

THIS ANNOUNCEMENT IS NOT FOR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE SUCH ANNOUNCEMENT.

JSC NC “KazMunayGas” (“KMG” or the “Issuer”) and KazMunaiGaz Finance Sub B.V. (“KMG Finance”) announce the termination of the consent solicitation in relation to the outstanding notes issued by KMG detailed in the table below (each of the ten series of notes referred to below, a “Series”, and all outstanding notes of all Series collectively, the “Notes”)

| Description of Notes | Regulation S Global Note ISIN / Common Code | Rule 144A Global Note ISIN / Common Code / CUSIP | Amount Issued | Amount Outstanding |
|---|--|---|----------------------|---------------------------|
| U.S.\$1,600,000,000 9.125% notes due 2018 (the “ 2018 Notes ”) | XS0373641009 / 037364100 | US48667QAA31 / 037371971 / 48667QAA3 | U.S.\$1,600,000,000 | U.S.\$1,600,000,000 |
| U.S.\$1,500,000,000 7.000% notes due 2020 (the “ 2020 Notes ”) | XS0506527851 / 050652785 | US48667QAE52 / 050653145 / 48667QAE5 | U.S.\$1,500,000,000 | U.S.\$1,371,437,000 |
| U.S.\$1,250,000,000 6.375% notes due 2021 (the “ 2021 Notes ”) | XS0556885753 / 055688575 | US48667QAF28 / 055708223 / 48667QAF2 | U.S.\$1,250,000,000 | U.S.\$1,130,274,000 |
| U.S.\$500,000,000 3.875% notes due 2022 (the “ 2022 Notes ”) | XS1595713279 / 159571327 | US48667QAM78 / 159943119 / 48667QAM7 | U.S.\$500,000,000 | U.S.\$500,000,000 |
| U.S.\$1,000,000,000 4.400% notes due 2023 (the “ 2023 Notes ”) | XS0925015074 / 092501507 | US46639UAA34 / 092527441 / 46639UAA3 | U.S.\$1,000,000,000 | U.S.\$406,564,000 |
| U.S.\$500,000,000 4.875% notes due 2025 (the “ 2025 Notes ”) | XS1132166031 / 113216603 | US48667QAH83 / 113217545 / 48667QAH8 | U.S.\$500,000,000 | U.S.\$123,177,000 |
| U.S.\$1,000,000,000 4.75% notes due 2027 (the “ 2027 Notes ”) | XS1595713782 / 159571378 | US48667QAN51 / 159943038 / 48667QAN5 | U.S.\$1,000,000,000 | U.S.\$1,000,000,000 |
| U.S.\$2,000,000,000 5.750% notes due 2043 (the “ 2043 Notes ”) | XS0925015157 / 092501515 | US46639UAB17 / 092527425 / 46639UAB1 | U.S.\$2,000,000,000 | U.S.\$512,249,000 |
| U.S.\$1,000,000,000 6.000% notes due 2044 (the “ 2044 Notes ”) | XS1134544151 / 113454415 | US48667QAK13 / 113454202 / 48667QAK1 | U.S.\$1,000,000,000 | U.S.\$30,112,000 |
| U.S.\$1,250,000,000 5.75% notes due 2047 (the “ 2047 Notes ”) | XS1595714087 / 159571408 | US48667QAP00 / 159943127 / 48667QAP0 | U.S.\$1,250,000,000 | U.S.\$1,250,000,000 |

On 20 June 2017, the Issuer, in conjunction with KMG Finance, announced and launched a consent solicitation (the “**Consent Solicitation**”) to approve certain modifications of the terms and conditions of the Notes as set out in a consent solicitation memorandum dated 20 June 2017 (the “**Memorandum**”). Capitalised terms used in this announcement, but not defined herein have the same meaning ascribed to them in the Memorandum.

Following the Final Consent Expiration Time, based on the votes that have been cast the Extraordinary Resolutions would have passed in respect of the Noteholders meetings for a few Series of Notes but as the Extraordinary Resolutions would not have passed at the meetings in respect of all the Series, KMG has resolved not to proceed with the Consent Solicitation. Consequently, any Electronic Voting Instructions or Forms of Sub-Proxy previously given by Noteholders in respect of the Proposal will be disregarded and have no effect, and any Notes previously blocked in the Clearing Systems in respect of such instructions / forms will be released and returned to Noteholders. It is not intended that the Extraordinary Resolutions set out in the Memorandum will be presented to the Meetings scheduled to take place on 12 July 2017 and accordingly each Meeting scheduled to take place on 12 July 2017 will be adjourned *sine die*. Accordingly, each Trust Deed will remain in its present form, unamended. As a result of the withdrawal of the Consent Solicitation, no Early Consent Fee will be paid or become payable to holders of Notes who have delivered consents under the Consent Solicitation.

This announcement confirms the formal withdrawal of the Consent Solicitation. KMG and KMG Finance reserve the right to initiate a new consent solicitation at a later date, but they are under no obligation to do so.

KMG would like to thank Noteholders for their participation and the feedback that they have provided.

Solicitation Agents

Any questions from any person (other than persons located and/or resident in Kazakhstan) regarding the terms of the termination or the Consent Solicitation may be directed to the Solicitation Agents at the addresses and telephone numbers specified below:

SOLICITATION AGENTS

CITIGROUP GLOBAL MARKETS LIMITED

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

One Cabot Square
London E14 4QJ
United Kingdom

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

Tel: +44 (0) 20 7883 8763
Email: liability.management@credit-suisse.com

Tabulation Agent

Noteholders may obtain copies of the Memorandum, the Notices of Meetings and any announcements in connection with the Solicitation from the Tabulation Agent:

TABULATION AGENT

Lucid Issuers Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Attention: David Shilson / Alexander Yangaev

By telephone: +44 207 704 0880

By email: kmg@lucid-is.com

Neither the Solicitation Agents, the Tabulation Agent, Citicorp Trustee Company Limited (the “**Trustee**”), KMG nor KMG Finance takes any responsibility for the contents of this announcement and none of KMG, KMG Finance, the Solicitation Agents, the Tabulation Agent, the Trustee or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Solicitation, or any recommendation as to whether Noteholders should provide their consent in the Solicitation. 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 Solicitation. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent adviser.

Within the United Kingdom, this announcement is directed only at persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (“relevant persons”). The investment or investment activity to which this announcement relates is only available to and will only be engaged in with relevant persons and persons who receive this announcement who are not relevant persons should not rely or act upon it.

This announcement is not a solicitation of consent with respect to any Notes and does not constitute an invitation to participate in the Solicitation in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The Consent Solicitation is being made solely pursuant to the Memorandum, which sets forth a detailed statement of the terms of the Solicitation.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions.