

KMG EP receives a tax claim for the period between 2009 and 2012

Astana, 09 September 2015. JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces that the Kazakhstan tax authority has completed their desk audit of KMG EP which commenced in September 2014 for the period between 2009 and 2012. Following the audit, the tax authority has charged an additional 18.2 billion tenge, imposed a penalty of 9.7 billion tenge for late payment and a fine of 10.2 billion tenge. The Company is going to appeal the claim in the near future.

KMG EP made a tax provision of 16.7 billion tenge in the financial statements for the period ended 30 June 2015 mostly related to tax audit of the Company for the period between 2009 and 2012. The provision has been made following discussions with Tax authorities in respect to this tax audit, as it is more probable than not that the Company will ultimately be unsuccessful in defending previously established tax positions. 16.7 billion tenge of a tax provision relate to Corporate Income Tax and Excess Profit Tax in addition to fines and penalties. The Company is currently preparing its appeal to the claims and will further evaluate the adequacy of its provisions as the case progresses through the court system as well as during the preparation of its quarterly and annual accounts.

Notes to editors

KMG EP is among the top three Kazakh oil producers. The overall production in 2014 was 12.3 million tonnes (250 kbopd) of crude oil, including the Company’s share in Kazgermunai, CCEL and PKI. The Company’s total consolidated volume of proved and probable reserves including shares in the associates, as at the end of 2014 was 177 million tonnes (1,303 mmbbl), out of which 132 million tonnes (981 mmbbl) relates to Ozenmunaigas, Embamunaigas, and Ural Oil and Gas (Rozhkovskoye field, Fyodorovskiy block). The Company’s shares are listed on the Kazakhstan Stock Exchange and the GDRs are listed on The London Stock Exchange. The Company raised over US\$2bn in its IPO in September 2006.

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