

MINUTES

Annual General Meeting of Shareholders "KazTransOil" JSC No.2/2013

Full name: "KazTransOil" joint stock company

The registered address of executive body: 19, Kabanbai Batyr ave., Astana, Republic of Kazakhstan

The venue of General Meeting of Shareholders: Opera hall, Palace of Peace and Independence, 57, Tauelsizdik str., Astana, Republic of Kazakhstan

Date of the meeting: 28 May 2013

Shareholders registration starts at: 9:00 am

Shareholders registration ends at: 1:00 pm

General Meeting of Shareholders starts at: 3:00 pm

General Meeting of Shareholders closes at: 5:40 pm

The annual General Meeting of Shareholders of "KazTransOil" JSC (hereinafter – the Company) was convened in line with resolution of the Board of Directors of the Company dated 17 April 2013 (minutes of the meeting No.5/2013) with the following agenda:

1. On confirmation of annual financial statements and consolidated annual financial statements of "KazTransOil" JSC for 2012.

2. On confirmation of procedure of distribution of net profit of "KazTransOil" JSC for 2012, taking decision on payment of dividends on ordinary shares and confirmation of size of dividend for 2012 in calculation per one ordinary share of "KazTransOil" JSC.

3. On confirmation of Annual report of "KazTransOil" JSC for 2012.

4. On confirmation of Annual report of the Board of Directors of "KazTransOil" JSC on work accomplished in 2012.

5. On consideration of addresses of shareholders of "KazTransOil" JSC on actions of "KazTransOil" JSC and its officials for 2012.

6. On early termination of powers of member of the Board of Directors of "KazTransOil" JSC.

7. On election of member of the Board of Directors of "KazTransOil" JSC.

Information on holding the annual General Meeting of Shareholders of the Company (hereinafter – the meeting) was published in republican mass media on 25 April 2013 and on web-site of the Company.

In line with para.39 of article 9 of Company's Charter the secretary of the Meeting is a Corporate Secretary of the Company Maikenov A.S.

The ballot committee, performing the functions, provided in article 46 of Law of the Republic of Kazakhstan "On Joint Stock Companies" was elected by resolution of extraordinary General Meeting of Shareholders dated 13 March 2013 (minutes #1/2013).

The General Director (Chair of the Management Board) of the Company Kabyldin K.M. gave floor to Erubayev K.A. to conduct an induction on fire safety. Erubayev K.A. informed the shareholders and attendees about main safety measures, which are to be observed during the Meeting and primary actions in case of fire hazardous situation and sequence of evacuation from the building.

Further the floor was given to the Chair of ballot committee Rysbekova G.K.

Rysbekova G.K. informed that in line with the list of Company's shareholders, provided by Company's registrar - "Unified Securities Registrar" JSC as of 14 May 2013 the total number of placed ordinary shares of the Company equals to 384 635 599 units.

According to data, provided by the ballot committee as of the moment of completion of registration of shareholders 124 shareholder and representative, owning cumulatively 354 693 258 (three hundred fifty four million six hundred ninety three thousand two hundred fifty eight) voting shares or 92.2% of overall number of voting shares of the Company was registered for participation in the Meeting.

Basing on para.1 of article 45 of Law of the Republic of Kazakhstan "On Joint Stock Companies" General Meeting of Shareholders is entitled to consider and take decisions on the agenda items, if as of the moment of termination of registration of participants of the meeting, shareholders and their representatives, included in the list of shareholders, entitled to take part and vote on it, owning cumulatively fifty and more percent of voting shares of the company, were registered.

There is a quorum for holding and voting on agenda items of annual General Meeting of Shareholders.

All present shareholders are registered and powers of shareholders' representatives were properly checked. All the shareholders and their representatives, present at the meeting, were distributed with materials on agenda items and ballots for voting during registration.

Further on Rysbekova G.K. clarified the issues of shareholders' rights implementation at the General Meeting of Shareholders and procedure of voting.

Kabyldin K.M. gave floor to the Chair of the Board of Directors of the Company Shmanov N.N., who informed the shareholders on absence of proposals on alteration and amendment of agenda of Company's Meeting.

Kabyldin K.M. proposed to determine open voting for holding the Meeting of the Company.

The issue was put for voting by show of hands.

Voted:

Pro – 121 shareholders

Contra – none

Abstained – none

The decision was made by simple majority: to determine the open voting on agenda items on the annual General Meeting of Shareholders of the Company.

Kabyldin K.M. proposed to elect Nurtas N. Shmanov as a Chair of the Meeting.
The issue was put for voting.

Voted:

Pro – 354 672 794 votes

Contra – none

Abstained – none

The decision was adopted by majority of votes:

To elect Nurtas N.Shmanov as a Chair of the annual General Meeting of Shareholders of "KazTransOil" JSC.

Further Shmanov N.N. announced the procedure of Meeting holding and put for voting the following agenda:

1. On confirmation of annual financial statements and consolidated annual financial statements of "KazTransOil" JSC for 2012.

2. On confirmation of procedure of distribution of net profit of "KazTransOil" JSC for 2012, taking decision on payment of dividends on ordinary shares and confirmation of size of dividend for 2012 in calculation per one ordinary share of "KazTransOil" JSC.

3. On confirmation of Annual report of "KazTransOil" JSC for 2012.

4. On confirmation of Annual report of the Board of Directors of "KazTransOil" JSC on work accomplished in 2012.

5. On consideration of addresses of shareholders of "KazTransOil" JSC on actions of "KazTransOil" JSC and its officials for 2012.

6. On early termination of powers of member of the Board of Directors of "KazTransOil" JSC.

7. On election of member of the Board of Directors of "KazTransOil" JSC.

Voted:

Pro – 354 689 838 votes

Contra – none

Abstained – none

The decision was made by majority of votes:

To confirm the following agenda of the annual General Meeting of Shareholders:

1. On confirmation of annual financial statements and consolidated annual financial statements of "KazTransOil" JSC for 2012.

2. On confirmation of procedure of distribution of net profit of "KazTransOil" JSC for 2012, taking decision on payment of dividends on ordinary shares and confirmation of size of dividend for 2012 in calculation per one ordinary share of "KazTransOil" JSC.

3. On confirmation of Annual report of "KazTransOil" JSC for 2012.

4. On confirmation of Annual report of the Board of Directors of "KazTransOil" JSC on work accomplished in 2012.

5. On consideration of addresses of shareholders of "KazTransOil" JSC on actions of "KazTransOil" JSC and its officials for 2012.

6. On early termination of powers of member of the Board of Directors of "KazTransOil" JSC.

7. On election of member of the Board of Directors of "KazTransOil" JSC.

On the **first item** of agenda Shmanov N.N. gave floor to Deputy General Director of the Company for Economy and Finance Ileuov A.T.

Ileuov A.T. informed that upon the results of 2012 increase of assets relatively to the indicator of 2011 for 10% is observed, which is more than 496 bln.tenge. Upon the

results of reporting period book value of one ordinary share made up 1 004 tenge, while growth of net assets for 6%, which is associated by issuance of shares within IPO.

Further Ileuov A.T. informed that upon the results of 2012 the Company has demonstrated a significant growth of financial figures. Thus, revenues from core activity amounted to more than 143 bln.tenge, which is 2 bln. 583 mln. tenge higher than in 2011. Company's policy on holding the growth dynamics of costs allowed ensuring growth of consolidated prime-cost within 3% comparing to 2011. In 2012 Company's share in revenues of joint ventures increased for 6 bln. 505 mln. tenge. Net profit of the Company for the first time in the history exceeded 33 bln.tenge, which is higher than indicator of 2011 for 29%. The presented statements were audited by "Ernst and Young" LLP.

Shmanov N.N. put for voting the issue on confirmation of annual financial statements and consolidated annual financial statements of the Company for 2012.

Voted:

Pro – 354 672 064 votes

Contra – 8 270 votes

Abstained – 9 640 votes

The decision was made by majority of votes:

To confirm the annual financial statements and consolidated financial statements of "KazTransOil" JSC for 2012 with the following financial indicators:

"KazTransOil" JSC separate:

<u>Indicator</u>	<u>2012</u>	<u>2011</u>
Revenue	123 931 842	122 258 114
Cost of sales	(83 711 982)	(80 330 110)
Gross profit	40 219 860	41 928 004
General and administrative expenses	(9 323 465)	(4 725 247)
Impairment of investments in subsidiaries	(280 212)	(1 804 355)
Profit for the year	25 334 951	29 463 371

th.tenge

consolidated:

<u>Indicator</u>	<u>2012</u>	<u>2011</u>
Revenue	143 061 325	140 478 092
Cost of sales	(99 603 631)	(96 298 683)
Gross profit	43 457 694	44 179 409
General and administrative expenses	(10 977 575)	(6 730 370)
Net foreign exchange loss	(220 281)	(434 972)
Share in income of joint ventures	8 107 979	1 602 528
Profit for the year	33 501 128	25 945 397

th.tenge

On the second item of agenda Shmanov N.N. gave floor to Deputy General Director of the Company for Economy and Finance Ileuov A.T.

Ileuov A.T. informed the shareholders that consolidated net profit of the Company for 2012 amounted to 33 bln. 501 mln. tenge (market value). Upon the results of work for 2012 Company's Board of Directors recommended forwarding for dividends payment the sum in the amount of 28 bln. tenge, which results in 75 tenge per share. Given level of dividends provides for dividend yield at the level of 10.34% (comparing to offering price). Meantime, the interest rate in second-tier banks on deposits of individuals comprised 8.28% in 2012.

Further Ileuov A.T. noted that list of shareholders entitled to receive dividends on ordinary shares of the Company upon the results of 2012 shall be fixed as of 00:00 am 13 June 2013. Also it is proposed to start payment of dividends on ordinary shares of the Company upon the results of 2012 from 4 July 2013.

Shmanov N.N. put for voting the issue on confirmation of procedure of distribution of net profit of the Company for 2012, taking decision on payment of dividends on ordinary shares and confirmation of size of dividend for 2012 in calculation per one ordinary share of the Company.

Voted:

Pro – 354 670 544 votes

Contra – 9 640 votes

Abstained – 136 votes

The decision was made by majority of votes:

1. To confirm:

1) the following procedure of distribution of the net profit received upon results of 2012 by "KazTransOil" JSC, registered at: 19, Kabanbay Batyr ave., Esil district, Astana city, 010000, Republic of Kazakhstan, BIN 970 540 000 107 dated 17 September 2007, TIN 600 700 151 343, VAT certificate 62001 # 0015217 dated 29 August 2012, Kbe 16, Astana regional branch of "Halyk Savings bank of Kazakhstan" JSC, SWIFT BIC: HSBKZKX, KZ 536010111000012185 (tenge), in the amount 33 501 128 000 (thirty three billion five hundred and one million one hundred twenty eight thousand) tenge:

- to forward for dividends payment 28 847 669 925 (twenty eight billion eight hundred forty seven million six hundred sixty nine thousand nine hundred twenty five) tenge;

- the remaining amount of net profit at the amount of 4 653 458 075 (four billion six hundred fifty three million four hundred fifty eight thousand seventy five) tenge to leave at discretion of "KazTransOil" JSC;

2) the size of dividend for 2012 in calculation for ordinary share of the Company in the amount 75 (seventy five) tenge.

2. To fix the date of "KazTransOil" JSC shareholders, eligible to receive dividends on ordinary shares of "KazTransOil" JSC upon the results of 2012 as of 00:00 13 June 2013.

3. To determine the date of commencing the payment of dividends on ordinary shares of "KazTransOil" JSC upon the results of 2012 – from 4 July 2012.

4. The dividends payment shall be accomplished in cash by their transferring in the established procedure on the accounts of "KazTransOil" JSC shareholders:

1) On ordinary shares of "KazTransOil" JSC, nominally held by "Central Securities Depository" JSC, via the paying agent represented by "Central Securities Depository" JSC;

2) On ordinary shares of "KazTransOil" JSC, not nominally held by "Central Securities Depository" JSC by "KazTransOil" JSC itself.

5. General Director (Chair of the Management Board) of "KazTransOil" JSC Kabyldin K.M. in the established procedure to take necessary measures emerging out of present resolution.

On the third item of agenda Shmanov N.N. gave floor to the General Director (Chair of the Management Board) of the Company Kabyldin K.M.

Kabyldin K.M. presented for shareholders the annual report of the Company upon the results of 2012. Kabyldin K.M. informed the shareholders about the goals of the Company, financial and operating results, ownership structure of the Company, corporate governance and work of the Management Board of the Company in 2012.

Also Kabyldin K.M. brought to attention of the shareholders information about key events in the reporting period, including Company's status of national operator on main oil pipeline, listing on stock exchange, tariff increase. Apart from that it was noted about further directions of Company's activity, its strategic tasks, personnel and social policy.

Shmanov N.N. put for voting the issue on confirmation of the Annual report of the Company for 2012.

Voted:

Pro – 354 664 877 votes

Contra – none

Abstained – 9 640 votes

The decision was made by majority of votes:

To confirm the enclosed Annual report of "KazTransOil" JSC for 2012.

On the fourth item of agenda Shmanov N.N. informed the shareholders on work of the Board of Directors of the Company in 2012, composition of the Board of Directors, the most important decisions, made by the managerial body in the reporting period and work of committees.

Also the shareholders were informed about evaluation of performance of the Board of Directors in 2012 and further directions of improvement of performance of the Board of Directors in accordance with provisions of the best practice.

Shmanov N.N. put for voting the issue on confirmation of the Annual report of the Board of Directors of the Company on the work accomplished in 2012.

Voted:

Pro – 354 667 064 votes

Contra – 9 344 votes

Abstained – 136 votes

The decision was made by majority of votes:

To confirm the enclosed Annual report of the Board of Directors of "KazTransOil" JSC on work accomplished in 2012.

On the fifth item of agenda Corporate Secretary of the Company Maikenov A.S. spoke, noting that in line with Law of the Republic of Kazakhstan "On Joint Stock Companies" and Company's Charter the issue on addresses of shareholders on actions of the company and its officials in the reporting period and the results of their consideration shall be considered at the annual General Meeting of Shareholders.

Apart from that, the materials on agenda items of the annual General Meeting of Shareholders shall include information on addresses of shareholders on actions of the company and its officials and the results of their consideration.

Within the submitted issue it was noted that no addresses of shareholders on actions of the company and its officials were received.

Shmanov N.N. put for voting the issue on consideration of addresses of shareholders of the company on actions of the company and its officials in 2012 and the results of their consideration.

Voted:

Pro – 354 649 636 votes

Contra – none

Abstained – 9 208 votes

The decision was made by majority of votes:

To take notice of information on absence of addresses of shareholders of "KazTransOil" JSC on actions of "KazTransOil" JSC and its officials in 2012.

On the sixth item of agenda Shmanov N.N. informed that on 19 March 2013 member of the Board of Directors Darbayev A.A. forwarded a written notification to the Board of Directors of the Company on early termination starting from 20 March 2013 at his initiative of powers of member of the Board of Directors.

In line with provisions of Law of the Republic of Kazakhstan "On Joint Stock Companies" and Charter, powers of such member of the Board of Directors terminate from the moment of receiving of indicated notification by the Board of Directors.

In turn the issues of early termination of powers and election of members of the Board of Directors are attributed to the exceptional competence of the General Meeting of Shareholders.

Pursuant to foregoing it is required that the General Meeting of Shareholders takes decision on early termination of powers of member of the Board of Directors of the Company Darbayev A.A. starting from 20 March 2013.

Shmanov N.N. put for voting the given issue.

Voted:

Pro – 354 666 611 votes

Contra – none

Abstained – 478 votes

The decision was made by majority of votes:

To early terminate powers of member of the Board of Directors of "KazTransOil" JSC Arman A.Darbayev starting from 20 March 2013.

On the seventh item of agenda Shmanov N.N. clarified that due to early termination of powers of member of the Board of Directors Darbayev A.A. a necessity of election of new Board member arose. In this regard, NC "KazMunayGas" JSC proposed for election in composition of Company's Board of Directors Zhylykshiev K.B. as its representative.

Shmanov N.N. presented to the shareholders information about the candidate, recommended for election as a new member of Company's Board of Directors. It was noted that Zhylykshiev K.B. has a relevant education and qualification, significant work experience in petroleum industry and in managerial bodies of a range of companies.

On 10 April 2013 candidacy of Zhylykshiev K.B. was preliminary approved by Nomination and Remuneration Committee of the Board of Directors of the Company.

In this regard, the issue on election of Kuanysh B.Zhylykshiev as a representative of major shareholder NC "KazMunayGas" JSC in membership of the Board of Directors of the Company is proposed for consideration of the annual General Meeting of Shareholders.

Shmanov N.N. put given issue for voting.

Voted:

Pro – 353 341 612 votes

Contra – 1 315 730 votes

Abstained – 9 747 votes

The decision was made by majority of votes:

1. To elect Kuanysh B. Zhylykshiev in membership of the Board of Directors of "KazTransOil" JSC as a representative of NC "KazMunayGas" JSC for the term of powers till expiration of term of powers of the Board of Directors of "KazTransOil" JSC on a whole.

2. The Chair of the Board of Directors of "KazTransOil" JSC Shmanov N.N. to take necessary measures emerging out of present resolution.

The original minutes is signed by Chair of the annual General Meeting of Shareholders, representative of the shareholder, owning more than 10% of ordinary shares Shmanov N.N., secretary of the annual General Meeting of Shareholders Maikenov A.S., members of ballot committee.

Translated from original minutes of the annual General Meeting of Shareholders of "KazTransOil" JSC dated 28 May 2013.

Протокол в оригинале подписан председателем годового Общего собрания акционеров, представителем акционера, обладающим более 10% простых акций Шмановым Н.Н., секретарем годового Общего собрания акционеров Майкеновым А.С., членами счетной комиссии.

Переведен с оригинала протокола годового Общего собрания акционеров АО «КазТрансОйл» от 28 мая 2013 года.

Corporate Secretary



A. Maikenov