cost defined by the use of indicators of capitalization of economic value-added cost is done the following way:

$$S = (ACE + EVA / WACC - L) / Q.$$

Where

S - is the cost per one share

ACE - average capital employed for a period

EVA - economic value added cost

WACC - average capital cost

L - average financial obligations for a period

Q - total number of the outstanding shares.

- 7.1. The methods for calculation of ACE indicator

$$CE_{\text{for the beginning of the period}} + CE_{\text{for the end of period}}$$

7.1.1. $ACE = \frac{\text{CE}_{\text{for the beginning of the period}} + \text{CE}_{\text{for the end of period}}}{2}$

- 7.1.2. CE (is the capital employed) = Assets - Short-term interest-free obligations - share of the minority

- 7.1.3. Tax Shield = Expenses for payment of reward

- 7.1.4. T - the Corporate Income Tax rate

- 7.1.5. ROACE - Cost effectiveness of the employed capital average for a period

$$ROACE = \frac{NOPAT}{ACE}$$

- 7.1.6. $NOPAT = EBIT - \text{adjusted taxes}$

- 7.1.7. $EBIT = \text{sales income} - \text{flat cost} - \text{expenses for the period} + \text{Income returned not from the main activity} + \text{expenses on percentage} - \text{Share of the minority}$

- 7.1.8. Adjusted taxes = Expenses on Corporate Income Tax + Tax Shield

- 7.2. Methods for calculation of WACC

$$7.2.1. WACC = K * \left(\frac{E}{E+D} \right) + K * (1-T) * \left(\frac{D}{E+D} \right)$$

- 7.2.2. $E = (\text{owned capital for the beginning of the period} + \text{owned capital for the end of the period}) / 2$

- 7.2.3. $D = (\text{d for the beginning of the period} + \text{d for the end of the period}) / 2$

- 7.2.4. $D = \text{assets} - \text{non-interest obligations} - \text{owned capital}$

- 7.2.5. $K = \frac{\text{cost of capital}}{\text{d}}$

D - is the cost of the borrowed capital

- 7.2.6. i = expenses for payments of reward for the period including capitalized expenses on percentage referred to the cost of the main expenses
- 7.2.7. $K_e = R_f R + \beta * (R_m - R_f R) + CRP$ _ cost of the owned capital
- 7.2.8. $R_f R$ (non-risk rate) = average annual effective earning capacity for 10 years treasury obligations of the United States of America
- 7.2.9. R_m - long-term earning capacity of the share market of the USA as a whole.
- 7.2.10. CRP - markup for the country risk of the Republic of Kazakhstan
- 7.2.11. $CRP = MEYKAM - R_f R$ (in case CRP is less than 0, then CRP is accepted as equal to 0).
- 7.2.12. MEYKAM = average annual effective earning capacity on state longterm treasury obligations of the Republic of Kazakhstan with the term of circularization over five years denominated into tenge.
- 7.2.13. In case of lack of long-term treasury obligations of the Republic of Kazakhstan with the term of circularization over five years, CRP is calculated in the following way:
- 7.2.14. $CRP = Rate - R_f R + Notes_{skz} - Notes_{us}$ (In case if CRP is less than 0, then CRP is accepted as equal to 0).
 - 7.2.14.1. Rate = average annual effective earning capacity on Eurobonds, denominated in US dollars, states, having the rating analogous to the rating of the Republic of Kazakhstan based according to the assessment of the rating agency Standard and Poor's.
 - 7.2.14.2. $Notes_{skz}$ = average annual earning capacity on short-term notes of the National Bank of the Republic of Kazakhstan with the term of circularization of one year, denominated in tenge.
 - 7.2.14.3. $Notes_{us}$ = annual average effective earning capacity on the notes of the U.S. Treasury with the term of circularization of one year, denominated in U.S. Dollars.
- 7.3. Methods for calculation of indicator β

7.3.1.
$$\beta = \frac{D}{E} \text{average} * (1 + (1 - T)^{n-1})$$

7.3.2.
$$\beta_{\text{average}} = \frac{1}{n} \sum_{i=1}^n \beta_i$$

7.3.3. n - number of companies-analogues (number of companies-analogues should be not less than 5)

$$7.3.4. \beta_i = \frac{u_i}{I} = \frac{\beta_i D_i}{(1+(1-T_i)E_i)}$$

7.3.5. β_i - beta of the company-analogue

$$\text{Cov}(r_i, r_m)$$

$$7.3.6. \beta_i = \frac{\text{Cov}(r_i, r_m)}{\text{Var}(r_m)}$$

7.3.7. r_i = earning capacity of the shares as a whole

7.3.8. r_m = earning capacity of the shares as a whole

7.3.9. T_i = effective rate of the tax of the company-analogue

7.3.10. Companies-analogues are selected by the following criteria:

7.3.10.1. Companies-analogues must belong to the single area with the Company

7.3.10.2. The Size of the income of the company-analogue should not differ for over 10 times in comparison to the Company's income.

7.3.11. For multi-industry companies-analogues in case of lack of the necessary number of companies-analogues the company is divided into branched for segments for each of them the companies-analogues are selected.

$$7.3.11.1. \text{Total } \beta = \frac{1}{S} * \sum \beta_a * S_a$$

7.3.11.2. S = the Company's total gain

7.3.11.3. S_a = the Company segment's gain

7.3.11.4. β_a = beta of the segment

7.4. Methods for Calculation of EVA indicator.

$$7.4.1. \text{EVA} = (\text{ROACE} - \text{WACC}) * \text{ACE}$$

7.5. The Information sources for calculation of EVA, ROACE indicators.

7.5.1. The Information source for calculation of the real value of EVA and ROACE indicators is the consolidated financial reporting.

7.5.2. The Information Source for calculation of the forecast value of the EVA, ROACE indicators is the forecast financial reporting, business-plan, financial and economic model and other.

7.6. The Information sources for calculation of WACC indicator.

7.6.1. The information source for calculation of E , D and K_d is the consolidated financial reporting.

7.6.2. The source for calculation of $R_m \beta_I$ is:

7.6.2.1. Information agency Bloomberg (www.bloomberg.com) - section Markets - subsection Stocks (beta, debt to equity ratio),

- 7.6.2.2. Information agency Reuter (www.reuters.com) - section Investing - subsection Stocks (beta, debt to equity ratio, historical market return),
- 7.6.2.3. Information agency Ibbotson (www.ibbotson.com) - section Stock, Bonds and Inflation, section Ibbotson Beta Book, section Cost of Capital Yearbook (beta, unlevered beta, equity risk premium, historical market return),
- 7.6.3. The source for calculation of RfR is the U.S. Treasury (www.ustreas.gov) - section Interest Rate Statistics - subsection Daily Treasury Yield Curves (daily 10-year treasury yield)
- 7.6.4. The source for calculation of CRP is:
- 7.6.4.1. Rating agency Standard and Poor's (www.sandp.ru) - section "List of credit rating",
- 7.6.4.2. U.S. Treasury (www.ustreas.gov) - section Interest Rate Statistics - subsection Daily Treasury Yield Curves (daily 10-year treasury yield),
- 7.6.4.3. National Bank of the Republic of Kazakhstan (www.nationalbank.kz) - section "Statistics" - subsection "Market of states securities" (effective earning capacity MEYKAM).
8. Calculation of the cost determined by the method of discounted money flows is made the following way:

$$S = NPV / Q$$

Where

S - the cost of one share

NPV - the net given cost of money flows

Q - the total number of the outstanding shares

8.1 Methods for calculation of NPV:

$$NPV = \sum_{i=1}^{10} \frac{FCF_i}{(1+WACC)^i} + \frac{FCF_{10} * (1+k)}{(WACC-K) * (1+WACC)^{10}}$$

Where

FCFi = operational money flow for I future year + investment money flow for I future year

WACC - average cost of the capital

K - increase rate

9. For calculation of the share for the requisition by the Company the date of the accounting balance for the last reporting period preceding the date of the decision made by the Board of Directors of the Company on requisition of the Company's shares.
10. The Company's Directorate submits the information on the results of the share cost calculations conducted in accordance with four methods indicated in subparagraphs

- 1-4) of paragraph 4 of the present Methodology, for decision to be made on the Company's share cost that maximally meets the interest of the Sole Shareholder - JSC National Company "KazMunaiGas" in accordance with which the requisition of the Company's shares will be conducted.
11. The issues not regulated by the present Methodology are subject to solving in accordance with the present legislation of the republic of Kazakhstan.

Laced and numbered
29 pages
Acting Director General (The Chair of the Management Board)

Nusupova A.B.
Chief Accountant

Sultangaliyeva ZH.O.