

Prospectus of issue of shares is registered
by Agency of the Republic of Kazakhstan
on regulation and monitoring of financial
market and financial organizations
dated 13th of September 2004

**Change № 10
in the prospectus of issue of shares
JSC "KazTransOil"**

To represent item 10-2 of section 1 of issue of shares prospectus in the following edition:

"10-2 . Date of the approval by general shareholder meeting or the constituent assembly of a technique of definition of a stock value at their repayment by company:

The technique of definition of a stock value at their repayment by Company on unorganized securities market is approved by the decision of the Sole shareholder of Company (Record No. 75 of the Board of Directors of JSC NC "KazMunayGas" dated 3rd of July 2012) and is an integral part of the prospectus of a share issue of Company".

**Executive of a duty of General Director
(Chairman of board)**

S. Utegaliyev

The Chief accountant

A.Akhmedina

Seal <Republic of Kazakhstan, the city of Astana, Joint Stock Company KazTransOil>

Текст документа с казахского и русского языков на английский язык перевела переводчик :
Жуматова Жанар Болатовна Жанар Жуматовна Болатовна
Паспорт N07176569, выдан Министерством Юстиции Республики Казахстан 01.02.2011 г.
Диплом о высшем образовании ЖБ № 0028541 от 01 июля 2009 г. Рег.№010333

Astana city, the Republic of Kazakhstan
The twenty third of August two thousand and twelfth year.

I, **Aliya Zh. SAMAROVA**, the notary of Astana notaries' district, of the Republic of Kazakhstan (State license № 0001075, issued in June 19, 2002 by the Ministry of Justice of the Republic of Kazakhstan), ascertain the accuracy of the copy of the original document, there are no erasures, additions, crossed out words or other not stipulated corrections or any peculiarities in the latter. Also I testify authenticity of the signature made by the translator citizen **Zhumatova Zhanar Bolatovna**. The personality signed the document is established, capacity and her powers are checked.

Registered in the list № 17259
The sum, paid to the private notary
Notary /signature/

The **stamp** of: Notary Aliya Zhumabaevna SAMAROVA, State license № 0001075, issued on June 19, 2002 by the Ministry of Justice of the Republic of Kazakhstan

The text of this document has been translated from Kazakh and Russian into English language, by **Zhanar B. Zhumatova** Жанар

Passport N07176569, issued by the Ministry of Justice of the Republic of Kazakhstan on 01.02.2011

Diploma of higher education ЖБ № 0028541 from 01 July 2009 . Reg. №010333

Республика Казахстан Город Астана
Двадцать третье августа две тысячи двенадцатого года

Я, Самарова Алия Жумабаевна, нотариус нотариального округа города Астана Республика Казахстан (государственная лицензия № 0001075 выдана 19 июня 2002 года Министерством Юстиции Республики Казахстан), свидетельствую верность этой копии с подлинником документа. В последнем подчисток, приписок, зачеркнутых слов и иных неоговоренных исправлений или каких-либо особенностей не оказалось. Также свидетельствую подлинность подписи, сделанной переводчиком гр. **Жуматовой Жанар Болатовной**. Личность подписавшей документ установлена, дееспособность и полномочия её проверены.



Зарегистрировано в реестре № 17259
Сумма, оплаченная частному нотариусу Алия
Нотариус Алия

Пронумеровано и прошнуровано
Четыре листа удостоверенного документа
Нотариусом Самаровой А.Ж.
(лицензия №0001075 от 19.06.2002 г.
МЮ РК)



Numbered and tied together
Four pages of certified document
By Notary Samarova A. Zh.
(License №0001075 of the 19th of June 2002
issued by the Justice Ministry of the Republic of
Kazakhstan)

(Signature of Notary)

Approved by
decision of the Sole shareholder of
JSC «KazTransOil»
(Minutes of Meeting of the
Board of Directors of
JSC NC «KazMunayGas»
No 75 dated July 3, 2012)

**Methods of determining the value of the shares at their redemption by
JSC "KazTransOil"
over the counter securities market**

1. General Provisions

1. This method determines the value of the shares over the counter securities market redeemed by JSC "KazTransOil" (hereinafter – the Company) and is designed in accordance with the laws of the Republic of Kazakhstan and the Articles of Association.

2. The effect of this method applies to the cases of redemption of shares issued by the Company:

- Initiated by the Company with the consent of the shareholder;
- At the request of the shareholder in cases stipulated by the legislation of the Republic of Kazakhstan;

- By court order.

3. In this method, the following definitions are used:

Act- the Act of the Republic of Kazakhstan "On Joint Stock Companies";

shareholder - the person who is the owner of the shares;

share – a security issued by the Company and certifying the right to participate in the management of the Company, receive of dividend on it and part of the Company's assets upon liquidation and other rights provided by law and other legislative acts of the Republic of Kazakhstan;

Stock Exchange - a legal entity established in a legal form of joint stock company carrying out the organizational and technical support through their direct trading of using the trading systems of the trade organizer;

Delisting - temporary or permanent exclusion of securities from the list of auction organizer;

organized securities market - the sphere of circulation of securities and other financial instruments, transactions that are carried out in accordance with the internal documents of the trade organizer;

unorganized securities market - the sphere of circulation of securities in which securities transactions are carried out without complying with the requirements established by the internal documents of the auction organizer.

4. Redemption of shares by the Company for the purpose of subsequent sale, the rights of shareholders (in the event the Company has responsibilities to redeem the shares owned by the shareholder of the Company in accordance with the laws of the Republic of Kazakhstan), or for other purposes not inconsistent with the laws of the Republic of Kazakhstan and the Articles of Association of the Company.

2. Redemption of shares on the initiative of the Company

5. Redemption of shares on the initiative of the Company is carried out in accordance with this method, except in the case of redemption of shares by the Company on the Stock Exchange by open bidding.

6. Redemption of shares may be made with the consent of the shareholder at the initiative of the Company for the purpose of subsequent sale or for other purposes not inconsistent with the laws of the Republic of Kazakhstan and the Articles of Association of the Company.

7. Redemption by the Company of shares of the Company's initiative is based on decisions of the Board of Directors.

Decision of the Board of Directors of the Company to repurchase outstanding shares of the Company shall include information on about the types, amount of redeemed shares, price, terms and conditions of redemption.

The Company may not redeem its outstanding shares in the following cases:

- 1) prior to the first General Meeting of Shareholders;
- 2) prior to approval of the first report on the placement of shares among the founders;
- 3) If as a result of share redemption the equity capital of the Company will be smaller than the minimum authorized capital established by law;
- 4) If at the time of redemption of shares of the Company meets the insolvency or bankruptcy, in accordance with Kazakhstan legislation on bankruptcy, or these signs appear as a result of its purchase of all required or proposed to buy back shares;
- 5) If the court or the General Meeting of Shareholders decided to eliminate it.

8. If the number of redeemable at the initiative of the Company's outstanding shares to exceed one percent of the total, before the conclusion of the transaction (s) of sale of shares is obliged to announce this repurchase by its shareholders.

Announcement of the Company to repurchase its outstanding shares must contain information on the types, amount on redeemed shares, price, terms and conditions of purchase and shall be published in the media.

9. If the number of outstanding shares of the Company, announced its shareholders for redemption exceeds the number of shares which the Company announced the redemption, the shares are redeemed from the shareholders in proportion to their shares.

Aspect ratio is set by the following formula:

$$K = A/C, \text{ where}$$

K is the coefficient of proportion;

A is the total number of shares that can be redeemed by the Company (based on the restrictions imposed by law);

C is the total number of outstanding shares of the Company placed for repurchase.

Number of shares that are redeemed by the Company from the Shareholder is calculated by multiplying the number of announced shares redeemed to the shareholder on the aspect ratio.

10. Redemption is not traded on the stock exchange of shares may be made at the initiative of the Company with the consent of the shareholder at a price determined by an independent appraiser as of the date, not earlier than thirty (30) calendar days prior to the adoption by the Board of Directors of the Company's decision to repurchase shares.

The maximum deviation of the estimates based on the report of an independent appraiser of the market price of shares shall not exceed 20%.

3. Redemption of shares by the Company at the request of the shareholder

11. Redemption of shares by the Company at the request of the shareholder is carried out in accordance with this method.

12. Redemption of shares must be made by the Company at the request of a shareholder of the Company, which may be brought against them in the following cases:

1) adoption of the decision by the General Meeting of shareholders on the reorganization of the Company (if the shareholder has participated in the General Meeting of Shareholders, which dealt with the reorganization of the Company, and voted against it);

2) adoption of the decision by the General Meeting of shareholders to delist the shares of the Company (if the shareholder did not participate in the General Meeting or if he participated in that meeting and voted against the decision);

3) decision by the trade organizer to delist the shares of the Company;

4) of disagreement with the decision to conclude a major transaction and (or) the decision on the conclusion of a transaction in which the Company has the interest taken in accordance with the laws of the Republic of Kazakhstan and (or) the Company's Articles of Association;

5) adoption of the decision by the General Meeting of shareholders on making amendments to the Articles of Association restricting the rights of the shares owned by the Shareholder (if the Shareholder did not participate in the General Meeting of Shareholders at which such a decision was made, or if he participated in the meeting and voted against the adoption of the decision).

13. A shareholder may present to the Company a requirement to repurchase its shares by sending a written request to the Company, within thirty (30) days from the date of the decision referred to in paragraph 12 of this section, or from the date of the decision by the trade of the delisting of shares of the Company.

Within thirty (30) days from the date of receipt of the request the Company shall redeem the shares from the Shareholder.

14. If the number of outstanding shares of the Company, announced by its Shareholders for redemption exceeds the number of shares that can be redeemed by the Company, these shares are redeemed from the Shareholders in proportion to their shares.

Aspect ratio is set by the following formula:

$$K = A / C, \text{ where}$$

K is the coefficient of proportion;

A is total number of shares that can be redeemed by the Company (based on the restrictions imposed by law);

C is total number of outstanding shares of the Company placed for repurchase.

Number of shares that are redeemed by the Company from the Shareholder is calculated by multiplying the number of shares announced by the Shareholder to repurchase on the aspect ratio.

15. Redemption of shares by the Company at the request of the Shareholder is carried out on the book value of shares. The calculation of book value of shares is based on the latest available consolidated financial statements prepared in accordance with International Financial Reporting Standards, as of the date of registration in the office of the Company's statement of the Shareholder to buy out its shares of the Company.

The carrying value of one ordinary share is calculated by the formula:

$$BV_{CS} = NAV / NO_{CS}, \text{ where}$$

BV_{CS} - (book value per common share) book value per common share on the date of calculation;

NAV - (net asset value) the net assets for common shares on the date of calculation;

NO_{CS} - (number of outstanding common shares) number of common shares on the date of calculation.

Net assets for the common shares are calculated by the formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

TA - (total assets) assets of the issuer's shares in the statement of financial position of the issuer's shares on the date of calculation;

IA - (intangible assets) intangible assets in the statement of financial position of the issuer's shares on the date of calculation;

TL - (total liabilities) liabilities in the statement of financial position of the issuer's shares on the date of calculation;

PS - (preferred stock) account balance 'share capital, preference shares "in the statement of financial position of the issuer's shares on the date of calculation.

4. Redemption of shares by the Company by court order

16. Redemption of shares by the Company by a court decision is made by the book value of shares on the date of the decision by the Board of Directors of such redemption, unless another date is not determined by a court.

The carrying value of one ordinary share is calculated by the formula:

$$BV_{CS} = NAV / NO_{CS}, \text{ where}$$

BV_{CS} - (book value per common share) book value per common share on the date of calculation;

NAV - (net asset value) the net assets for common shares on the date of calculation;

NO_{CS} - (number of outstanding common shares) number of common shares on the date of calculation.

Net assets for the common shares are calculated by the formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

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TL - (total liabilities) liabilities in the statement of financial position of the issuer's shares on the date of calculation;

PS - (preferred stock) account balance 'share capital, preference shares "in the statement of financial position of the issuer's shares on the date of calculation.

5. Restrictions on redemption of the outstanding shares

17. The number of shares repurchased by the Company shall not exceed twenty-five percent of the total outstanding shares, and the cost to purchase the outstanding shares of the Company shall not exceed ten percent of the size of its equity:

1) upon redemption of shares at the request of the Shareholder - as of the date: adoption of the decisions by the General Meeting of shareholders referred to in subparagraphs a), 2) and 5) of paragraph 12 of this methodology acceptance by the trade organizer of solution to delist the shares of the Company; decision on the conclusion of a major transaction and (or) a transaction in which the Company has an interest;

2) repurchase of shares at the initiative of the Company - as of the date of the decision to repurchase outstanding shares of the Company.

18. Repurchased shares of the Company are not counted in the quorum of the General Meeting of its Shareholders and do not vote on it.

6. Final Provisions

19. Issues not resolved by this methodology to be settled in accordance with the laws of the Republic of Kazakhstan.

20. This technique is an integral part of the share issue prospectus of the Company.

Текст документа с казахского и русского языков на английский язык перевела переводчик :
Жуматова Жанар Болатовна Жанар Жуматова Жанар Болатовна
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Диплом о высшем образовании ЖБ № 0028541 от 01 июля 2009 г. Рег.№010333

Astana city, the Republic of Kazakhstan
The twenty third of August two thousand and twelfth year.

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The sum, paid to the private notary
Notary /signature/

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The text of this document has been translated from Kazakh and Russian into English language, by **Zhanar B. Zhumatova** Жанар Жуматова

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Diploma of higher education ЖБ № 0028541 from 01 July 2009 . Reg. №010333

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Нотариус Алия

Пронумеровано и прошнуровано
Семинаццать листов удостоверенного
документа

Нотариусом Самаровой А.Ж.
(лицензия № 0001075 от 19.06.2002 г.

МЮ РК



Numbered and tied together
Seventeen pages of certified document
By Notary Samarova A. Zh.

(License № 0001075 of the 19th of June 2002
issued by the Justice Ministry of the Republic of
Kazakhstan)

(Signature of Notary) _____

**Approved by the decision of
the Sole shareholder of "KazTransOil" JSC
(Minutes of the "KazMunaiGaz" NC JSC Board meeting
75 as of July 3, 2012)**

(the stamp of the Executive Board)

The order of the "KazTransOil" JSC net profit distribution

1. General provisions

1. The present order of the "KazTransOil" JSC net profit distribution (hereafter- the Order) is elaborated in accordance with the legislation of Republic of Kazakhstan, the Articles of Association and other internal documents of "KazTransOil" JSC.

2. The following definitions are used in the present Order:

The Company- "KazTransOil" JSC;

The shareholders- persons, the owners of the ordinary shares of the Company;

The dividends- the shareholders' benefit, payable by the Company, for the ordinary shares belonging to them;

The General shareholders meeting- superior body of the Company;

The net profit- the difference between the income and expenditure, including the costs for tax payments over a period;

The retained earnings- accumulated net profit of past years, which was not distributed between the shareholders and has retained at the Company disposal

3. The objective of the Order is the provision of the Company and shareholders balance of interests and transparent approach during the distribution of the Company net profit.

4. The policy of Company is based on the respect and the strict observance of the shareholders' rights, provided by the legislation of Republic of Kazakhstan, the Company Articles of Association and its internal documents. The Order is directed to the shareholders' welfare gain, enhancement of the Company investment attractiveness and its capitalization.

2. The principal provision of the net profit distribution

5. The Executive Board annually represents to the General shareholders' meeting the annual financial statement of the Company and the consolidated financial statement for the expired year, the audit of which was carried out in accordance with the legislation of Republic of Kazakhstan concerning the Auditing Activities, for its considering and approval. Apart from the financial statement the Board represents the audit reports to the General shareholders' meeting.

The annual financial statement and consolidated financial statement of the Company are the object to Board approval not later than thirty days before the holding of the General shareholders meeting.

The final approval of the annual financial statement and consolidated financial statement of the Company is performed at the annual General shareholders meeting.

The Company is obliged to publish annually in mass-media the annual financial statement and consolidated annual financial statement of the Company and the audit reports within the time limits prescribed by the authorized agency, or in the

manner and at the times, prescribed by the National Bank of Republic of Kazakhstan in coordination with the authorized agency, to the extent permitted by applicable law.

6. The Board of directors of the Company on the grounds of the Executive Board proposal represents to the General shareholders meeting the proposals about the order of the Company net profit distribution for the expired financial year and/or half year and/or the quarter according to the consolidated financial statement data and the dividend amount with an eye to one ordinary share.

The materials, represented to the General shareholders meeting for the decision making about the dividend amount per one ordinary share, should contain all the necessary information about the presence/absence of conditions, which are necessary for the payment of dividends.

7. During the preparation of justification on the distribution of net profit and the dividend amount for the consideration of the General shareholders meeting the following principal factors, which have an effect on the net profit distribution, should be taken into account:

- 1) The actual amount of the net profit obtained by the Company;
- 2) The Company solvency and financial stability ratios;
- 3) The goals of the Company strategic development provision, which includes:
 - The financing of capital contributions, directed to the productivity improvement of existent business assets, which generate permanent annual profit;
 - The financing of investment projects in a part, which requires the own funds with according to the project financial structure approved in the established manner;
 - The settlement of obligations;
 - The financing of contributions to the equity capitals of other legal entities (share acquisition), consensual under the appropriate procedure;
- 4) Other factors at the discretion of the Board of directors.

8. The Board of directors of the Company during the preparation of proposal about the order of the net profit distribution for the expired financial year and the dividend amount for the year proceeds on the basis that the amount, forwarded to the dividends payment composes not less than 40% of the Company net profit. The actual dividend amount may attain and exceed 100% of the Company net profit, if it does not contradict the obligations of Company. The dividends amounts, which exceed the net profit, are paid from the retained earnings. For the calculation of dividends the greatest value of the consolidated or separate Company net profit is applied.

Herewith the Executive Board reserves the right to offer the dividend payment level of lower than the normal 40%, on the basis of actual results of the Company for the appropriate financial year, the industry-wide dynamics and the program of capital (investment) expenditures of the Company.

The Board of directors of the Company during the preparation of proposal about the order of the net profit distribution according to the quarter or the half year results proceeds on the basis that the amount, which is forwarded to the dividend

payment, composes not less than 10% of the net profit of the Company for the relevant financial period.

In the event of dividend payment according to the quarter or half year results the amounts of actual progress payments are taken into consideration during the payment of dividends for the relevant financial period.

9. The net profit, which was not allocated for dividends, retains at the Company disposal for the proper use according to the Company goals and objectives.
10. The dividend amount per one ordinary share is defined on the basis of the amount, which is forwarded to the dividends for ordinary shares, divided to the quantity of ordinary shares of the Company, which are placed and circulate as of the compilation date of shareholders list, who entitled for the its receipt.

3. The restrictions for dividend payment

11. The distribution of dividends for the ordinary shares of Company is not allowed:
 - 1) At the adverse amount of equity capital or if the equity capital amount of the Company became adverse as a result of dividends distribution for the ordinary shares;
 - 2) If the Company meets the criteria for insolvency or business failure according to the legislation of Republic of Kazakhstan concerning the bankruptcy or the specified attributes will appear as a result of dividends distribution for the ordinary shares.
12. The dividends are not distributed and paid for the ordinary shares, which were not placed or were repurchased by the Company itself, and also if the court or the General shareholders meeting of the Company has adopted the decision about its liquidation.

4. Final provisions

13. The issues, which are not adjusted in the Order, are governed by the Articles of Association of the Company and the legislation of Republic of Kazakhstan.
14. The Order is an integral part of the Company share issue prospectus.

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Notary /signature/

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