

October 14, 2020

**JSC NC "KazMunayGas" (KMG) reports on the successful completion of the offering in the United States pursuant to Rule 144A and outside the United States pursuant to Regulation S of 12.5-year US \$750 million Eurobond issuance.**

October 14<sup>th</sup> – KMG is pleased to announce the successful completion of its offering of new Eurobonds which priced on October 6<sup>th</sup>, when KMG opened a global investor book for its new benchmark-sized 12.5-year Eurobonds, successfully pricing the transaction intra-day. Orders from investors in Kazakhstan were collected through the Kazakhstan Stock Exchange (the “KASE”) simultaneously with the international bookbuilding. The initial price guidance was set at yields to maturity of around 3.875%, but backed by strong investor support was later revised to 3.500%, implying a total 37.5bps yield tightening throughout bookbuilding. Upon the books’ closing on the same day, a very robust global demand represented by an order book over U.S.\$ 3 bn at peak allowed KMG to price the deal at the lowest-ever USD yield for the company – i.e. at 3.5% for the U.S.\$ 750 MM 12.5-year series with the same coupon rate per annum.

The new issue was priced inside the existing KMG yield curve with estimated 12.5 bps negative new issue premium. The final pricing also represents the lowest-ever USD yield achieved by any CIS issuer for a 10+ year new issue.

The Eurobonds were settled on October 14<sup>th</sup>. The net proceeds will be used by KMG to fund the early redemption of its outstanding Eurobonds due 2022 and 2023.

The new Eurobonds are rated BBB- (Fitch) / Baa3 (Moody’s) and [are/application has been made for them to be] listed on the London Stock Exchange and the KASE.

J.P. Morgan, MUFG, Halyk Finance and SkyBridge Invest were mandated as joint lead managers and joint bookrunners. White & Case LLP and Kinstellar acted as legal advisers to KMG, while Latham & Watkins LLP and Zan Hub LLP acted as legal advisers to the joint lead managers.

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**About JSC National Company KazMunayGas:** JSC National Company KazMunayGas (KMG) is Kazakhstan's leading vertically integrated oil and gas company, operating assets across the entire production cycle from the exploration and production of hydrocarbons to transportation, refining and specialized services. Established in 2002, the company represents Kazakhstan's interests in the national oil and gas industry.

KMG's significant assets are as follows:

**Upstream:** Tengizchevroil (TCO) - 20%, Karachaganak (KPO) - 10%, Kashagan – 8,44%<sup>1</sup>, Ozenmunaigas (OMG) - 100%, Mangistaumunaigaz (MMG) - 50%, Embamunaigaz (EMG) - 100%, Kazgermunai (KGM) - 50%, Petrokazakhstan Inc (PKI) - 33%, Karazhanbasmunai (KBM) - 50%, KazakhOil Aktobe (KOA) - 50%, KazakhTurkmunai (KTM) - 100%, KazMunayTeniz - 100%.

**Midstream:** KazTransOil - 90%, Kazakhstan China Pipeline (KCP) - 50%, Munai Tas - 51%, Batumi Oil Terminal - 100%, CPC - 20.75%<sup>2</sup>, Kazmortransflot - 100%, KazTransGas - 100%, ICA - 100%, AGP - 50%, KTG Aimak - 100%, BSGP - 50%, KazRosGas - 50%.

**Downstream:** Pavlodar refinery - 100%, Atyrau refinery – 99,53%, Shymkent refinery – 49,72%, KMG International - 100%, Petromidia – 54,63%, Vega – 54,63%.

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<sup>1</sup> In October 2015, KMG sold 50% of its shares in Kashagan to Samruk-Kazyna with a call option to buy back all part of shares at any time between 2020 and 2022. KMG and Samruk-Kazyna own 16.88% in total.

<sup>2</sup> 19% through the KMG itself and 1.75% through Kazakhstan Pipeline Ventures (KPV).