

INFORMATIONAL MESSAGE

35 young experts from KMG EP present their projects at an innovations contest

13 June 2016, Astana. 8-10 June 2016, The IV Forum of Young Experts from KazMunaiGas E&P (“KMG EP” or “Company”) Group was held in Kazgermunai. An innovations contest was held as part of this forum.

35 young experts that are employees from subsidiaries of KMG EP (Kazgermunai, Ozenmunaigas, Embamunaigas, Karazhanbasmunai, Tulparmunaiservis, Kruz, Zhondeu, and KMG EP) presented their projects with a view to improve performance and economic effectiveness of the Company.

The projects covered six disciplines: Geology, Geophysics, and Development; Oil and Gas Production Methods and Technology; Well Servicing, Workover, and Drilling Methods; Chemization, Energy, and Automation of Oil Production, and Reservoir Pressure Maintenance; Health, Safety, and Environment; and Economy and Finance.

“We are having this contest to identify the most self-starting and gifted employees of our Company so that to improve business processes and performance with the help of the methods and the modern approach they recommend”, says Bauyrzhan Askarov, the Chief of Staff at KMG EP. *“We have been implementing the projects that previous winners had recommended, and the company has benefited from those projects”.*

As part of this forum Mr Kurmangazy Iskazyev, the Chief Executive of KMG EP, and the Al Farabi State Award winner, met with the young experts, and shared memories of his youth, life values, and career path. Meetings like these have become a tradition. They give the youth an opportunity to talk to top executives in informal setting and to ask questions.

“I am happy that young experts from various subsidiaries of KMG EP have gathered together and are presenting their projects to improve performance of our Company”, says Mr Kurmangazy Iskazyev. *“Innovations are one of the more pressing issues for our Company as production from many fields has passed their peak. Despite many challenges we are facing at the oil and gas market, I am confident the oil and gas sector still has the potential as are people that are involved in the sector. I would like to call all our employees to seize every opportunity that KMG EP provides — to always learn something new and grow professionally”.*

Forum members also visited Akshabulak and Nuraly fields that are being developed by Kazgermunai, and learned production methods that are being used in those fields of South Turgai basin.

Winners of the 2016 project competition from the KazMunaiGas E&P Group

Geology, Geophysics, and Development:

Full name	Company	Job title	Project
Nariman Abzhanov	Kazgermunai	1 st category Engineer at Field Modeling Team	KMG-Manager. Mobile management
Samat Bekov	Embamunaigas	Oil and gas well diagnostics operator at R&D Center of Zhylyoimunaigas field office	Reservoir flooding modelling

Oil and Gas Production Methods and Technology:

Full name	Company	Job title	Project
Damir Shyrakbayev	KazMunaiGas E&P	Senior Engineer at Geology and Operations Development Department	Effective methods of protection from hazards when using sucker rod pumps at fields of Ozenmunaigas. Gas factor.

Well Servicing, Workover, and Drilling Methods:

Full name	Company	Job title	Project
Akzhigit Tuyeshiyev	Ozenmunaigas	Senior Workover Engineer at Project Management Department	The use of roller stems to prevent the downhole equipment from rubbing

Chemization, Energy, and Automation of Oil Production, and Reservoir Pressure Maintenance:

Full name	Company	Job title	Project
Zharylgap Oteshev	Ozenmunaigas	The 6 th grade instrumentation fitter at Automation and Telecommunications Office	Remote control over and automation of running water from water heating unit BGY-200 into special vehicles

Economy and Finance:

Full name	Company	Job title	Project
Arman Batayev, Bolatbek Uralov	KazMunaiGas E&P	Senior Economist at Budgeting & Economic Analysis Department; Lead Economist at Budgeting & Economic Analysis Department	Cost cutting by making well servicing operations a top priority

Notes for editors

Young Experts Board has been operating within KMG EP and its 12 subsidiaries since 2012. The mission of the young experts is to motivate young people to play an active role in operations of their companies. For instance, in achieving operating and strategic objectives, arranging conditions for professional growth of young employees, understanding the corporate values by young employees, unveiling and developing creative potential of young employees in science and engineering, and in operations management in accordance with the strategy and goals of KMG EP Group.

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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