

Press release

Nur-Sultan, August 8, 2019

“KazTransOil” JSC announces about publication of the annual credit rating review of “KazTransOil” JSC by the international rating agency S&P Global Ratings

The international rating agency, S&P Global Ratings (hereinafter – the Agency), has published an annual credit rating review of “KazTransOil” JSC (hereinafter – the Company) within the framework of which its basic scenario was updated. The Agency predicts stable operating performance and good creditworthiness of the Company in 2019. The rating by the Agency remains unchanged from the moment of its increase to the level “BB” with the forecast “Stable” in November 2018.

The Agency notes that the Company maintains a high level of financial flexibility due to its significant market share, good competitive position, lack of debt at the company level, as well as adequate cash management that allows generating positive cash liquidity to pay dividends and ensure all existing investment projects of the Company.

In addition, the current rating of the Company is still limited by the rating of the parent structure - “NC “KazMunayGas” JSC (hereinafter – KMG) (“BB”, with the forecast “Stable”), even though the Agency assesses Company’s creditworthiness at the level of “bb+”. The Company cannot be protected from the risks associated with its belonging to the KMG group; therefore, the Agency does not assign a subsidiary company a rating higher than the level of the parent structure.

The Agency informs that a positive action with respect to the Company's rating is possible in case of a similar rating action with respect to KMG.

IR Service**KazTransOil JSC**