

# JSC “KazMunaiGas Exploration and Production”

9M2017 Financial results

November 2017



# Disclaimer

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## Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “target”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include, but are not limited to, statements regarding the JSC KazMunaiGas Exploration Production (“Company”) intentions, beliefs and statements of current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and as to the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. Forward-looking statements are not guarantees of future performance and the actual results of the Company’s operations, financial condition and liquidity and the development of the country and the industries in which the Company operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. The Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements or industry information set out in this document, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.

## Cautionary Note to US Investors

The US SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that the company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The crude oil reserves of Company and its associates and joint ventures (“Company’s reserves”) within this document have been estimated by Gaffney, Cline & Associates (“GCA”) and Miller and Lents (“MLL”) according to standards established by the Society of Petroleum Engineers (“SPE”) and the World Petroleum Congresses (“WPC”) and thus proved reserves may differ from those estimated according to the definitions of the US SEC. Further, the Company uses certain terms in this document in referring to the Company’s reserves, such as “probable” or “possible” reserves, that the US SEC’s guidelines would prohibit it from including in filings with the US SEC if the Company were subject to reporting requirements under the US Exchange Act. Prospective investors should read reports of GCA and MLL on the Company’s reserves for more information on the Company’s reserves and the reserves definitions the Company uses.



# 9M2017 financial highlights

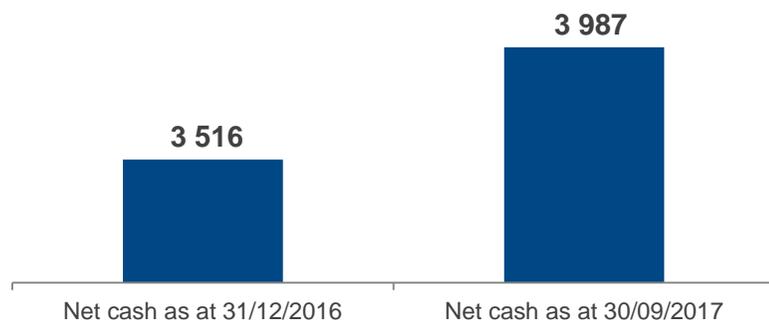
## Macro indicators

	9M2016	9M2017	Change
Average Brent (US\$ / bbl)	41.9	51.8	24%
Average KZT/USD rate	344.0	323.3	-6%

## Net revenue from the sales of oil products

KZT per tonne	9M2017	2-3Q2016	Change
ANPZ	54,848	39,859	38%
PNHZ	60,787	48,433	26%

## Net cash\*\*\* uplift by \$471mn as at 30/09/2017



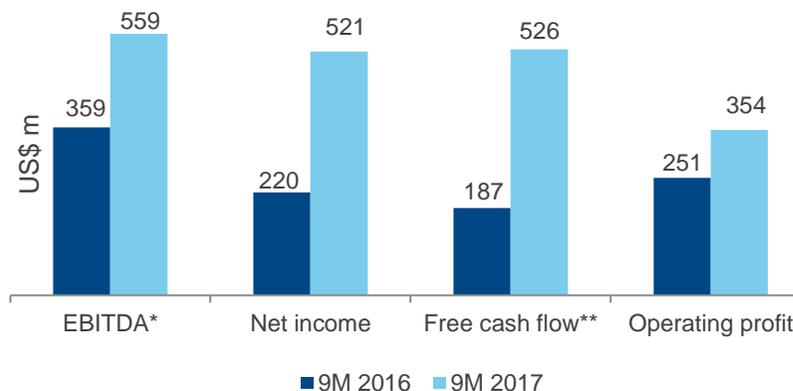
\*EBITDA includes income from joint ventures and finance income

\*\*Free Cash Flow is calculated as CFO-Capex (per CFS)+Dividends received from JVs and associate+Interest received+CCEL priority payment

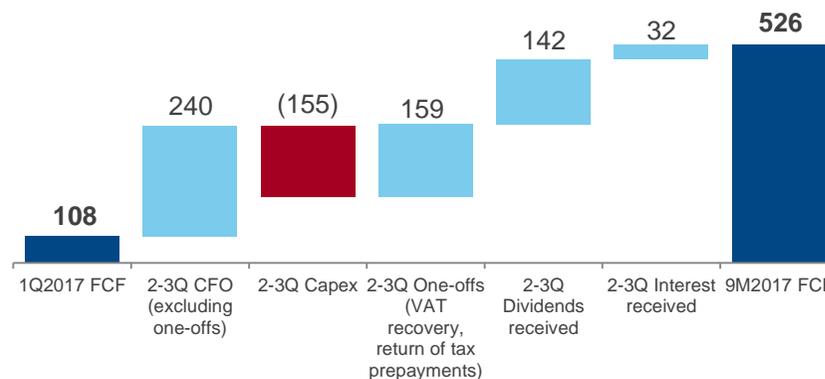
\*\*\*Cash and financial assets less borrowings



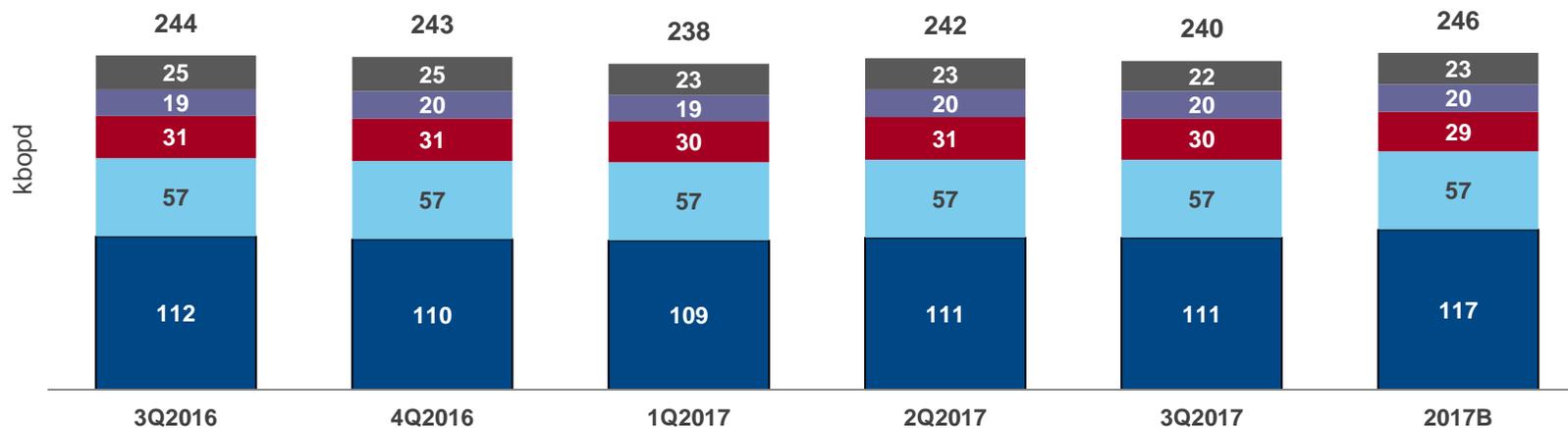
## Key financial indicators



## US\$526m FCF\*\* 9M2017



## 9M2017 operating highlights



th. tonnes	3,056	3,021	2,904	2,981	3,000	12,155
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■ OMG ■ EMG ■ KGM (50%) ■ CCEL (50%) ■ PKI (33%)

- OMG production is down by 2% YoY primarily due to lower level of production from the existing well stock
- In 9M2017, 149 wells were drilled at OMG and EMG compared to 164 in 9M2016
- Currently 191 wells planned for drilling in 2017 at OMG and EMG
- PKI production down by 14% YoY as expected due to the natural reserves depletion of some of PKI's mature fields



## 9M2017 Key Figures

		9M2017	9M2016	YoY, %	3Q2017*	2Q2017*	QoQ, %
Brent	\$/bbl	51.8	41.9	24%	52.1	49.6	5%
Average FX rate	Tg/US\$	323.3	344.0	-6%	332.4	315.0	6%
Core production	kbopd	167	169	-1%	169	168	1%
JV's production	kbopd	73	77	-5%	72	74	-3%
Core export	%	69%	60%	9pp	73%	69%	4pp
JV's export	%	41%	51%	-10pp	35%	44%	-9pp
Revenue	KZT bn	666	515	29%	229	223	2%
	US\$m	2,059	1,496	38%	687	709	-3%
Share in JV's income	KZT bn	18	-8	na	4	6	-42%
	US\$m	56	-22	na	11	20	-47%
EBITDA <sup>1</sup>	KZT bn	181	123	47%	50	62	-20%
	US\$m	559	359	56%	149	198	-25%
Net profit <sup>2</sup>	KZT bn	168	76	122%	80	86	-6%
	US\$m	521	220	137%	245	269	-9%
FCF estimate <sup>3</sup>	KZT bn	170	64	164%	24	111	-79%
	US\$m	526	187	181%	67	350	-81%
Net cash	KZT bn	1,360	1,145	19%	1,360	1,286	6%
	US\$m	3,987	3,413	17%	3,987	3,990	-0%

1) EBITDA is calculated as Revenue+Share in JV's and associate's income+Finance income-Production expenses-SG&A-Exploration expenses-Taxes other than on income+Other income

2) Net profit includes FX loss of 7.3bnTg in 9M2016, FX gain of 29.2bnTg in 9M2017, FX gain of 26bnTg in 2Q2017 and FX gain of 61.8bnTg in 3Q2017

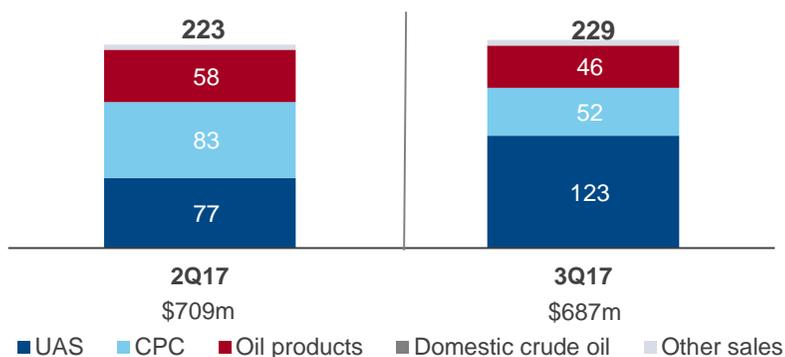
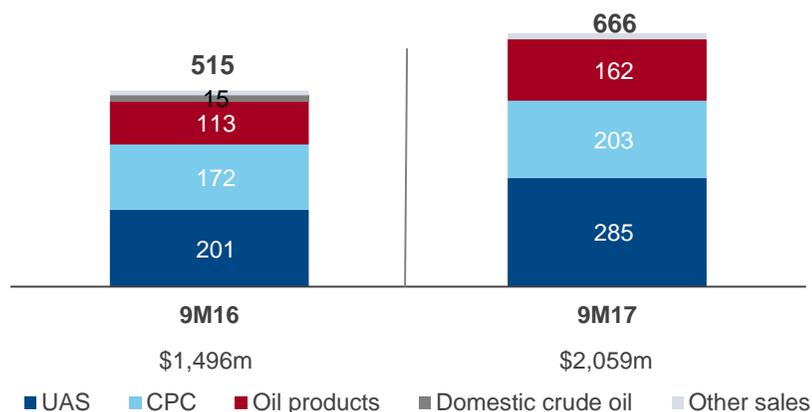
3) Free Cash Flow Estimate is calculated as CFO-Capex (per CFS)+Dividends received from JVs and associate +Interest received+CCEL priority payment

\* Quarterly results in US\$ terms are calculated as the difference in US\$ amounts between 6M and 3M for 2Q, 9M and 6M for 3Q and 12M and 9M for 4Q



# 9M2017 Revenue

## Revenue, KZT bn



Revenue increased by 29% YoY mainly due to:

- A 24% increase in Brent price
- An increased share of exports at the level of 69% of 9M2017 oil volume sales
- Switch to the processing scheme from April 2016
- Offset partially by a decline in average Tenge/USD rate by 6%

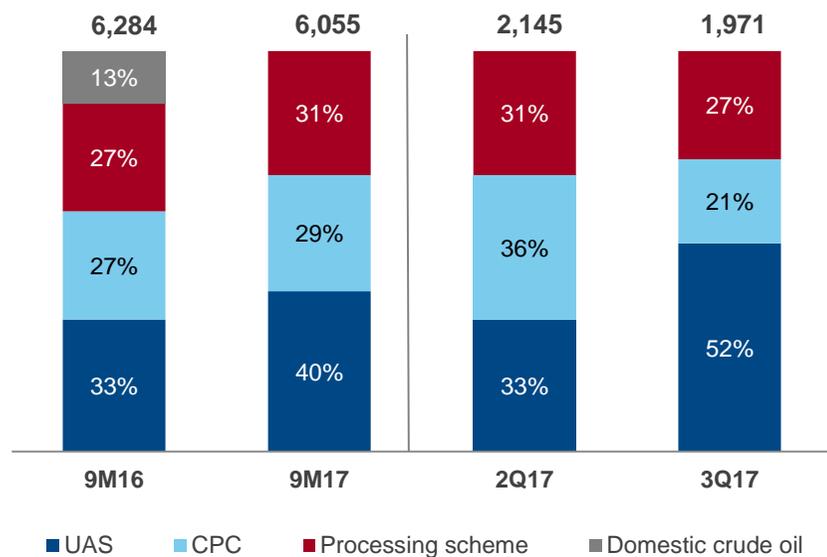
Revenue increased by 2% QoQ mainly due to:

- A 5% increase in Brent price and an increase in average Tenge/USD rate by 5%
- Offset partially by lower volumes of export sales and oil products sales



## Export and Domestic Sales (OMG and EMG)

Sales structure by routes, th. tonnes



Netbacks by routes\*, \$ per bbl

	9M2017		9M2017	
	UAS	CPC	ANPZ**	PNHZ**
Brent	51.8	51.8	-	-
Price diff, quality bank	(2.2)	(6.0)	-	-
Realized price	49.6	45.8	23.5	26.0
Rent tax	(5.2)	(5.4)	-	-
Transportation	(6.1)	(7.6)	(1.2)	(2.9)
Export customs duty	(6.5)	(6.6)	-	-
MET	(6.1)	(6.1)	(1.2)	(0.8)
<b>Netback</b>	<b>25.7</b>	<b>20.1</b>	<b>21.1</b>	<b>22.3</b>
Premium of bbl difference	-	4.5	-	-
<b>Effective netback</b>	<b>25.7</b>	<b>24.6</b>	<b>21.1</b>	<b>22.3</b>

\* The netback calculation methodology has been changed starting from 1Q2015 to include MET subtraction from the netback.  
 \*\* The Company switched to oil processing scheme starting from April 2016, as the result the Company ships OMG and EMG crude oil for processing to ANPZ and PNHZ. Netbacks of ANPZ and PNHZ for 9M2017 are based on the net revenue tenge per tonne of crude oil shipped to ANPZ and PNHZ for oil processing reflected in the Statement of Net Revenue from sales of Refined Products.



## Net revenue from the sales of oil products

Tenge per tonne	ANPZ				PNHZ			
	2-4Q 2016	1Q2017	2Q 2017	3Q 2017	2-4Q 2016	1Q2017	2Q 2017	3Q 2017
Revenue	72,791	86,791	87,264	87,908	74,465	74 758	80,642	89,063
Costs, including:	<b>(30,425)</b>	<b>(29,595)</b>	<b>(32,641)</b>	<b>(35,957)</b>	<b>(22,722)</b>	<b>(18 158)</b>	<b>(19,506)</b>	<b>(23,828)</b>
Processing	(20,464)	(20,508)	(24,151)	(24,380)	(15,940)	(13 294)	(14,173)	(16,097)
Additives	(302)	(623)	(405)	(381)	(953)	(1,148)	(822)	(1,177)
Excise tax	(1,421)	(1,633)	(2,247)	(4,000)	(3,290)	(3,026)	(3,925)	(5,948)
Export customs duty	(5,516)	(6,126)	(5,207)	(5,272)	-	-	-	-
Selling and transportation expenses	(512)	(705)	(631)	(1,924)	(514)	(691)	(585)	(606)
KMG RM commission fee	(2,209)	-	-	-	(2,024)	-	-	-
<b>Net revenue, KZT/tonne of crude oil</b>	<b>42,366</b>	<b>57,196</b>	<b>54,623</b>	<b>51,951</b>	<b>51,743</b>	<b>56,596</b>	<b>61,140</b>	<b>65,235</b>
Total volume of crude oil processed and sold, th. tonnes	1,952	520	547	379	540	172	137	151



# Output and sales of oil products in 3Q 2017

## Sales of oil products in 3Q 2017

Oil products	ANPZ			PNHZ		
	Output <sup>1</sup> %	Sales <sup>2</sup> %	Price <sup>3</sup> KZT'000/ton	Output <sup>1</sup> %	Sales <sup>2</sup> %	Price <sup>3</sup> KZT'000/ton
Petrol Normal AI-80 <sup>4</sup>	1,2%	1,4%	86,9	4,2%	5,6%	86,9
Petrol Regular AI-92	9,1%	10,1%	135,3	16,9%	21,9%	139,4
Petrol Premium AI-95	1,2%	1,7%	146,4	2,6%	2,9%	148,1
Diesel	30,2%	30,8%	124,9	31,4%	37,2%	125,9
Jet fuel	0,3%	0,4%	160,7	0,0%	0,0%	na
<b>Total light oil products</b>	<b>42,1%</b>	<b>44,4%</b>	<b>127,3</b>	<b>55,2%</b>	<b>67,6%</b>	<b>128,0</b>
Vacuum gasoil	14,7%	17,1%	82,8	3,3%	0,0%	na
Mazut	34,0%	34,7%	60,5	13,8%	15,0%	33,6
Bitum	0,0%	0,0%	na	8,2%	8,9%	65,7
<b>Total heavy oil products</b>	<b>48,7%</b>	<b>51,8%</b>	<b>67,9</b>	<b>25,2%</b>	<b>23,9%</b>	<b>45,5</b>
Liquified gas	0,4%	0,4%	34,3	4,5%	5,0%	34,3
Furnace oil	0,8%	0,3%	71,4	0,0%	0,0%	na
Sulfur	0,0%	0,2%	0,6	0,6%	0,0%	na
Coke calcinated	1,2%	1,3%	51,1	0,0%	0,0%	na
Coke crude	0,9%	1,5%	20,9	3,4%	3,4%	13,4
Other <sup>5</sup>	0,2%	0,2%	192,2	0,4%	0,0%	na
<b>Total other oil products</b>	<b>3,5%</b>	<b>3,8%</b>	<b>43,2</b>	<b>8,8%</b>	<b>8,5%</b>	<b>25,8</b>
Losses	5,7%	na	na	10,8%	na	na
<b>Total realised price</b>	<b>100,0%</b>	<b>100,0%</b>	<b>93,3</b>	<b>100,0%</b>	<b>100,0%</b>	<b>99,6</b>
<b>Total crude oil refined and oil products sold (th. tonnes)</b>	<b>395</b>	<b>357</b>		<b>143</b>	<b>135</b>	
Realised price per tonn of oil <sup>6</sup>			87,9			89,0
Fees, expenses and taxes <sup>7</sup>			(36,0)			(23,8)
<b>Net revenue per tonne of crude oil<sup>8</sup></b>			<b>51,9</b>			<b>65,2</b>

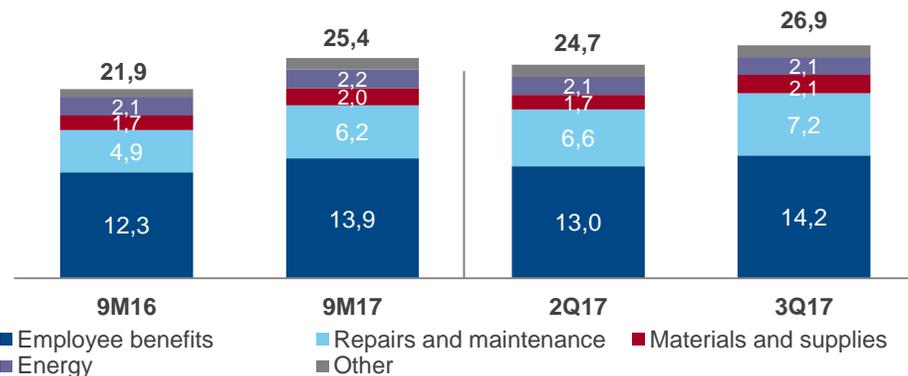
**Notes:**

- 1 As a percentage of total crude oil refined;
- 2 As a percentage of total oil products sold;
- 3 Weighted average prices excluding VAT of 12%;
- 4 Retail prices of Petrol (80) are regulated by the government;
- 5 Benzol sales from refined oil products at ANPZ;
- 6 Realised price adjusted for losses;
- 7 Includes processing fees, excise tax and export duty;
- 8 Except cost of production of crude oil and oil transportation expenses to the refineries.



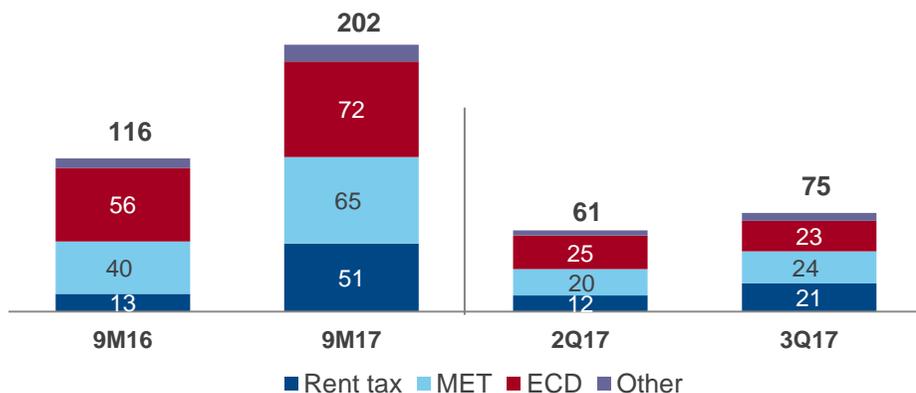
## Lifting costs and taxes other than on income

Lifting costs, '000 KZT/tonne



\$/bbl	8,6	10,6	10,6	10,9
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Taxes other than on income, bn KZT



- Employee benefits are
  - Up YoY due to the absence of annual bonus provision in the first nine months of 2016, as well as a 7% salary indexation of production units' personnel since January 2017.
  - Up QoQ due one-off payments based on Collective Agreement in 3Q2017 related to a semi-annual bonus at OMG.
- Repair and maintenance expenses are
  - Up YoY due to a higher volume and price of hydraulic fracturing works and an increased number of well servicing performed by third parties at OMG.
- The rent tax is up YoY due to an increase in the average Brent price by 24% and up QoQ due to a 5% increase in the Brent price. 2Q2017 rent tax rate is 7% versus 11% in 3Q2017.
- The MET increased YoY due to a higher average Brent price. The Company applies the MET rate of 13% for OMG fields in 2017.
- Average ECD rate in 9M2017 is at US\$47 per tonne of crude oil compared to US\$37 per tonne of crude oil in 9M2016. YoY increase in the export volumes of crude oil and export of oil products after switch to the oil processing scheme. QoQ decrease due to lower volumes of export sales.



## Share of JV's profit in 9M2017 at 18.2bn Tenge

9M2017		KGM	PKI	UGL	Total
Net income/(loss), 100%	US\$m	111	91	(7.5)	na
KMG EP share in net income/(loss)	KZT bn	17.9	9.7	(1.2)	na
	US\$m	55	30	(3,7)	na
Less/Add: PPP and other adjustments	KZT bn	(2.4)	(5.9)	0	na
	US\$m	(7)	(18)	0	na
Reported share of JV income	KZT bn	15.6	3.8	(1.2)	<b>18.2</b>
	US\$m	48	12	(3,7)	<b>56,2</b>

- In 9M2017 KMG EP recognized a profit of 18.2bn Tenge (US\$56m) as a share of JV results compared with a loss of 7.6bn Tenge (US\$22m) in 9M2016.
- This was mainly due to a 24% increase in the Brent price, higher domestic prices and lower operating expenses at KGM and PKI.



## JV's income in 9M2017 up mainly due to a higher Brent price

### KGM key figures (100%)

	9M2016	9M2017	YoY, %
Revenue, \$m	327	434	33%
Net income, \$m	42	110	163%
Capex, \$m	19	27	40%
Effective income tax rate, %	46%	54%	8pp
Export sales (in tonnes), %	32%	17%	-15pp

### PKI key figures (100%)

	9M2016	9M2017	YoY, %
Revenue, \$m	485	580	20%
Net income/(loss), \$m	(19)	91	Na
Capex, \$m	33	54	63%
Effective income tax rate, %	300%	55%	-245pp
Export sales (in tonnes), %	34%	25%	-9pp

Revenue is up YoY due to:

- An increase in the average Brent price by 24% YoY;
- Higher domestic prices;

Net income is up YoY due to a decrease in operating expenses:

- Lower DD&A expenses;
- Lower ECD and MET expenses resulted from lower export sales;
- Lower other costs (commercial discovery bonus was accrued in 9M2016).

Revenue is up YoY due to:

- An increase in the average Brent price by 24% YoY.
- Higher domestic prices;

Net income is up YoY due to a decrease in operating expenses:

- Lower DD&A expenses;
- Lower transportation and ECD expenses resulted from lower export sales.



## Financial summary (in KZT bn)

<i>KZT bn unless stated otherwise</i>	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	9M17
Production at Core assets (th. tonnes)	2,089	2,097	2,117	2,084	<b>8,387</b>	2,026	2,076	2,107	<b>6,209</b>
Revenue	121	192	201	213	<b>727</b>	214	223	229	<b>666</b>
Total operating expenses	(126)	(153)	(150)	(140)	<b>(569)</b>	(170)	(183)	(198)	<b>(551)</b>
Operating profit / (loss)	(5)	39	52	72	<b>159</b>	44	40	30	<b>114</b>
Other non-operating income/expense <sup>(4)</sup>	0	(7)	20	(2)	<b>11</b>	0.4	23.0	(0.4)	<b>23</b>
Finance (expense) income	20	(7)	(2)	(1)	<b>11</b>	(53)	33	68	<b>48</b>
including foreign exchange gain (loss)	13	(12)	(9)	(6)	<b>(13)</b>	(59)	26	62	<b>29</b>
Share of results of associates and JVs	(4)	(3)	(1)	(5)	<b>(13)</b>	8	6	4	<b>18</b>
Income tax (expense) including EPT	(11)	(7)	(10)	(9)	<b>(37)</b>	2	(16)	(21)	<b>(36)</b>
Effective income tax rate <sup>(1)</sup>	71%	25%	15%	13%	<b>20%</b>	23%	17%	22%	<b>19%</b>
Effective all taxes rate <sup>(2)</sup>	91%	73%	44%	39%	<b>56%</b>	111%	49%	55%	<b>61%</b>
Profit/(loss) for the period	0.9	16	58	56	<b>132</b>	2.3	86	80	<b>168</b>
Net cash flows from operations	(31)	35	103	51	<b>159</b>	55	98	31	<b>184</b>
Capex (from Cash Flow Statement) <sup>(3)</sup>	(33)	(17)	(19)	(36)	<b>(105)</b>	(24)	(26)	(24)	<b>(74)</b>
<i>Brent, US\$/bbl</i>	33.9	45.6	45.9	49.3	<b>43.7</b>	53.7	49.6	52.1	<b>51.8</b>
<i>Average exchange rate</i>	355.1	335.6	341.3	335.1	<b>341.8</b>	322.5	315.0	332.4	<b>323.3</b>

(1) Calculated as income tax expense divided by profit before tax net of share in income of associates and JVs

(2) Calculated as all taxes and export customs duty (ECD) divided by profit before all taxes, ECD and share in income of associates and JVs

(3) Capital Expenditure per Cash Flow Statement represent purchases of Property, Plant and Equipment ("PPE") and intangible assets ("IA"), adjusted for the changes in related working capital accounts, such as advances prepaid and accounts payable for PPE and IA

(4) Including loss on disposal of fixed assets, allowance for VAT recoverable and net loss on acquisition of a subsidiary



## Financial summary (in USD mn\*)

<i>US\$m unless otherwise indicated</i>	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	9M2017
Production at Core assets (kbopd)	169	170	169	167	169	166	168	169	167
Revenue	341	566	589	631	2,128	663	708	687	2,059
Total operating expenses	(354)	(452)	(439)	(419)	(1,663)	(526)	(581)	(597)	(1,705)
Operating profit / (loss)	(13)	114	150	213	464	137	127	90	354
Other non-operating income/expense <sup>(4)</sup>	0	(21)	58	(4)	33	1	72	(2)	71
Finance (expense) income	57	(17)	(5)	(2)	33	(163)	101	212	150
including foreign exchange gain (loss)	37	(33)	(25)	(17)	(38)	(182)	80	193	90
Share of results of associates and JVs	(10)	(9)	(3)	(15)	(37)	26	20	10	56
Income tax (expense) including EPT	(31)	(20)	(30)	(27)	(108)	6	(51)	(65)	(110)
Effective income tax rate <sup>(1)</sup>	71%	25%	15%	13%	20%	23%	17%	22%	19%
Effective all taxes rate <sup>(2)</sup>	91%	73%	44%	39%	56%	111%	49%	55%	61%
Profit/(loss) for the period	3	47	170	165	385	7	269	245	521
Net cash flows from operations	(87)	100	301	152	466	172	309	89	570
Capex (from Cash Flow Statement) <sup>(3)</sup>	(92)	(53)	(55)	(107)	(306)	(75)	(83)	(73)	(230)
Brent, US\$/bbl	33.9	45.6	45.9	49.3	43.7	53.7	49.6	52.1	51.8
Average exchange rate	355.1	335.6	341.3	335.1	341.8	322.5	315.0	332.4	323.3

\* Quarterly results in US\$ terms are calculated as the difference in US\$ amounts between 6M and 3M for 2Q, 9M and 6M for 3Q and 12M and 9M for 4Q

(1) Calculated as income tax expense divided by profit before tax net of share in income of associates and JVs

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(4) Including loss on disposal of fixed assets, allowance for VAT recoverable and net loss on acquisition of a subsidiary



## Summary of JV's financial results

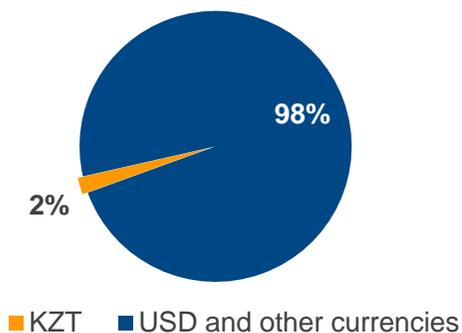
US\$m	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	9M17
<b>Kazgermunai, 100%</b>									
Revenue	91	93	144	128	455	141	147	146	434
Operating expenses	(76)	(74)	(96)	(96)	(340)	(66)	(62)	(66)	(194)
Income taxes	(7)	4	(33)	(23)	(58)	(21)	(47)	(60)	(129)
Profit for the period	9	18	15	8	50	49	39	22	110
Capex*	5	8	7	10	30	4	11	12	27
<b>CCEL, 100%</b>									
Revenue	121	149	139	155	565	171	178	141	491
Operating expenses	(119)	(104)	(126)	(139)	(488)	(125)	(157)	(143)	(425)
Income taxes	0	6	0	(11)	(5)	(10)	(8)	5	(12)
Profit for the period	(2)	46	8	9	61	31	9	(1)	40
Capex*	6	4	4	11	26	9	10	10	28
<b>Petrokazakhstan Inc. , 100%</b>									
Revenue	140	160	185	197	682	199	196	186	580
Operating expenses	(153)	(138)	(160)	(222)	(673)	(140)	(126)	(106)	(371)
Income taxes	13	(25)	(17)	2	(27)	(28)	(36)	(48)	(111)
Profit for the period	(9)	(16)	6	(18)	(38)	29	32	30	91
Capex*	7	12	14	20	53	10	20	24	54

\* Capital expenditure represents actual additions to property, plant and equipment and intangible assets.

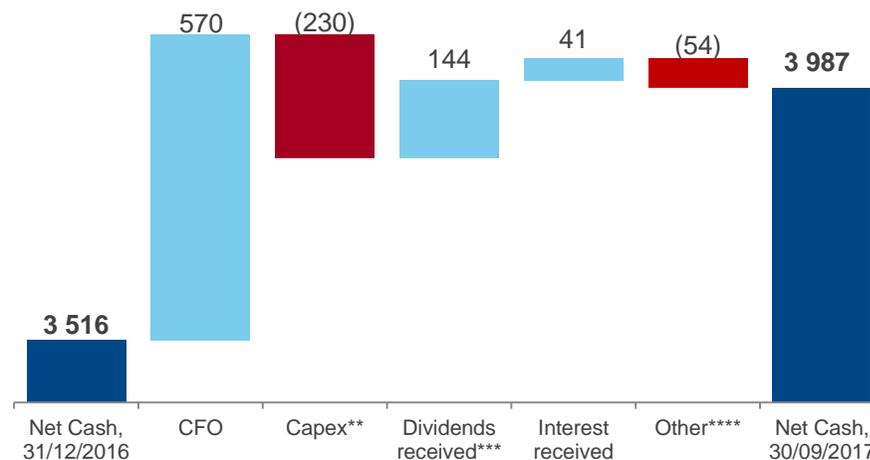


# Cash and financial assets US\$4.0bn as at 30/09/2017

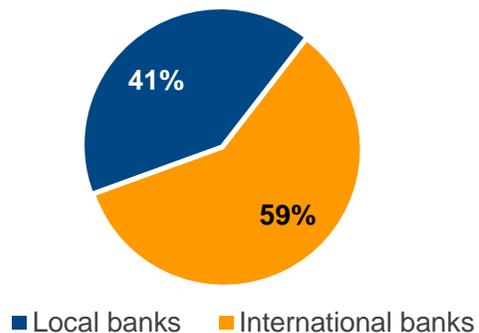
## Cash and financial assets by currency as at 30/09/2017



## Net Cash\* of US\$3,987m as at 30/09/2017



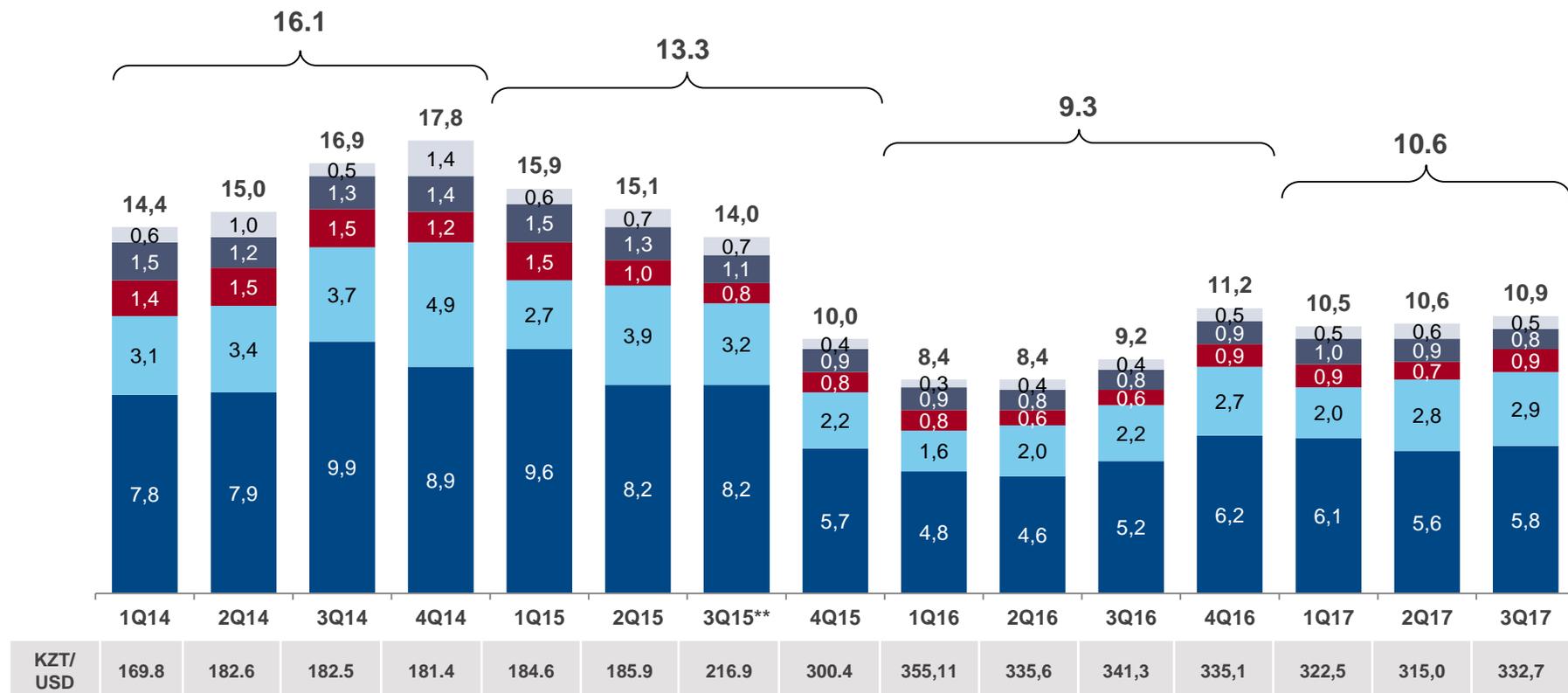
## Cash and financial assets by banks as at 31/12/2016



\* Cash and financial assets less borrowings of US\$24m  
 \*\* Capital Expenditure per Cash Flow Statement represent purchases of Property, Plant and Equipment ('PPE') and intangible assets ('IA'), adjusted for the changes in related working capital accounts, such as advances prepaid and accounts payable for PPE and IA  
 \*\*\* Dividends received include dividends from KGM and PKI  
 \*\*\*\* Other includes other cash flow from investing and financing activities



# Lifting costs\*, OMG and EMG, \$/bbl



■ Employee benefits    ■ Repairs & maintenance    ■ Materials    ■ Energy    ■ Other

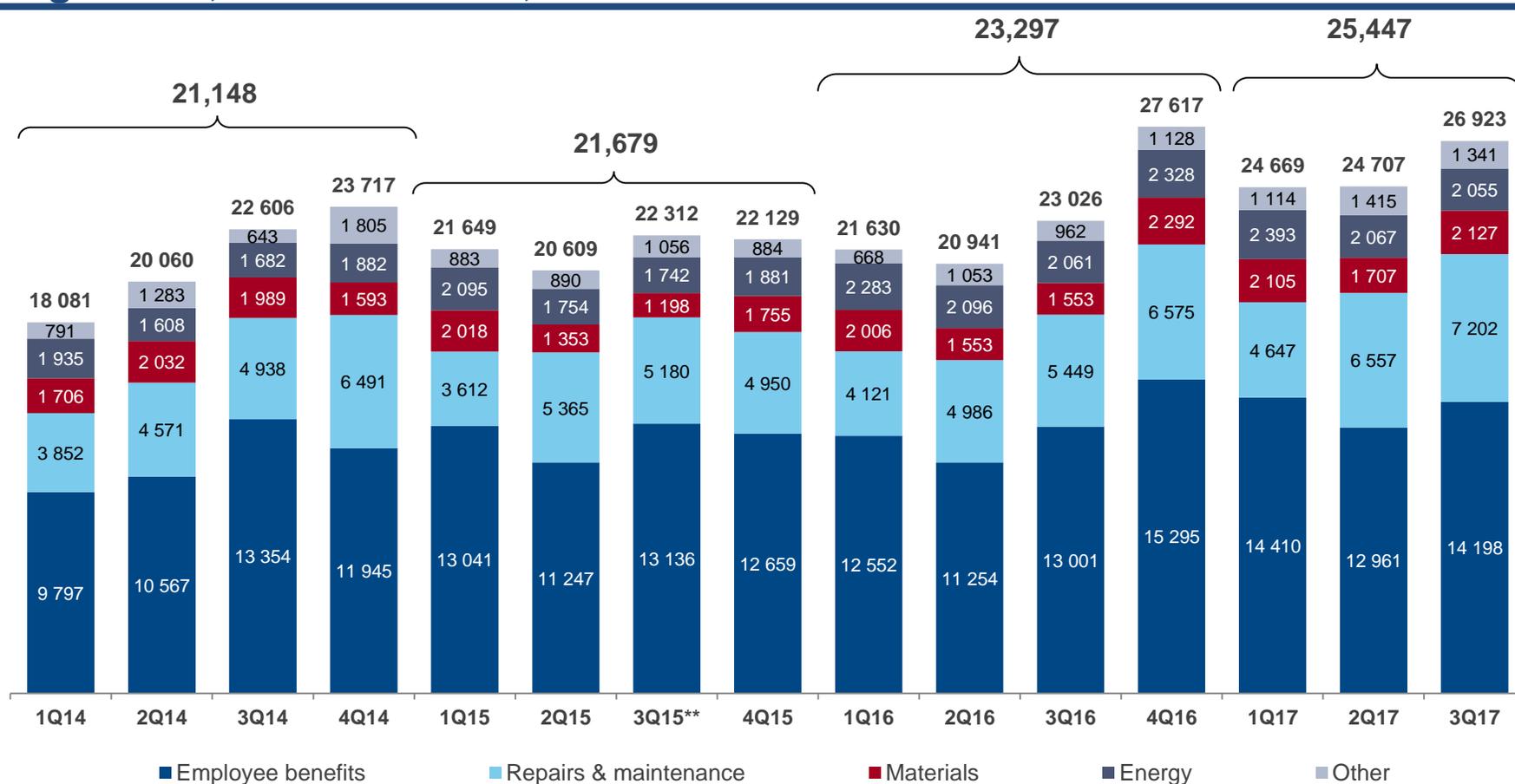
\* Lifting cost per barrel is calculated as production costs of OMG and EMG, including materials and supplies, production payroll, repairs and maintenance, and other production expenses. DD&A, taxes and contractual social obligations are excluded from lifting costs calculations. The methodology of lifting costs calculation was revised after reorganization of production branches into JSC OMG and JSC EMG in 2012. The Company excluded expenses not directly related to production from the calculation of lifting costs such as head-office and other administrative expenses.

Starting from 2014 the Company has revised its approach on lifting costs calculation by excluding actuarial costs, obligatory professional pension deductions and other expenses not directly related to the production process. The lifting costs starting from 1Q2014 have been restated accordingly.

\*\* In 3Q 2015 production services were reclassified from 'other expenses' to 'repairs and maintenance' to match the presentation of lifting costs in other periods.



# Lifting costs\*, OMG and EMG, KZT/tonne



\* Lifting cost per barrel is calculated as production costs of OMG and EMG, including materials and supplies, production payroll, repairs and maintenance, and other production expenses. DD&A, taxes and contractual social obligations are excluded from lifting costs calculations. The methodology of lifting costs calculation was revised after reorganization of production branches into JSC OMG and JSC EMG in 2012. The Company excluded expenses not directly related to production from the calculation of lifting costs such as head-office and other administrative expenses.

Starting from 2014 the Company has revised its approach on lifting costs calculation by excluding actuarial costs, obligatory professional pension deductions and other expenses not directly related to the production process. The lifting costs starting from 1Q2014 have been restated accordingly.

\*\* In 3Q 2015 production services were reclassified from 'other expenses' to 'repairs and maintenance' to match the presentation of lifting costs in other periods.



## Refined oil products: prices in July – September 2017

Oil products	ANPZ			PNHZ		
	July	August	September	July	August	September
	KZT'000/ton	KZT'000/ton	KZT'000/ton	KZT'000/ton	KZT'000/ton	KZT'000/ton
Petrol Normal AI-98	Na	153,6	Na	Na	Na	Na
Petrol Normal AI-80	86,9	86,9	86,9	86,9	86,9	86,9
Petrol Regular AI-92	132,6	135,0	141,5	137,5	139,0	142,5
Petrol Premium AI-95	143,8	147,1	150,4	146,0	148,9	150,2
Diesel	123,9	126,5	125,2	125,7	125,7	126,3
Jet fuel	160,7	160,7	160,7	Na	Na	Na
<b>Light oil products</b>	<b>125,7</b>	<b>128,4</b>	<b>131,5</b>	<b>127,4</b>	<b>128,8</b>	<b>127,6</b>
Vacuum gasoil	77,0	86,2	97,8	Na	Na	Na
Mazut	56,8	59,2	67,4	30,4	30,6	35,0
Bitum	Na	Na	Na	62,7	63,4	71,5
<b>Dark oil products</b>	<b>64,6</b>	<b>68,2</b>	<b>73,7</b>	<b>49,9</b>	<b>47,6</b>	<b>42,9</b>
Liquid gas	34,3	34,3	34,3	34,3	34,3	34,3
Furnace oil	71,4	Na	Na	Na	Na	Na
Sulfur	Na	0,6	Na	Na	Na	11,0
Coke calcinated	50,7	50,9	54,3	Na	Na	Na
Coke crude	20,6	21,2	21,4	Na	13,4	13,4
Benzol	188,2	Na	198,4	Na	Na	Na
<b>Other oil products</b>	<b>46,7</b>	<b>31,6</b>	<b>67,2</b>	<b>34,3</b>	<b>23,8</b>	<b>19,1</b>
<b>Weighted average realised price</b>	<b>92,6</b>	<b>96,1</b>	<b>90,6</b>	<b>104,3</b>	<b>103,0</b>	<b>93,1</b>



## Reference Information

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### Share information, 30/09/2017

	Total	Treasury
Number of ordinary shares	70,220,935	3,905,870
Number of preferred shares	4,136,107	2,073,147
GDRs per one ordinary share		6

### Tickers

LSE	KMG	Reuters	KMGq.L
KASE	RDGZ	Bloomberg	KMG LI

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## Abbreviations list

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ANPZ – Atyrau Refinery

PNHZ – Pavlodar Refinery

RoK – The Republic of Kazakhstan

bbl – barrel

mmbbl – million barrels

bn bbl – billion barrels

bopd – barrels per day

EGM – Extraordinary General Meeting of shareholders

kbopd – thousand barrels per day

US\$ m – million US dollars

US\$ bn – billion US dollars

KZT bn – billion Tenge

CFS – Cash Flow Statement

NC KMG – National Company KazMunaiGas JSC

KMG EP – KazMunaiGas Exploration Production JSC

KMG RM – KazMunaiGas Refinery Marketing JSC

OMG – JSC OzenMunaiGas

EMG – JSC EmbaMunaiGas

KGM – JV Kazgermunai LLP

CCEL – CITIC Canada Energy Limited (holds 94% in JSC Karazhanbasmunai)

PKI – KMG PKI Finance BV (holds 33% in PetroKazakhstan Inc.)

UGL – Ural Group Limited

CIT – Corporate Income Tax

EPT – Excess Profit Tax

MET – Mineral Extraction Tax

ECD – Export Customs Duty

Conversion factors: OMG, EMG production -7.36 bbl/ton, sales -7.23 bbl/ton; KGM - 7.7; KBM - 6.68; PKI – 7.75; others - 7.33

