

**NATIONAL COMPANY KAZMUNAYGAS ANNOUNCES TENDER OFFER AND CONCURRENT CONSENT SOLICITATION WITH RESPECT TO ITS 4 OUTSTANDING EUROBOND ISSUES**

[/KASE, 03.04.18/](#) – National company KazMunayGaz (Astana), whose securities are officially listed on the Kazakhstan Stock Exchange (KASE), today provided the KASE with the following information statement:

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 April 2018

**JSC NC “KAZMUNAYGAS” AND KMG FINANCE SUB B.V. ANNOUNCE TENDER OFFERS AND CONSENT SOLICITATIONS IN RESPECT OF THE FOLLOWING SERIES OF NOTES ISSUED UNDER THEIR GLOBAL MEDIUM TERM NOTE PROGRAMME:**

- **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)**

JSC NC “KAZMUNAYGAS” (the “**Issuer**”) and KMG FINANCE SUB B.V. (“**KMG Finance**”) today announce their invitations to each holder (the “**Holders**”) (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 are 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**”). The tender of any Notes in any Tender Offer, in order to be valid, is conditional upon the relevant Holder concurrently submitting a vote to approve the relevant Extraordinary Resolution consenting to the relevant Proposal. The Tender Offers begin on 3 April 2018 and will expire at 10:00 a.m. (London time) on 1 May 2018, unless the Tender Offers are extended or earlier terminated, as described in the Memorandum (the “**Expiration Deadline**”).

Copies of the Memorandum are available from the Tender and Tabulation Agent as set out below. Capitalised terms used in this announcement but not defined herein have the meaning given to them in the Memorandum.

#### Consideration in respect of the Tender Offers

The following table sets forth details of the Tender Offers:

Tender Offer	Description of the Notes	ISIN/ CUSIP	Outstanding Principal Amount	Tender Offer Consideration per U.S.\$1,000 principal amount of Notes (equal to Early Redemption Amount)	Early Tender Premium per U.S.\$1,000 principal amount of Notes (equal to the Early Consent Fee)	Total Consideration per U.S.\$1,000 principal amount, comprising the Tender Offer Consideration and Early Tender premium
2020 Tender Offer	The 2020 Notes	ISIN (Reg S): XS0506527851 ISIN (Rule 144A) : US48667QAE52 CUSIP (Rule 144A): 48667QAE5	U.S.\$1,371,437,000	U.S.\$1,069.50	U.S.\$20.00	U.S.\$1,089.50
2021 Tender Offer	The 2021 Notes	ISIN (Reg S): XS0556885753 ISIN (Rule 144A): US48667QAF28 CUSIP (Rule 144A): 48667QAF2	U.S.\$1,130,274,000	U.S.\$1,073.50	U.S.\$20.00	U.S.\$1,093.50
2025 Tender Offer	The 2025 Notes	ISIN (Reg S): XS1132166031 ISIN (Rule 144A): US48667QAH83 CUSIP (Rule 144A): 48667QAH8	U.S.\$123,177,000	U.S.\$1,025.50	U.S.\$30.00	U.S.\$1,055.50
2043 Tender Offer	The 2043 Notes	ISIN (Reg S): XS0925015157 ISIN (Rule 144A): US46639UAB17	U.S.\$512,249,000	U.S.\$1,048.00	U.S.\$40.00	U.S.\$1,088.00

<b>Tender Offer</b>	<b>Description of the Notes</b>	<b>ISIN/ CUSIP</b>	<b>Outstanding Principal Amount</b>	<b>Tender Offer Consideration per U.S.\$1,000 principal amount of Notes (equal to Early Redemption Amount)</b>	<b>Early Tender Premium per U.S.\$1,000 principal amount of Notes (equal to the Early Consent Fee)</b>	<b>Total Consideration per U.S.\$1,000 principal amount, comprising the Tender Offer Consideration and Early Tender premium</b>
Offer		CUSIP (Rule 144A): 46639UAB1				

## Consideration in respect of the Proposals

The following table sets forth details of the Proposals:

<b>Proposal</b>	<b>Description of the Notes</b>	<b>ISIN/ CUSIP</b>	<b>Outstanding Principal Amount</b>	<b>Early Redemption Amount per U.S.\$1,000 principal amount of Notes (equal to Tender Offer Consideration)</b>	<b>Early Consent Fee per U.S.\$1,000 principal amount of Notes (equal to the Early Tender Premium)</b>
2020 Proposal	The 2020 Notes	ISIN (Reg S): XS0506527851 ISIN (Rule 144A) : US48667QAE52 CUSIP (Rule 144A): 48667QAE5	U.S.\$1,371,437,000	U.S.\$1,069.50	U.S.\$20.00
2021 Proposal	The 2021 Notes	ISIN (Reg S): XS0556885753 ISIN (Rule 144A): US48667QAF28 CUSIP (Rule 144A): 48667QAF2	U.S.\$1,130,274,000	U.S.\$1,073.50	U.S.\$20.00
2025 Proposal	The 2025 Notes	ISIN (Reg S): XS1132166031 ISIN (Rule 144A): US48667QAH83 CUSIP (Rule 144A): 48667QAH8	U.S.\$123,177,000	U.S.\$1,025.50	U.S.\$30.00
2043 Proposal	The 2043 Notes	ISIN (Reg S): XS0925015157 ISIN (Rule 144A): US46639UAB17 CUSIP (Rule 144A): 46639UAB1	U.S.\$512,249,000	U.S.\$1,048.00	U.S.\$40.00

### *Indicative Offer Timetable*

This is an indicative timetable showing one possible outcome for the timing of the Offers, based on the dates set out in the Memorandum. This timetable is subject to change and dates may be extended or changed by the Issuer (or KMG Finance on behalf of the Issuer), in its discretion, in accordance with the terms and conditions set out in the Memorandum (including the Conditions to the Offers). Accordingly, the actual timetable may differ significantly from the timetable set forth below. In addition, the timetable may also differ if any Meeting is required to be adjourned.

### **Date and time (all times are New York City time, unless otherwise stated)**

<b>Date and time (all times are New York City time, unless otherwise stated)</b>	<b>Event</b>
3 April 2018 .....	Launch Date
5:00 p.m., 16 April 2018.....	Record Date
11:59 p.m., 16 April 2018.....	Early Participation Deadline
17 April 2018 .....	Announcement of Early Results
5:00 a.m. (10:00 a.m. London time), 1 May 2018 .....	Expiration Deadline
1 May 2018 ( <i>in respect of each series of Notes by the time specified in the relevant Notice of Meeting</i> ) .....	Voting Deadline
3 May 2018 .....	Meetings and Announcement of Results
4 May 2018 .....	Settlement Date
11 May 2018 .....	Early Redemption Date

### *Rationale for the Offers*

The rationale for the Offers and the issue of new notes to be denominated in U.S. Dollars, which the Issuer intends to issue, subject to market conditions (the “**New Notes**”) is to permit the Group to manage proactively the Group’s upcoming debt redemptions, to lower the average cost of the Group’s debt portfolio and to extend the average debt maturity profile of the Group. The Issuer intends to cancel all Notes purchased by it pursuant to the Offers. The Proposals are being sought to help achieve a harmonisation of covenants across the Issuer’s bond portfolio.

### *The Offers*

In respect of any Offer:

- Holders of Notes that validly tender their Notes and that concurrently consent to the relevant Proposal at or prior to the Early Participation Deadline will, to the extent their Notes are accepted for purchase, receive the relevant Total Consideration for such Notes, which is comprised of the relevant Tender Offer Consideration and the relevant Early Tender Premium;
- Holders of Notes that validly tender their Notes and that concurrently consent to the relevant Proposal after the Early Participation Deadline but at or prior to the Expiration Deadline will, to the extent their Notes are accepted for purchase, receive only the relevant Tender Offer Consideration, which does not include the relevant Early Tender Premium; and
- in any case, Holders of Notes that validly tender their Notes and that concurrently consent to the relevant Proposal will, to the extent the Notes are accepted for purchase, also receive Accrued Interest on such Notes as described further in the Memorandum.

In order to be valid, the tender of any Notes in any Tender Offer is conditional upon the relevant Holder concurrently consenting to approve the relevant Proposal. In the case of Notes held through Euroclear or Clearstream, Luxembourg, the tender of any Notes in any Tender Offer will automatically result in such Notes being voted to approve the relevant Extraordinary Resolution consenting to the relevant Proposal. In the case of Notes held through DTC, the tender of any Notes in any Tender Offer is conditional upon the relevant Holder concurrently submitting a Form of Sub-Proxy to the Tender and Tabulation Agent to approve the relevant Extraordinary Resolution consenting to the relevant Proposal.

Pursuant to the Proposals, the Issuer and KMG Finance are inviting Holders to approve the modifications of the Conditions of each series of Notes (as described in the Extraordinary Resolutions set out in the Notices of Meetings which are set out in the Memorandum) to provide that the Issuer shall redeem all, but not some only, of the Notes of each series remaining (if any) on completion of the Tender Offers on or immediately following a date that is expected to be 11 May 2018 at the Early Redemption Amount, which shall be equal to the Tender Offer Consideration, together with Accrued Interest in respect of the Notes (for such purpose assuming that any Accrued Interest would otherwise be paid in full on the next succeeding interest payment date), from (and including) the immediately preceding interest payment date to (but excluding) the Early Redemption Date.

Alternatively, to be eligible to receive an Early Consent Fee (without tendering Notes), Holders must consent to the relevant Proposal at or prior to the Early Participation Deadline. Early Consent Fees will only be paid if the relevant Extraordinary Resolution is approved at the relevant Meeting. Holders who consent to any Proposal (without tendering Notes) after the Early Participation Deadline but at or prior to the Expiration Deadline shall not be eligible to receive any consent fee or other consideration.

The Issuer will accept tenders of Notes for purchase only in minimum denominations of (i) in respect of the 2020 Notes, U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof and (ii) in

respect of the 2021 Notes, the 2025 Notes and the 2043 Notes, U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted.

Holders may consent to, vote against or abstain from any Proposal without tendering Notes.

#### *New Financing Condition*

On or around the date of the Memorandum, the Issuer expects to announce its intention to issue the New Notes. The Issuer (or KMG Finance on behalf of the Issuer) will decide, in its sole discretion, whether to accept for purchase Notes validly tendered in the Tender Offers subject to the Issuer (or KMG Finance on behalf of the Issuer) being satisfied that it has received (or will receive on or prior to the Settlement Date) an amount by way of proceeds of the issue of New Notes, which is sufficient (as determined by the Issuer (or KMG Finance on behalf of the Issuer) in its sole discretion) in order to enable the Issuer to finance, in whole or in part, the payment by it of (i) the relevant Total Consideration or Tender Offer Consideration (as the case may be) and Accrued Interest in respect of all Notes validly tendered and accepted for purchase pursuant to the Tender Offers, (ii) any Early Consent Fees and (iii) the relevant Early Redemption Amount and Accrued Interest in respect of all Notes subject to the Mandatory Early Redemption, if the Extraordinary Resolutions in respect of any series of Notes are approved at the Meetings. Whether the Issuer will purchase any Notes validly tendered in the Tender Offers is subject, without limitation, to the pricing and settlement of the issue of the New Notes.

#### *Priority Allocation Right*

A Holder that wishes to subscribe for New Notes, in addition to (i) tendering Notes for purchase pursuant to any Tender Offer and concurrently consenting to the relevant Proposal or (ii) consenting to the relevant Proposal, in either case, prior to the Early Participation Deadline, may request priority in the allocation of the New Notes, subject to the issue of the New Notes and as set out below.

Such priority will be given for an aggregate principal amount of New Notes (such priority amount, a “**Priority Allocation Right**”) up to the aggregate principal amount of Notes of the relevant series that are the subject of the Holder’s (i) valid Tender and Priority Allocation Right Instruction or (ii) valid Voting and Priority Allocation Right Instruction, in either case, prior to the Early Participation Deadline.

For the avoidance of doubt, a Holder may request a Priority Allocation Right for a principal amount of New Notes that is equal to or less than the aggregate principal amount of Notes of the relevant series the subject of such Holder’s Tender and Priority Allocation Right Instruction or Voting and Priority Allocation Right Instruction.

To receive a Priority Allocation Right, a Holder must:

- (i) contact a Dealer Manager to register its interest in the New Notes and to obtain its unique reference number (the “**Allocation Code**”) prior to the Early Participation Deadline;
- (ii) submit a Tender and Priority Allocation Right Instruction or Voting and Priority Allocation Right Instruction through the relevant Clearing System including the Allocation Code, in compliance with the requirements set out in the Memorandum; and
- (iii) make an application to a Joint Lead Manager for the purchase of New Notes in accordance with the standard new issue procedures of such Joint Lead Manager, including a reference to such Allocation Code.

**The receipt of an Allocation Code from a Dealer Manager in conjunction with any tender of Notes is not an application for the purchase of New Notes and Holders wishing to participate in**

**the offering of the New Notes must make an application for the purchase of New Notes as described above.**

The issuance of any Allocation Codes by the Dealer Managers (acting in their capacities as Joint Lead Managers in respect of the offering of the New Notes) is conditional on the issuance of the New Notes. Moreover, the Issuer may, in its sole and absolute discretion, reject an application quoting an Allocation Code in the event that a Holder specifies a wrong Allocation Code or if there is any other defect related to the Allocation Code. The Issuer, however, reserves the right to waive any such defect and to allocate the relevant Priority Allocation Right to the relevant Holder that would be applicable but for the defect.

#### *Meetings and Announcement of Results*

There will be Meetings of Holders to consider the Proposals on 3 May 2018 at the offices of Dechert LLP, 160 Queen Victoria Street, London, EC4V 4QQ, United Kingdom at (i) in respect of the 2020 Notes, 10:00 a.m. (London time), (ii) in respect of the 2021 Notes, 10:15 a.m. (London time), (iii) in respect of the 2025 Notes, 10:30 a.m. (London time) and (iv) in respect of the 2043 Notes, 10:45 a.m. (London time).

After the Meetings, the Issuer and/or KMG Finance shall announce (i) the aggregate principal amount of Notes of each series validly tendered and the results of the Offers, (ii) whether the New Financing Condition has been satisfied, and (iii) the results of the Meetings and, if any of the Extraordinary Resolutions have been passed and (provided the New Financing Condition has been satisfied) the relevant Supplemental Trust Deeds have been executed, the Early Redemption Date. If any Meeting is adjourned for lack of quorum or otherwise, the Issuer and KMG Finance intend to extend the Offers and postpone the Settlement Date. Holders will not be given withdrawal rights as a result of such postponement, if any, and all tendered Notes will remain blocked until any later Settlement Date or subsequent termination of the Tender Offers (or, in either case, immediately thereafter).

#### *General*

The Issuer (or KMG Finance on the Issuer's behalf) may, in its sole discretion, extend, re-open, amend or waive any condition of, including the New Financing Condition, or terminate, any Offer at any time (subject to applicable law and as provided in the Memorandum). Details of any such extension, re-opening, amendment, waiver, termination or withdrawal will be announced as provided in this announcement as soon as reasonably practicable after the relevant decision is made.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary needs to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, any Offer before the deadlines specified in the Memorandum. The deadlines set by each Clearing System for the submission and withdrawal of Tender Instructions will also be earlier than the relevant deadlines specified in the Memorandum.

For further information on the Offers and terms and conditions on which the Offers are made, Holders should refer to the Memorandum. Questions and requests for assistance in connection with the (a) Offers may be directed to the Dealer Managers; and (b) Offers and the delivery of Tender Instructions may be directed to the Tender and Tabulation Agent, the contact details for all of which are below.

Unless stated otherwise, announcements in relation to the Offers will be found (i) by issue of a press release to a recognised news service; (ii) by delivery of notices to the Clearing Systems for communication to Direct Participants; (iii) through RNS, the news distribution service operated by the London Stock Exchange and (iv) by publication on the website of the Kazakhstan Stock Exchange (at [www.kase.kz](http://www.kase.kz)). The Issuer and KMG Finance may also make announcements in relation to the Offers on the relevant Reuters International Insider Screen. Copies of all such announcements, press releases and notices can also be obtained from the Tender and Tabulation Agent, the contact details for which

are at the bottom of this announcement. Significant delays may be experienced where notices are delivered to the Clearing Systems and Holders are urged to contact the Tender and Tabulation Agent for the relevant announcements during the course of the Offers. In addition, holders of Notes may contact the Dealer Managers for information using the contact details which are at the bottom of this announcement. Holders are advised to read carefully the Memorandum for full details of and information on the procedures for participating in the Offers.

This announcement is made by:

**JSC NC “KazMunayGas”**

19, Kabanbay Batyr Street  
Astana 010000  
Kazakhstan

**KazMunaiGaz Finance Sub B.V.**

Strawinskyiaan 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).

Questions and requests for assistance in connection with the Offers may be directed to any Dealer Manager and Solicitation Agent.

**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

Questions and requests for assistance in connection with the delivery of Tender Instructions may be directed to the Tender and Tabulation Agent.

**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>

## DISCLAIMER

This announcement must be read in conjunction with the Memorandum. This announcement and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If you are in any doubt as to the contents of this announcement or the Memorandum or the action you should take, 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. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Notes for purchase pursuant to the Tender Offers. For the avoidance of doubt, none of the Dealer Managers, the Tender and Tabulation Agent, the Trustee, the Issuer or KMG Finance makes any recommendation as to whether Holders should participate in the Offers or otherwise provides any legal, business, tax or other advice in connection with the Offers.

This announcement is for informational purposes only. The Offers are being made only pursuant to the Memorandum and only in such jurisdictions as is permitted under applicable law. None of this announcement, the Memorandum nor any other documents or materials relating to the Offers 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.

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

## OFFER AND DISTRIBUTION RESTRICTIONS

### General

This announcement does not constitute an offer to purchase, or the solicitation of an offer to tender or sell, or to exercise any voting rights with respect to any, Notes to or from, or by, 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 not be accepted. The Offers are not being made, directly or indirectly, in any jurisdiction where to do so would impose any obligations on the Issuer or KMG Finance in such jurisdiction, including any requirement to qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction, file any general consent to service of process in any such jurisdiction, subject itself to

taxation in any such jurisdiction if it is not otherwise so subject, make any filing with any regulatory body in any such jurisdiction or otherwise have any document approved by, or submitted to, any regulating body in such jurisdiction. In those jurisdictions where the securities laws or other laws require the Offers to be made by a licensed broker or dealer and any Dealer Manager or any of its respective affiliates is such a licensed broker or dealer in such jurisdiction, the Offers shall be deemed to be made on behalf of the Issuer and KMG Finance by such Dealer Manager or affiliate (as the case may be) in such jurisdiction and the Offers are not made in any such jurisdiction where either a Dealer Manager or any of its affiliates is not licensed. Neither this announcement nor the delivery of the Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer 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 any 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 relevant Tender Offer and submission of consent to the relevant Proposal. Any tender of Notes for purchase pursuant to any Tender Offer from a Holder that is unable to make these representations will not be accepted. Each of the Issuer, KMG Finance, the Dealer Managers and the Tender and Tabulation Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to any Tender Offer, or submission of consent to the relevant Proposal, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Issuer or KMG Finance determines (for any reason) that such representation is not correct, such tender will not be accepted.

A Holder who is a Sanctions Restricted Person may not participate in any Offer. No Notes purported to be tendered by a Sanctions Restricted Person pursuant to the Memorandum will be accepted for purchase and no Sanctions Restricted Person will be eligible to receive any monetary amount in respect of the relevant Total Consideration, Tender Offer Consideration or Early Consent Fee in any circumstances. The Issuer (or KMG Finance on the Issuer's behalf), in its discretion, reserves the absolute right not to accept the tender of any Notes by a person whom it has reason to believe is or may be a Sanctions Restricted Person.

## **United Kingdom**

The communication of this announcement, the Memorandum and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (i) persons who have professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons who fall within Article 43(2) of the Financial Promotion Order, including existing members and creditors of the Issuer or KMG Finance, (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Financial Promotion Order or; or (iv) any other persons to whom these documents and/or materials may lawfully be made under the Financial Promotion Order. Any investment or investment activity to which the Memorandum relates is available only to such persons and will be engaged in only with such persons and other persons should not rely on it.

## **Italy**

Neither this announcement, nor the Memorandum nor any other documents or materials relating to the Offers have 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 Offers are being carried out in the Republic of Italy as exempted offers 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, as the case may be.

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 Offers.

## **Belgium**

In Belgium, the Offers 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**”). Neither this announcement, nor the Memorandum nor any other documentation or material relating to the Offers has been or will be submitted to the Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit voorfinanciële diensten en markten*”) for approval. Accordingly, in Belgium, the Offers 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 Offers may not be promoted vis-à-vis, and are 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, the Memorandum and any other documentation or material relating to the Offers (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 has been and the Memorandum will be transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offers. Accordingly, the information contained in this announcement and the 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).

## **France**

The Offers are not being made, directly or indirectly, to the general public in the Republic of France. Neither this announcement, nor the Memorandum nor any other documentation or material relating to the Offers (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.411-3 of the French Code Monétaire et Financier, may participate in the Offers. This announcement and the Memorandum have not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

## **The Netherlands**

In the Netherlands, the Offers will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors as referred to in Section 1:1 of the Dutch Financial Supervision Act, as amended from time to time (*de Wet op het Financieel Toezicht*, the “**FSA**”). Neither this announcement, nor the Memorandum nor any other documentation or material relating to the Offers has been or will be submitted to the Dutch Authority for Financial Markets (*de Autoriteit Financiële Markten*, the “**AFM**”) for approval. Therefore, neither this announcement, the Memorandum nor any other documentation or material relating to the Offers qualify as an approved prospectus as meant in Section 5:2 FSA. Accordingly, in the Netherlands, the Offers may not be made by way of a public offer within the meaning of Section 5:2 FSA and the Offers may not be promoted and are not being made to, any person in the Netherlands (with the exception of “qualified investors” within the meaning of Section 1:1 in conjunction with Section 5:3(1)(a) FSA). This announcement, the Memorandum and any other documentation or material relating to the Offers (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 the Netherlands, this announcement has been and Memorandum will be transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offers. Accordingly, the information contained in this announcement and the Memorandum may not be used for any other purpose or be transmitted to any other person in the Netherlands.

## **Republic of Kazakhstan**

The Offers are not being made, directly or indirectly, in the Republic of Kazakhstan, except in compliance with the laws and regulations of the Republic of Kazakhstan, including the rules of the KASE. This announcement and the Memorandum have not been and will not be submitted for clearance to nor approved by the National Bank of Kazakhstan.

*unquote*

[2018-04-03]