

Press release*Astana, March 9, 2017***KazTransOil JSC announces about the approval of the new cost of transportation of Russian crude oil via the territory of the Republic of Kazakhstan to the People’s Republic of China**

The Minister of Energy of the Republic of Kazakhstan by the Order №80 dated March 1, 2017, approved for the period of 2017-2018 the cost of transportation of Russian crude oil in the amount of up to 10 MMT per year via the territory of the Republic of Kazakhstan to the People’s Republic of China at the amount of US\$ 11.36 per 1 MT (exclusive of VAT), including:

- for the section from the border of the Russian Federation - border of the Republic of Kazakhstan (Priirtyshsk) to Atasu (Kazakhstan), including transshipment of crude oil at the HOPS "Atasu", – US\$ 3.11 per 1 MT (exclusive of VAT);
- for the section Atasu (Kazakhstan) - Alashankou (China) – US\$ 8.25 per 1 MT (exclusive of VAT).

For reference:

The cost of transportation of Russian crude oil via the territory of the Republic of Kazakhstan to the People’s Republic of China is subject to approval in accordance with the Agreement signed on December 24, 2013, between the Government of the Republic of Kazakhstan and the Government of the Russian Federation on cooperation in the field of transportation of Russian crude oil via the territory of Kazakhstan to the People's Republic of China (hereinafter - the Agreement), within the framework of which "KazTransOil" JSC and "Rosneft" OC PJSC starting from January 1, 2014, performed the Contract on the provision of services for the transportation of crude oil to China by Priirtyshsk-Atasu-Alashankou route in the amount of 7 million. tons per year.

The previously approved cost of transportation of Russian crude oil via this route was US\$ 9.80 per 1 ton (exclusive of VAT).

"KazTransOil" JSC and "Rosneft" OC PJSC, which are the authorized organizations of the Parties to the Agreement, signed on December 27, 2016, the Supplementary Agreement to the Contract on the provision of services for transportation of crude oil. The Supplementary Agreement provides for the increase since 2017 of Russian crude oil transit volume up to 10 MMY per year. The cost of transportation of the entire volume of transported crude oil – 10 MMT/year – is agreed for the period 2017-2018 at US\$ 11.36 per MT (exclusive of VAT).

IR Service**"KazTransOil" JSC**