

5 August 2024

JSC NC KazMunayGas 1H of 2024 Trading Update

Astana, 5 August 2024 - National Company KazMunayGas JSC (“KMG” or “Company”), Kazakhstan's national oil and gas company, announces its operating results for the first half of 2024.

Key operating highlights for the first half of 2024 compared to the first half of 2023:

- Oil and gas condensate production increased by 1.1% and amounted to 11,989 thous. tonnes;
- Oil transportation volumes increased by 6.2% and amounted to 41,733 thous. tonnes;
- Hydrocarbons refining volumes at the Kazakh and Romanian refineries amounted to 8,902 thous. tonnes compared to 10,109 thous. tonnes.

	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
Oil production, thous. tonnes	11,989	11,860	+1.1%
Gas production, mln m ³	4,840	4,789	+1.1%
Oil transportation, thous. tonnes	41,733	39,309	+6.2%
Oil refining, thous. tonnes	8,902	10,109	-11.9%

Operating results are represented in accordance with KMG's ownership interest in joint ventures and associates and 100% of results for fully consolidated subsidiaries, unless otherwise stated. Indicators and calculation results are indicated with rounding. However, when comparing periods, exact values were used without rounding. Any possible adjustments related to rounding, in the Company's opinion, should not have a material effect on operating results.

Upstream

Oil and gas condensate production volume for the first half of 2024 amounted to 11,989 thous. tonnes (497 kbopd) representing an increase of 1.1%. Production volume of associated and natural gas (before the volumes of reinjection) raised by 1.1% to 4,840 mln m³.

	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
Oil and condensate production, thous. tonnes			
OMG	2,510	2,474	+1.4%
MMG	1,530	1,538	-0.6%
EMG	1,371	1,325	+3.5%
Tegniz	2,872	2,981	-3.7%
Kashagan	1,539	1,536	+0.2%
Karachaganak	547	549	-0.3%
Others	1,620	1,457	+11.2%
Total	11,989	11,860	+1,1%

Oil production at Tengiz decreased by 3.7% and amounted to 2,872 thous. tonnes (126 kbopd). Associated gas production narrowed by 4.2%, amounting to 1,587 mln m³. The decrease in indicators was due to overhaul at sour gas injection facility in May of the reporting year.

In April 2024, Tengiz started the commissioning of the Wellhead Pressure Management Project facilities, and the launch of the Future Growth Project, according to the updated schedule, is planned for the second quarter of 2025.

KMG's share of oil production at Kashagan amounted to 1,539 thous. tonnes (67 kbopd), showing an increase of 0.2%. Gas increased by 2% and amounted to 996 mln m³. The stable performance was due to the reliable operation of technological equipment at the production facilities of the field.

Oil and condensate production at Karachaganak decreased by 0.2% and amounted to 547 thous. tonnes (24 kbopd). The reasons for the slight reduction in liquid hydrocarbon production were the reduction in supplies of unstable condensate to JSC "Condensate" and the restriction of gas intake from the Orenburg Gas Processing Plant. At the same time, gas production increased by 5.8% and amounted to 1,173 million m³ due to the depletion of the field and the increase in the volume of gas in the produced gas-liquid mixture.

Oil and condensate production at operating assets increased by 3.5% to 7,031 thous. tonnes (280 kbopd). The growth was due to the newly acquired Dunga field, geological and technical activities related to drilling, capital repairs of wells and hydraulic fracturing at Embamunaigas fields, as well as a decrease in emergency power outages by the Mangystau Nuclear Power Plant in the reporting half-year compared to the same period last year. At the same time, oil production at mature fields of the Kumkol group continues to decline due to natural depletion of reserves. Gas production at operating assets increased by 3.5% to 1,084 million m³ due to the development of the new gas condensate field, Rozhkovskoye (Ural Oil and Gas), and the newly acquired Dunga field. At the same time, gas production decreased at Vostochny Saztobe field (Kazakhstan) due to geological and technical activities being carried out at 2 gas condensate wells.

Midstream

The total volume of oil trunk pipelines and sea transportation increased by 6.2% to 41,733 thous. tonnes.

Oil transportation ¹ , thous. tonnes	1H 2024 (100%)	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
KazTransOil	22,265	22,265	21,353	+4.3%
Kazakhstan-China Pipeline	9,127	4,563	4,644	-1.7%
MunaiTas ²	2,735	1,395	1,393	+0.1%
Caspian Pipeline Consortium	33,210	6,891	6,684	+3.1%
Kazmormtransflot	6,618	6,618	5,235	+26.4%
Total	-	41,733	39,309	+6.2%

¹ Part of the volume of oil can be transported by two or three pipeline companies, and correspondingly these volumes are counted more than once in the consolidated volume of oil transportation.

² MunaiTas is an equity-consolidated joint venture and transportation volumes are quoted at a 51% ownership interest.

The volume of oil transportation through main pipelines increased by 3.1% and amounted to 35,115 thous. tonnes. The increase was due to the growth of transshipment of Kashagan oil through the KazTransOil and Caspian Pipeline Consortium systems.

In the reporting period, the volume of marine transportation increased by 26.4%, reaching 6,618 thous. tonnes. The growth was due to an increase in the transportation of oil through the Baku-Tbilisi-Ceyhan oil pipeline, which ships oil to the Mediterranean Sea, as well as an increase in volumes along the Aktau-Makhachkala and Aktau-Baku routes in the Caspian Sea. At the same time, there was a decrease in transportation volumes through the Black Sea, which is explained by overhaul at the Petromidia plant and NATO military exercises.

Trading

Sales volumes of KMG's own produced oil and gas condensate decreased by 0.4% and amounted to 12,114 thous. tonnes, of which 65.4% was exported.

Supplies of own produced oil and gas condensate volumes to cover the needs of the domestic market amounted to 4,194 thous. tonnes, including deliveries of crude oil from operating assets (Ozenmunaigas, Embamunaigas, Kazakhturkmunai) in the amount of 2,648 thous. tonnes to Atyrau, Pavlodar and Shymkent refineries for further oil refining and sales of oil products.

Downstream

Hydrocarbon refining, thous. tonnes ¹	1H 2024 (net to KMG)	1H 2023 (net to KMG)	%
Atyrau refinery	2,911	2,881	+1.0%
Pavlodar refinery	2,722	2,772	-1.8%
Shymkent refinery	1,256	1,380	-9.0%
Caspi Bitum	165	201	-17.9%
Petromidia	1,731	2,681	-35.5%
Vega	117	193	-39.3%
Total	8,902	10,109	-11.9%

¹Shymkent refinery and Caspi Bitum refining volumes are indicated at a share of 50%, other refineries – 100%.

The decrease in refining volume compared to the first half of 2023 was mainly due to the shutdown for overhaul at the refineries in Romania (Petromidia, Vega), as well as a slight reduction in refining volumes at Kazakhstan refineries (at Shymkent refinery due to a major overhaul in April 2024, and at Caspi Bitum due to weak requested volumes for bitumen from road construction companies).

The total volume of hydrocarbon processing compared to the same period in 2023 decreased by 11.9% and amounted to 8,902 thous. tonnes.

- The volume of hydrocarbon processing at Kazakhstan's refineries decreased by 2.5% and amounted to 7,054 thous. tonnes due to a longer-than-expected planned overhaul at Shymkent refinery compared to 2023 (a major overhaul was conducted in 2024, while in 2023 it was a routine maintenance). The processing volumes at Caspi Bitum decreased due to weak requested volumes for bitumen from road construction companies during the reporting period.
- The volume of processing at the KMG International plants (Petromidia, Vega) in Romania dropped by 35.7% and amounted to 1,848 thous. tonnes. The reduction in processing volumes occurred due to the late launch of the soft hydrocracking unit at Petromidia refinery and the shutdown of the plant for scheduled major overhaul in March of this year. The restart of the plant was completed in early June, at the moment it is operating in the normal mode at full capacity.

The volume of oil product production at Kazakh and Romanian refineries decreased by 11.1% and amounted to 8,283 thous. tonnes.

- Kazakhstani refineries produced 6,465 thous. tonnes of oil products, which is 0.8% less than the first half of 2023 due to a corresponding decrease in refining volumes at the refineries by 2.5%.
- Oil products production at KMG International refineries (Petromidia, Vega) was less than last year by 35.0% and amounted to 1,818 thous. tonnes compared to 2,796 thous. tonnes due to a corresponding decrease in refining volumes at the refineries.

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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 main assets are as follows:

Upstream: Ozenmunaigas (OMG) – 100%, Embamunaigas (EMG) – 100%, KazakhTurkmunai (KTM) – 100%, KazMunayTeniz – 100%, Urikhtau (UO) – 100%, Dunga – 60%, Ural Oil and Gas (UOG) – 50%, Mangistaumunaigaz (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, KazakhOil Aktobe (KOA) – 50%, PetroKazakhstan Inc (PKI) – 33%, Tengizchevroil (Tengiz) – 20%, Karachaganak – 10%, Kashagan – 16.88%.

Midstream: KazTransOil – 90%, Kazakhstan China Pipeline (KCP) – 50%, Munai Tas – 51%, Batumi Oil Terminal – 100%, Caspian Pipeline Consortium (CPC) – 20.75%, Kazmortransflot – 100%.

Downstream: Pavlodar refinery – 100%, Atyrau refinery – 99,53%, Shymkent refinery – 49,72%, Caspi Bitum – 50%, KMG International – 100%, Petromidia – 54,63%, Vega – 54,63%, KazRosGas – 50%, Kazakhstan Petrochemical Industries Inc – 49.5%.