

**KazMunaiGas Exploration Production
Joint Stock Company**

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2015

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KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

Consolidated Interim Statement of Financial Position

Tenge million

		March 31, 2015	December 31, 2014
	Notes	Unaudited	Audited
ASSETS			
Non-current assets			
Property, plant and equipment	5	187,116	156,436
Intangible assets		10,758	10,855
Investments in joint ventures	6	113,271	95,177
Investments in associate	7	115,185	116,054
Receivable from a jointly controlled entity	6	14,713	13,808
Loans receivable from joint ventures	6	13,029	25,738
Other financial assets	8	19,532	18,567
Deferred tax asset		84,595	84,067
VAT recoverable		43,083	42,300
Other assets		14,816	15,472
Total non-current assets		616,098	578,474
Current assets			
Inventories		21,059	26,357
Income taxes prepaid		41,060	23,916
Taxes prepaid and VAT recoverable		34,607	37,831
Mineral extraction tax prepaid and rent tax prepaid		1,264	2,581
Prepaid expenses		22,589	30,011
Trade and other receivables	8	58,598	56,570
Receivable from a jointly controlled entity	6	4,742	4,658
Loans receivable from joint ventures		8,110	7,692
Other financial assets	8	568,519	535,513
Cash and cash equivalents	8	115,304	180,245
Total current assets		875,852	905,374
Total assets		1,491,950	1,483,848
EQUITY			
Share capital	9	163,004	163,004
Other capital reserves		2,355	2,355
Retained earnings		1,099,752	1,098,170
Other components of equity		75,945	75,587
Total equity		1,341,056	1,339,116
LIABILITIES			
Non-current liabilities			
Borrowings		4,046	4,218
Deferred tax liability		568	569
Provisions	10	42,115	34,929
Total non-current liabilities		46,729	39,716
Current liabilities			
Borrowings		3,082	3,000
Provisions	10	13,958	8,287
Income taxes payable		13	15
Mineral extraction tax and rent tax payable		23,310	34,200
Trade and other payables		63,802	59,514
Total current liabilities		104,165	105,016
Total liabilities		150,894	144,732
Total liabilities and equity		1,491,950	1,483,848

KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

Consolidated Interim Statement of Comprehensive Income (unaudited)

Tenge million

	Notes	Three months ended March 31,	
		2015	2014
Revenue	11	116,732	220,824
Share of results of associate and joint ventures	6,7	18,526	16,160
Finance income		6,188	5,236
Total revenue and other income		141,446	242,220
Production expenses	12	(57,964)	(43,793)
Selling, general and administrative expenses	13	(26,440)	(22,244)
Exploration expenses		(349)	(258)
Depreciation, depletion and amortization		(4,346)	(15,056)
Taxes other than on income	14	(48,379)	(80,280)
Impairment of property, plant and equipment		–	(27,448)
Loss on disposal of property, plant and equipment	5	(72)	(223)
Finance costs	6	(15,053)	(806)
Foreign exchange gain, net	2	17,055	108,113
Profit before tax		5,898	160,225
Income tax expense	15	(4,316)	(36,767)
Profit for the period		1,582	123,458
Foreign currency translation difference	2	358	52,334
Other comprehensive income for the period to be reclassified to profit and loss in subsequent periods		358	52,334
Total comprehensive income for the period, net of tax		1,940	175,792
EARNINGS PER SHARE – Tenge thousands			
Basic and diluted		0.02	1.81

KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

Consolidated Interim Statement of Cash Flows (unaudited)

Tenge million

		Three months ended March 31,	
	Notes	2015	2014
Cash flows from operating activities			
Profit before tax		5,898	160,225
Adjustments to add / (deduct) non-cash items			
Depreciation, depletion and amortisation		4,346	15,056
Share of result of associate and joint ventures		(18,526)	(16,160)
Loss on disposal of property, plant and equipment (PPE)	5	72	223
Impairment of PPE	5	–	27,448
Dry well expense on exploration and evaluation assets		51	46
Unrealised foreign exchange gain on non-operating activities		(15,968)	(57,640)
Other non-cash income and expense		543	(136)
Add finance costs		15,053	806
Deduct finance income		(6,188)	(5,236)
Working capital adjustments			
Change in other assets		(1,932)	14
Change in inventories		5,267	2,665
Change in taxes prepaid and VAT recoverable		3,234	(2,702)
Change in prepaid expenses		7,423	(225)
Change in trade and other receivables		(1,603)	7,249
Change in trade and other payables		(1,067)	(6,376)
Change in mineral extraction and rent tax payable and prepaid		(10,185)	(1,061)
Change in provisions		3,941	419
Income tax paid		(17,589)	(26,278)
Net cash (used in) / generated from operating activities		(27,230)	98,337
Cash flows from investing activities			
Purchases of PPE	5	(22,401)	(33,017)
Proceeds from sale of PPE	5	3	247
Purchases of intangible assets		(322)	(515)
Loans provided to joint ventures		(277)	(519)
Dividends received from joint venture		4,626	–
(Purchase) / Proceeds from withdrawal of financial assets held to maturity		(22,346)	97,077
Interest received		1,759	2,635
Net cash (used in) / generated from investing activities		(38,958)	65,908
Cash flows from financing activities			
Repayment of borrowings		(273)	(267)
Dividends paid to Company's shareholders		(38)	(29)
Net cash used in financing activities		(311)	(296)
Net change in cash and cash equivalents		(66,499)	163,949
Cash and cash equivalents at beginning of the period	8	180,245	119,036
Exchange gain / (losses) on cash and cash equivalents		1,558	(23)
Cash and cash equivalents at the end of the period	8	115,304	282,962

KAZMUNAIGAS EXPLORATION PRODUCTION JOINT STOCK COMPANY

Consolidated Interim Statement of Changes in Equity (unaudited)

Tenge million

	Share capital	Treasury stock	Other capital reserves	Retained earnings	Foreign currency translation reserve	Total Equity
As at December 31, 2013 (audited)	263,095	(100,126)	2,482	1,185,815	22,509	1,373,775
Profit for the period	–	–	–	123,458	–	123,458
Other comprehensive income	–	–	–	–	52,334	52,334
Total comprehensive income	–	–	–	123,458	52,334	175,792
As at March 31, 2014 (unaudited)	263,095	(100,126)	2,482	1,309,273	74,843	1,549,567
As at December 31, 2014 (audited)	263,095	(100,091)	2,355	1,098,170	75,587	1,339,116
Profit for the period	–	–	–	1,582	–	1,582
Other comprehensive income	–	–	–	–	358	358
Total comprehensive income	–	–	–	1,582	358	1,940
As at March 31, 2015 (unaudited)	263,095	(100,091)	2,355	1,099,752	75,945	1,341,056