

PRESS RELEASE

KMG EP held an Extraordinary General Meeting of shareholders and a meeting of the Board of Directors

Astana, 12 July 2013. JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”) held an Extraordinary General Meeting of shareholders on July 09, 2013. At the meeting a member of the Company’s Board of Directors (“Board”), Lyazzat Kiinov, has resigned and Daniyar Berlibayev, First Deputy Chairman of the Managing Board for Corporate Development of National Company KazMunaiGas (“NC KMG”) was appointed a new member of the Company’s Board of Directors for the whole term.

On July 10, 2013 the Board elected Daniyar Berlibayev as the Chairman of the Board of Directors of KMG EP.

KMG EP’s Board of Directors approved the revised budget for 2013. According to the revised budget capital expenditure for 2013 is expected to be 168bn tenge (US\$1,121m)¹, which is 17bn tenge (US\$114m) less compared to 185 bn tenge (US\$1,235m) approved in December 2012.

The decrease in capital expenditure is related among other factors to lower exploration drilling by 11 bn tenge (US\$74m). The decline in exploration drilling expenditures is due to a change of the accounting methodology of LLP “Karpovskii Severnyi”² (7bn tenge or US\$49m) and to revision of schedule and targets of the drilling programme by 4bn tenge (US\$25m).

Also the plan on implementation of the modernization program has been revised downwards by 7 bn tenge (US\$47m). The decline in modernization program expenditures is largely due to the postponement of construction of some projects for later years.

According to the revised budget the development drilling expenses will be higher by 1bn tenge (US\$8m) due to the drilling of additional 5 directional wells and 6 development wells at Embamunaigas JSC.

These measures are aimed to ensure sustainable use of funds based on the current economic and operational indicators.

NOTES TO EDITORS

KMG EP is among the top three Kazakh oil and gas producers. Overall production in 2012 was 12.2mt (an average of 247kbopd) of crude oil, including the Company’s share in Kazgermunai, CCEL and PKI. The total volume of proved and probable reserves, as at the end of 2011 was 226mt (1.7bn bbl), including shares in the associates of about 2.1bn barrels. The Company’s shares are listed on the Kazakhstan Stock Exchange and its GDRs are listed on The London Stock Exchange. The Company raised over US\$2bn in its IPO in September 2006. International rating agency Standard & Poor's (S&P) confirmed KMG EP’s “BBB-” corporate credit rating in December 2011.

¹ Amounts shown in US dollars (“USD\$” or “\$”) have been translated solely for the convenience of the reader at the average rate of 150 tenge/US dollar.

² Accounted for using equity method as 49% of share was sold in October 2012. In original 2013 budget was accounted for as 100% subsidiary.

Daniyar Berlibayev worked as Director General of Intergaz Central Asia JSC in 2005-2007, by secondary employment as second in command of Director General of KazTransGaz JSC as well. From 2007 to 2009 held a post of managing director on gas projects of KazMunaiGaz JSC NC. In 2009-2011 worked as Director General of KazMunaiGaz-PM JSC, then Director General of KazTransGaz JSC. Held a position of managing director for gas projects of JSC NC KazMunaiGaz. At present he is the First Deputy Chairman of the Managing Board for Corporate Development of National Company KazMunaiGas

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