

KMG EP INEDs confirm extraordinary general meeting timetable

Astana, 12 July 2016. On 17 June 2016 a circular (the "NC Circular") was published by JSC NC KazMunayGas ("NC KMG") setting out its proposed amendments to the relationship agreement between NC KMG and JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") and to the Charter of the Company (the "Proposed Amendments"), and the terms of its conditional on-market purchase offers to be made to the holders of ordinary and preferred shares and GDRs in the Company (the "Purchase Offer").

Further to this, KMG EP confirmed that an extraordinary general meeting of shareholders ("EGM") will be held at 17 Kabanbay Batyr Avenue, Astana 010000, Kazakhstan at 10:00 A.M. on 3 August 2016 to consider the Proposed Amendments.

GDR holders intending to vote by proxy should be aware of the following deadlines:

- Custodial & subcustodial voting deadlines: from 15 – 20 July 2016 (note some deadlines may be earlier)
- Broadridge voting platform deadline: 15 – 20 July 2016
- ISS voting platform deadline: 15 – 18 July 2016
- EGM proxy voting deadline (GDRs): 20 July 2016

KMG EP Independent Non-executive Directors ("INEDS") have published a circular (the "Response Circular") to KMG EP Independent Shareholders containing a detailed response to the NC Circular. As set out more fully in the Response Circular, the INEDS of KMG EP believe that the Proposed Amendments would significantly weaken the protections afforded to Independent Shareholders of the Company, would stop the Company running its business independently of NC KMG and are not required in order to achieve underlying efficiency and performance improvements sought by KMG EP and NC KMG.

The Purchase Offer by NC KMG is at a level that reflects only the cash balances of the Company as at the end of Q1 2016 (including the amount of an overdue receivable from a NC KMG group company, which has subsequently been repaid), and ascribes no value to the operational assets of the Company. The INEDs believe that this significantly undervalues the Company. Thus, the INEDs, having been so advised by HSBC and Rothschild, do not consider the Proposed Amendments and Purchase Offer to be fair or reasonable as far as Independent Shareholders of the Company are concerned and strongly recommend that all Independent Shareholders of the Company vote against the resolutions to be proposed at the EGM.

The Response Circular is available in both English and Russian language versions at the following link: www.independent-kmgep.com.

Notes to editors

KMG EP is among the top three Kazakh oil producers. The overall production in 2015 was 12.4 million tonnes (251 kbopd) of crude oil, including the Company's share in Kazgermunai, CCEL and PKI. The Company's volume of proved and probable reserves excluding shares in the associates, at the end of 2015 was 193 million tonnes (1,409 mmbbl). 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 at its IPO in September 2006.

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