



KazMunaiGas Exploration & Production, Shell Kazakhstan and KazMunaiGas Research Institute sign Memorandum of Cooperation

23 June 2017, Astana. Yesterday, in the exhibition pavilion of Shell at the International Exhibition Expo-2017, KazMunaiGas Exploration & Production ("KMG EP"), Shell Kazakhstan Development B.V. ("Shell") and KazMunaiGas Production and Drilling Research Institute (aka "NII TDB") signed a three-party Memorandum of Cooperation ("MoC").

The document was signed by Kurmangazy Iskaziyev, the KMG EP CEO; Duncan van Bergen, the Vice President, Upstream, and Country Chair at Shell Kazakhstan; and David John Szabo, the First Deputy General Director at KazMunaiGas Research Institute.

As part of the MoC, KMG EP and Shell are willing to promote, develop and strengthen the cooperation in various joint oil and gas projects. The companies intend to assess and, to the extent practicable, implement or support the implementation of a number of oil and gas initiatives to address strategic objectives that the KMG EP Group is facing. NII TDB may provide advisory support while discussing opportunities on how to implement those initiatives.

Specifically, KMG EP and Shell intend to jointly study opportunities to apply IOR/EOR methods, improve operational exellence at selected fields of the KMG EP Group. This also applies to supporting KMG EP activities to assess feasibility of some projects based on outcome of those studies.

The Memorandum also anticipates experience sharing, training courses and possibly onthe-job training opportunities for the staff of the KMG EP Group.

After the signing ceremony, the representatives of each party all highlighted the significance of the document which lays the foundation for practical cooperation and specific joint projects.

After signing the document, the Chief Executive at KMG EP Kurmangazy Iskaziyev said: "The area of our cooperation covers technical advisory support in exploration and production, enhanced oil recovery on fields and laboratory studies. We intend to jointly explore opportunities to apply IOR/EOR methods, operational excellence at selected fields of the KMG EP Group.

Duncan van Bergen, the Vice President, Upstream, and Country Chair at Shell Kazakhstan pointed out: "We value our cooperation and mutual understanding developed with the Republic of Kazakhstan over many years since Shell has been present in the country. We welcome the opportunity to further contribute to the development of the country's oil and gas sector through this Memorandum. We are looking to provide our support and technical excellence in assessing opportunities to enhance oil recovery of Kazakhstan fields.

Notes to editors:

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.

Head quartered in the Hague, Netherlands, Shell is an international Group comprising energy and petrochemical companies. Currently Shell is one of the largest foreign investors in the economy of Kazakhstan. In Kazakhstan Shell is involved in developing the following four projects: The North Caspian Production Sharing Agreement (Shell share 16.81%), Pearls Production Sharing Agreement in the Kazakhstan Sector of the Caspian sea (Shell share 55%), Karachaganak Final Production Sharing Agreement (through BG Group's share - 29.25%), and Caspian Pipeline Consortium (Shell share 7.4%), which links Kazakhstan's oil reserves to world markets.

For further details please contact us at: KMG EP. Public Relations (+7 7172 97 7887) Bakdaulet Tolegen e-mail: pr@kmgep.kz