

## PRESS RELEASE

### Operating results for the first quarter of 2015

**Astana, 27 April 2015.** Today JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces its operating results for the first quarter of 2015.

KMG EP including its stakes in Kazgermunai (KGM), CCEL (CCEL) and PetroKazakhstan Inc. (PKI) produced 3,037 thousand tonnes of crude oil (249 kbopd) for the first three months of 2015, which is slightly less than in the same period of 2014, yet 55 thousand tonnes (4 kbopd) more than it was planned for the first quarter of 2015.

Ozenmunaigas JSC (OMG) production increased by 3% to 1,339 thousand tonnes (110 kbopd) in comparison to the same period of 2014. Embamunaigas JSC (EMG) produced 682 thousand tonnes (56 kbopd), similar to the same period in 2014. At OMG and EMG, total volume of oil production was 2,021 thousand tonnes (165 kbopd), a 2% increase in comparison with the same period in 2014.

The Company’s share in production from CCEL, KGM and PKI for the first quarter of 2015 amounted to 1,016 thousand tonnes (84 kbopd) which is 4% less than the same period in 2014, due to the natural decline of production by 11% in PKI and by 3% in KGM, in line with production plan for 2015.

In the first quarter of 2015, the Company’s combined export sales from OMG and EMG were 1,441 thousand tonnes (116 kbopd) or 71% of the total oil sales volumes. Domestic sales amounted to 562 thousand tonnes (45 kbopd) of which 505 thousand tonnes (41 kbopd) were supplied to the Atyrau Refinery from OMG and EMG, 40 thousand tonnes (3 kbopd) were supplied to the Pavlodar Refinery from EMG and 17 thousand tonnes (1 kbopd) were processed for the Company’s own use. Additionally, 20 thousand tonnes (2 kbopd) were shipped to Russia to fulfill obligations under the counter-oil supply agreement between the Government of Kazakhstan and the Russian Government.

The Company expects that domestic sales from OMG and EMG in 2015 will amount to 2.3 million tonnes. Sales volumes to be shipped to Russia are specified by the Kazakh Ministry of Energy and the company has not yet received the approved schedule of supplies to Russia for 2015.

The Company’s share in the sales from CCEL, KGM and PKI was 991 thousand tonnes of crude oil (84 kbopd), including 493 thousand tonnes (41 kbopd) shipped to export, which is 50% of the total sales volumes. The domestic sales volume was 498 thousand tonnes (42 kbopd) of which 321 thousand tonnes (28 kbopd) were supplied to Pavlodar Petrochemical Plant, 117 thousand tonnes (10 kbopd) were supplied to Shymkent Refinery, 37 thousand tonnes (2.7 kbopd) were supplied to Atyrau Refinery and 22 thousand tonnes (1.7 kbopd) to Aktau Bitumen Plant.

## **Signature of a contract regarding Rozhkovskoye field**

The Kazakh Ministry of Energy and Ural Oil and Gas LLP (“UOG”), where KMG EP holds 50% stake, have signed a contract for the production of gas and condensate from the Rozhkovskoye field, within the Fedorovsky block, which is located in the West Kazakhstan Province.

The 25 year contract signed on 2 April 2015 stipulates that gas and condensate will be produced at the Rozhkovskoye field within the following blocks: XIII-11-C (partially), 12-A (partially), B (partially), and C (partially). Production is expected to commence in 2017.

## **Reduction of the military training area on exploration block Taisoigan**

EMG has been exploring the Taisoigan block in the Atyrau Province for hydrocarbons under contract No.327 dated 12 May 1999, for the exploration and production of raw hydrocarbons. However, following the Agreement between Russia and Kazakhstan for the use of state-owned flight test facility No. 929 (“Agreement”) which was ratified in 2000, Taisoigan has been a part of the military training ground. Therefore, EMG could neither fully explore the area nor develop fields discovered on this block.

As reported by the public relations department of the Kazakh Ministry of Defense (“Ministry”) on 16 April 2015, the Ministry and the Russian Government signed documents to terminate the lease of over 1.6 million ha of lands, including the Taisoigan exploration block, and are in the process of handing the area back over to Kazakhstan. The amended Agreement is subject to ratification. EMG has been exploring this area and running pilot production at Uaz and Kondybay fields. Once ratified, the Agreement will enable EMG to explore the block more extensively for oil and gas, develop the infrastructure of the area, and switch the Uaz and Kondybay fields to commercial production.

## **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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