MET rate reduced for JSC Ozenmunaigas in 2016

Astana, 16 September 2016. JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") is pleased to announce that JSC Ozenmunaigas ("OMG"), a subsidiary of KMG EP, has received approval of its application for a temporary reduced rate of Mineral Extraction Tax ("MET") for the Uzen and Karamandybas fields in Mangystau oblast. The reduced MET rate is set at 9.0% (compared to 13.0% in 2015) for the whole of 2016 on the condition that in 2016 Uzen and Karamandybas fields record losses under tax accounting. The maximum benefit available is expected to be approximately 17 billion Tenge in 2016, which may ultimately be reduced in accordance with current legislation should the fields have taxable profit for 2016.

The corresponding Government Resolution was published on September 10, 2016 and shall come into force ten calendar days after its first official publication.

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 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.
OMG is a core operating subsidiary of KMG EP which operates on the Uzen and Karamandybas fields in the Mangystau Province of Kazakhstan. It has around 14 thousand employees, including service company employees.

For further details please contact us at:

KMG EP. Investor Relations (+7 7172 97 5433)
Saken Shoshanov
e-mail: ir@kmgep.kz

KMG EP. Public Relations (+7 7172 97 78 87)
Bakdaulet Tolegen
e-mail: pr@kmgep.kz

Brunswick Group (+44 207 404 5959)
Carole Cable
e-mail: KMGEP@brunswickgroup.com

Bell Pottinger (+44 203 772 2500)
e-mail: KMGEP@bellpottinger.com
Gavin Davis
Henry Lerwill

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 Company's intentions, beliefs and statements of current expectations concerning, amongst other things, the Company's results of operations, financial condition, liquidity, prospects, growth, potential acquisitions, 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.