

PRESS RELEASE

KMG EP Announces Operating Results for the first quarter of 2016

Astana, 27 April 2016. JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces its operating results for the first quarter of 2016. KMG EP produced a total of 3,043 thousand tonnes of crude oil (247 kbopd), which includes the Company’s stakes in Kazgermunai (KGM), CCEL (Karazhanbasmunai) and PetroKazakhstan Inc. (PKI), almost at the level of the same period of 2015.

Ozenmunaigas JSC (OMG) produced 1,387 thousand tonnes (112 kbopd), an increase of 48 thousand tonnes (4 kbopd) or 4% over 1Q2015. Embamunaigas JSC (EMG) produced 702 thousand tonnes (57 kbopd), up 20 thousand tonnes (2 kbopd) over 1Q2015. The total volume of oil produced at OMG and EMG over the quarter was 2,089 thousand tonnes (169 kbopd), up 3% on the same period of 2015 in accordance with the production plan.

The Company’s share in production from CCEL, KGM and PKI for first quarter of 2016 amounted to 954 thousand tonnes of crude oil (78 kbopd), or 6% lower than in 1Q2015 which primarily relates to the expected decline of production at PKI.

In the first quarter of 2016, OMG and EMG sold 2,050 thousand tonnes (163 kbopd) of crude oil; this includes 1,220 thousand tonnes (97 kbopd) or 60% of crude oil for export, and 830 thousand tonnes (66 kbopd) of crude oil for the domestic market. Additionally, 3 thousand tonnes of oil products were sold to the domestic market.

Of the 830 thousand tonnes (66 kbopd) of crude oil supplied from OMG and EMG to the domestic market, 580 thousand tonnes (46 kbopd) of crude oil were supplied to the Atyrau Refinery and 250 thousand tonnes (20 kbopd) of crude oil were supplied to the Pavlodar Petrochemical Plant.

The Company’s share in crude oil sales from CCEL, KGM, and PKI was 965 thousand tonnes (79 kbopd) including 559 thousand tonnes (44 kbopd) supplied for export which is 58% of the total sales volume. Crude oil sales to the domestic market were 406 thousand tonnes (35 kbopd), of which 292 thousand tonnes (25 kbopd) were supplied to the Pavlodar Petrochemical Plant, and 114 thousand tonnes (10 kbopd) to the Shymkent Refinery.

Crude oil sales in the first quarter of 2016 (in thousands of tonnes).

	Crude oil sales	Export	Domestic market	Atyrau Refinery	Pavlodar Refinery	Shymkent Refinery
OMG and EMG	2,050	1,220	830	580	250	0
CCEL, KGM and PKI (the Company’s share)	965	559	406	292	0	114

Crude oil sales in the first quarter of 2016 (in kbopd).

	Crude oil sales	Export	Domestic market	Atyrau Refinery	Pavlodar Refinery	Shymkent Refinery
OMG and EMG	163	97	66	46	20	0
CCEL, KGM and PKI (the Company’s share)	79	44	35	25	0	10

Total 2P reserves

As announced earlier in a [press release dated 25th February 2016](#), according to the report by DeGolyer and MacNaughton, according to the report by DeGolyer and MacNaughton, Proven and Probable (2P) reserves of liquid hydrocarbons as at 31 December 2015 excluding the Company's stakes in JV Kazgermunai LLP, CCEL and PetroKazakhstan Inc. were 152 million tonnes (1,115 million barrels), which is 15% higher than at the end of 2014.

Assessment of 2P reserves of joint ventures were made separately by independent auditors¹. KMG EP's share in overall 2P reserves of KGM (50% stake), CCEL (50% stake) and PKI (33% stake) as at the end of 2015 amounted to 41 million tonnes (294 million barrels). Thus, total 2P reserves of KMG EP including its stakes in KGM, CCEL, and PKI as at the end of 2015 amounted to 193 million tonnes (1,409 million barrels).

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 total consolidated volume of proved and probable reserves including shares in the associates, as at the end of 2015 was 193 million tonnes (1,409 mmbbl), out of which 152 million tonnes (1,115 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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¹ Assessment of reserves as at 31 December 2015 of KGM and CCEL were made by «Miller and Lents, Ltd.» and of PKI by «McDaniel».