PRESS - RELEASE

JSC KazMunaiGas Exploration Production

Financial Results for the first six months of 2017

Astana, 17 August 2017. JSC KazMunaiGas Exploration Production ("KMG EP" or "the Company") announces its consolidated interim financial results for the first six months ended 30 June 2017.

- Revenue for the first six months of 2017 was up 39% year on year and amounted to 437bn Tenge (US$1,371m[1]). This was largely a result of a 30% Brent price increase, higher share of export sales and the switch to the processing scheme in April 2016, which was partially offset by an 8% decrease in the average Tenge – US dollar exchange rate.
- Net profit for the first six months of 2017 was 88bn Tenge (US$276m) compared to 17bn Tenge (US$50m) in the same period of 2016. Net cash generated from operating activities was 153bn Tenge (US$481m) compared to 4bn Tenge (US$13m) in the same period of 2016.
- EBITDA[2] for the first six months of 2017 was 131bn Tenge (US$410m) compared to 56bn Tenge (US$162m) in the same period of 2016.
- Net cash position[3] as at 30 June 2017 was 1,286bn Tenge (US$4.0bn) representing a 143bn Tenge (US$347m) increase over the net cash position as at 31 March 2017 and a 114bn Tenge (US$474m) increase from 31 December 2016.

Production

Overall, KMG EP, including its stakes in Kazgermunai ("KGM"), CCEL ("Karazhanbasmunai") and PetroKazakhstan Inc. ("PKI"), produced 5,885 thousand tonnes of crude oil (239 kbopd) in the first six months of 2017, a 3% decrease over the same period of 2016.

Ozenmunaigas ("OMG") produced 2,703 thousand tonnes (110kbopd), a 3% decrease as compared to the same period of 2016, mainly due to fewer wells drilled and performance of existing well stock. Embamunaigas ("EMG") produced 1,399 thousand tonnes (57kbopd), 0.6% less than in the same period of 2016. The total volume of oil OMG and EMG produced was 4,102 thousand tonnes (167kbopd), a 2% decrease compared to the same period of 2016.

The Company's share of production from CCEL, KGM, and PKI for the first six months of 2017 amounted to 1,783 thousand tonnes of crude oil (73kbopd), which is 6% less than in the same period of 2016, mainly due to a natural decline in production of oil at PKI, which produced 15% per day less (12kbopd) than in the same period of 2016.

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[1] Amounts shown in US dollars ("US$" or "$") have been translated solely for the convenience of the reader at the average rate over the applicable period for information derived from the consolidated statements of income and consolidated statements of cash flows and the end of the period rate for information derived from the consolidated balance sheets (average rates for 6M2017 and 6M2016 were 318.68 and 345.35 Tenge/US$, respectively; period-end rates at June 30, 2017, March 31, 2017 and December 31, 2016 were 322.27, 313.73 and 333.29 Tenge/US$, respectively).

[2] EBITDA is calculated by adding back the share of income in equity-accounted entities, finance income and non-cash expenses such as depreciation and amortization to the Company's operating profit.

[3] Cash, cash equivalents and other financial assets less borrowings.

Crude oil supplies and sales of oil products

In the first six months of 2017, the Company's combined crude oil sales from OMG and EMG were 4,084 thousand tonnes (163kbopd). This includes 2,766 thousand tonnes (110kbopd) of crude oil for export and 1,318 thousand tonnes (53 kbopd) of crude oil to the domestic market, which amounts to 32% of the total sales volume. In 2016, the Company sold 41% of crude oil in the domestic market.

Out of 1,318 thousand tonnes (53 kbopd) of crude oil supplied by OMG and EMG to the domestic market, 1,042 thousand tonnes (42 kbopd) were supplied to Atyrau Refinery (ANPZ) and 276 thousand tonnes (11 kbopd) were supplied to Pavlodar Refinery (PNHZ).

During the first six months of 2017 sales of oil products were 1,282 thousand tonnes as per the oil processing scheme. In 1Q2016 the Company sold 830 thousand tonnes of crude oil to the domestic market and in 2Q2016, when the Company initiated processing on its own behalf, 761 thousand tonnes of oil products were sold under processing.

The Company's share in the sales from CCEL, KGM, and PKI was 1,763 thousand tonnes of crude oil (72 kbopd), including 769 thousand tonnes (30kbopd) supplied to export markets and 994 thousand tonnes (42 kbopd) to the domestic market, which is 56% of total sales volume.

Revenue

The Company's revenue in the first six months of 2017 was 437bn Tenge (US$1,371m), up 39% compared to the same period in 2016. This increase is the result of a 30% rise in the Brent price, an increased share of exports as a total 68% of sales and the switch to the independent processing scheme starting in April 2016, which was partially offset by an 8% decrease in the average Tenge – US dollar exchange rate.

Net revenue from the sale of refined oil products (net of all processing and marketing costs[4]) for the first six months of 2017 was 55,877 Tenge per tonne at ANPZ and 58,609 Tenge per tonne at PNHZ. In 2Q2016 (initial period of processing on own behalf) the net revenue was 37,144 Tenge per tonne and 47,158 Tenge per tonne for ANPZ and PNHZ respectively. 1Q2017 net revenue was 57,196 Tenge per tonne and 56,596 Tenge per tonne respectively for ANPZ and PNHZ.

Net Profit for the Period

Net profit for the first six months of 2017 was 88bn Tenge (US$276m) compared to 17bn Tenge (US$50m) in the same period of 2016. The increase in net profit was due to a 30% rise in the Brent price, the switch to the independent processing scheme starting in April 2016, reversal of previously accrued VAT allowance and an increase in the share of results of associate and joint ventures, which was partially offset by an increase of taxes other than on income, production expenses and foreign exchange loss.

In the first six months of 2017, the Company recorded a foreign exchange loss of 33bn Tenge (US$102m) due to a reduction of the Tenge – US dollar exchange rate from 333.29 Tenge/US$ at 31 December 2016 to 322.27 Tenge/US$ at 30 June 2017.

The Company has recorded a loss of 3.2bn Tenge (US$10m) due to the net liabilities acquired following the acquisition of a 49% share in KS EP Investments BV[5] from MOL Hungarian Oil and Gas Plc. for 1 (one) US dollar.

[4] Except cost of production of crude oil and oil transportation expenses to the refineries.
[5] KS EP Investments BV is the 100% owner of Karpvoskiy Severniy LLP.

Production Expenses

Production expenses in the first six months of 2017 were 150bn Tenge (US$469m), up 21% compared to the first six months of 2016. This was mainly due to additional processing expenses related to the new independent processing scheme starting in April 2016 in the amount of 12bn Tenge, a 15% increase in employee benefit expenses, as well as higher repair and maintenance expenses.

Employee benefit expenses were up by 15% mainly due to the absence of annual bonus provision in the first six months of 2016, as well as a 7% salary indexation of production units' personnel since January 2017. Annual bonus provision for the first six months of 2017 is 2.6bn Tenge.

Repair and maintenance expenses were up due to an increased number of well servicing performed (number of well servicing performed by third parties in 1H2017 is 728 compared with 246 in 1H2016).

As announced, the processing fee at ANPZ has been amended according to the approved budget and stands at the level of 24,512 Tenge per tonne (20,501 Tenge in 1Q2017 and April-December 2016) from April 1, 2017. The fee at PNHZ remained unchanged at the level of 14,895 Tenge per tonne.

Selling, General and Administrative Expenses

Selling, general and administrative expenses during the first six months of 2017 amounted to 59bn Tenge (US$186m), down 5% compared to the same period in 2016. This was largely a result of the reversal of accruals for fines and penalties related to the 2009-2012 tax audit after reduction of the tax charge by the tax authorities and absence of the agency fee expenses, which was partially offset by an increase of transportation expenses.

As announced, on January 1, 2017 the Company ceased using KazMunaiGas Refining & Marketing as its sales agent and started marketing refined products directly[6]. In April-December 2016, the Company paid 0.6bn Tenge per month for these services.

Taxes other than on Income

Taxes, other than on income, for the first six months of 2017 were 127bn Tenge (US$398m), up 60% compared to the same period in 2016. This was largely due to an increase in the rent tax, Export Customs Duty (ECD), Mineral Extraction Tax (MET) and other taxes, which are all correlated to the price of Brent.

Rent tax for the first six months of 2017 averaged 10,828 Tenge per tonne of export volume versus 3,913 Tenge per tonne of export volume in the same period of 2016.

The Company applies the MET rate of 13% for OMG fields in 2017, while in September 2016 MET rate was set at 9% for 2016, as OMG recorded losses under tax accounting in 2016 and was thereby granted a reduction based on the Government Decree.

The increase in ECD expenses was due to an increase in the export volumes of crude oil, a higher average Brent price and export of oil products after the Company switched to the independent oil processing scheme in April 2016, which was partially offset by decrease in average Tenge – US dollar exchange rate. The average ECD rate in the first six months of 2017 was US$49 per tonne of crude oil compared to US$35 per tonne of crude oil in the first six months of 2016.

[6] Prior to April 2016, the Company had been supplying a portion of crude oil to KazMunaiGas Refining & Marketing (KMG RM) as part of its domestic supply obligations. Starting April 2016, the Company has been refining crude oil at Atyrau Refinery and Pavlodar Plant, and selling oil products through KMG RM that has since been acting as a sales agent.

Higher other tax expenses were mainly due to the excise tax on petrol and diesel in the first six months of 2017 after the Company switched to the independent oil processing scheme in April 2016. The excise tax on diesel increased for the period from June to October to 9,300 Tenge per tonne from 540 Tenge per tonne applied during the rest of the year.

2009-2012 tax audit

In June 2017, the Chamber for Appeal of the Supreme Court has ruled to set the principal amount of the claim at the level of 4.2bn Tenge. Overall, the existing amount of the tax charge related to the 2009-2012 tax audit, inclusive of fines and penalties, stands at 6.5bn Tenge, the initial amount of the tax charge in 2015 was 38.5bn Tenge.

VAT recoverability

In March 2017, the Company filed an application for the remaining excess VAT recoverability in an amount of 34.1bn Tenge for OMG and EMG related to the period of 2012-2015, of which the VAT confirmed to be recoverable, amounted to 30.1bn Tenge.

As announced, the Company recovered 24.6bn Tenge in October 2016 after a positive decision was made regarding the claim on VAT recoverability in an amount of 57.4bn Tenge.

At 30 June 2017 the Company has provided for 8.3bn Tenge of VAT as unrecoverable.

Return of tax prepayments

In May 2017, tax authorities returned previously required prepayments to the Company in an amount of 27.1bn Tenge, including 20bn Tenge corporate income tax (CIT), 1.4bn Tenge excess profit tax (EPT) and 5.7bn Tenge MET.

Capital expenditures

Capital expenditures[7] in the first six months of 2017 totaled 42bn Tenge (US$130m), down 19% compared to the same period in 2016. This was primarily due to a reduction in volumes of production drilling at OMG and EMG and decrease in capital expenditures directed towards the construction and modernization of production facilities and exploration drilling at EMG.

The Company plans capital expenditures for 2017 at the level of 136bn Tenge[8] (US$378m[9]), which is 21bn Tenge above the 115bn Tenge spent in 2016.

Cash Flows from Operating Activities

Net cash generated from operating activities in the first six months of 2017 was 153bn Tenge (US$481m) compared to 4bn Tenge (US$13m) in the same period in 2016.

Increase in the net cash generated from operating activities is mainly due to the improved oil price environment, higher level of export sales, continued success in processing on own accounts, return of VAT in the amount of 18.5bn Tenge, recovery of previously made CIT, EPT and MET tax

[7] The Company revised its approach to calculation of capital expenditure. Starting from 4Q 2013 the Capex represents the amount of additions to property, plant and equipment. Formerly it represented purchases of property, plant and equipment and intangible assets according to the Cash Flow Statement.
[8] Capital expenditure amount consolidated the budget of Karpovskiy Severniy LLP following the 49% acquisition.
[9] Amounts shown in US dollars ("US$" or "$") have been translated solely for the convenience of the reader at the budgeted rate of 360 Tenge per US dollar.

prepayments in the amount of 27.1bn Tenge in the first six months of 2017, which was partially offset by an increase of production expenses and taxes other than on income.

Net cash

The net cash position as at June 30, 2017 was 1,286bn Tenge (US$4.0bn), compared to 1,143bn Tenge (US$3.6bn) as at March 31, 2017. 94% of cash and financial assets were denominated in foreign currencies (predominantly US dollars) and 6% were denominated in Tenge.

Finance income accrued on cash, financial, and other assets in the first six months of 2017 totaled 15bn Tenge (US$47m), compared to 14bn Tenge (US$41m) in the first six months of 2016.

Share of results of associate and joint ventures

In the first six months of 2017, KMG EP reported a profit of 14.6bn Tenge (US$45.7m) in its share of results of associate and joint ventures, compared to a loss of 6.7bn Tenge (US$19.4m) in the first six months of 2016.

Kazgermunai

In the first six months of 2017, KMG EP recognized 12.6bn Tenge (US$39.5m) income from its share in KGM. This amount represents the Company's 50% share in KGM's net profit, which amounts to 14.1bn Tenge (US$44.3m) adjusted for 1.5bn Tenge (US$4.8m) amortization of the fair value of licenses and the related deferred tax benefit.

KGM's revenue in US dollars for the first six months of 2017 increased by 57% compared to the same period in 2016. This was largely driven by a 30% increase in Brent price and higher domestic prices.

KGM declared a dividend payment of US$125m (KMG EP share) for the year of 2016, of which US$85m were received by KMG EP in June 2017. KMG EP received an additional dividend payment of US$2m in January 2017 for the past periods.

PetroKazakhstan Inc.

In the first six months of 2017, KMG EP recognized a profit in the amount of 2.7bn Tenge (US$8.6m) from its share in PKI. This amount represents the Company's 33% share in PKI's net profit, which amounted to 6.4bn Tenge (US$20.3m) adjusted for the 3.7bn Tenge (US$11.7m) amortization of the fair value of licenses.

PKI's revenue in US dollars for the first six months of 2017 increased by 31% compared to the same period in 2016. This was largely driven by a 30% increase in Brent price and higher domestic prices, which partially offset a decrease in sales volumes resulting from lower production levels.

PKI made a dividend payment of US$31.4m (after withholding tax) to KMG EP in June 2017 for the year of 2016.

CCEL

As of 30 June 2017, the Company had 35.6bn Tenge (US$110.5m) as a receivable from CCEL, a jointly controlled entity with CITIC Resources Holdings Limited. The Company has accrued 2.4bn

Tenge (US$7.5m) of interest income in the first six months of 2017, which is a part of the annual priority return in an amount of US$26.87m from CCEL.

Claim from Lancrenan Investments Limited company

On June 28, 2017, the Specialized Interdistrict Economic Court of Astana determined to dismiss the case against KMG EP filed by Lancrenan Investments Limited. Nevertheless, in July 2017, by exercising its right, Lancrenan Investments Limited filed an appeal with the Court of Appeal for Civil and Administrative Cases of the Astana Court.

As announced, Lancrenan Investments Limited is challenging the actions of the Nominations Committee in terms of not considering Mr. Alexander Gladyshev as satisfying the criteria for an independent director, following Mr. Gladyshev's nomination by Lancrenan Investments Limited.

The candidacy of Mr. Gladyshev has been fully admitted to participate in the election process, and the shareholders were able to vote on all presented candidates, including Mr. Gladyshev, as per the provisions of Kazakhstan's Law on JSC.

In its ruling, the Court of Astana referred to the raised claims as not being subject to review by the civil proceedings as this subject falls within the competence of a general meeting of shareholders of the Company, whose decisions were not challenged.

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The condensed consolidated interim financial statements for the six months ended June 30, 2017, the notes thereto, and the operating and financial review for the period is available on the Company's website (www.kmgep.kz).

APPENDIX
Consolidated Interim Statement of Comprehensive Income (unaudited)

Tenge million

	Three months ended June 30,		Six months ended June 30,	
	2017	**2016**	**2017**	**2016**
Revenue	**223,252**	192,176	**436,978**	313,366
Share of results of associate and joint ventures	**6,165**	(3,020)	**14,571**	(6,710)
Finance income	**7,679**	6,260	**14,999**	14,275
Total revenue and other income	**237,096**	195,416	**466,548**	320,931
Production expenses	**(79,464)**	(68,591)	**(149,543)**	(123,209)
Selling, general and administrative expenses	**(33,723)**	(32,281)	**(59,203)**	(62,597)
Net loss on acquisition of a subsidiary	**(3,249)**	–	**(3,249)**	–
Exploration expenses	**(168)**	–	**(168)**	–
Depreciation, depletion and amortization	**(8,553)**	(6,728)	**(16,909)**	(13,349)
Taxes other than on income	**(61,391)**	(45,115)	**(126,986)**	(79,310)
Net reversal/(allowance) for VAT recoverable	**26,414**	(6,936)	**26,414**	(6,936)
Gain/(loss) on disposal of property, plant and equipment	**(200)**	(151)	**197**	(282)
Finance costs	**(930)**	(925)	**(2,199)**	(1,866)
Foreign exchange (loss)/gain, net	**26,054**	(11,864)	**(32,599)**	1,449
Profit before tax	**101,886**	22,825	**102,303**	34,831
Income tax expense	**(16,277)**	(6,500)	**(14,423)**	(17,582)
Profit for the period	**85,609**	16,325	**87,880**	17,249
Foreign currency translation difference	**15,040**	(8,548)	**(14,683)**	883
Other comprehensive (loss)/income for the period to be reclassified to profit and loss in subsequent periods	**15,040**	(8,548)	**(14,683)**	883
Total comprehensive income for the period, net of tax	**100,649**	7,777	**73,197**	18,132
EARNINGS PER SHARE – Tenge thousands				
Basic and diluted	**1.26**	0.24	**1.29**	0.25

Consolidated Interim Statement of Financial Position

Tenge million

	June 30, 2017	December 31, 2016
	Unaudited	**Audited**
ASSETS		
Non-current assets		
Property, plant and equipment	**334,920**	311,597
Intangible assets	**11,195**	11,607
Investments in joint ventures	**112,462**	144,532
Investments in associate	**125,689**	135,633
Receivable from a jointly controlled entity	**18,531**	16,696
Loans receivable from joint ventures	**31,029**	29,638
Other financial assets	**35,072**	35,961
Deferred tax asset	**50,007**	51,459
Other assets and advances paid	**12,879**	970
Total non-current assets	**731,784**	738,093
Current assets		
Inventories	**24,158**	24,774
Income taxes prepaid	**21,623**	51,567
VAT recoverable, net of allowance	**31,108**	16,680
Mineral extraction and rent tax prepaid	**–**	15,676
Export customs duty and other taxes prepaid	**11,239**	15,071
Prepaid expenses	**19,516**	11,529
Trade and other receivables	**79,797**	74,121
Receivable from a jointly controlled entity	**17,034**	17,617
Other financial assets	**1,039,584**	983,257
Cash and cash equivalents	**219,431**	162,091
Total current assets	**1,463,490**	1,372,383
Total assets	**2,195,274**	2,110,476
EQUITY		
Share capital	**165,403**	165,343
Other capital reserves	**2,366**	2,448
Retained earnings	**1,512,479**	1,444,351
Foreign currency translation reserve	**306,687**	321,370
Total equity	**1,986,935**	1,933,512
LIABILITIES		
Non-current liabilities		
Borrowings	**2,757**	3,844
Deferred tax liability	**138**	138
Provisions	**47,373**	45,300
Total non-current liabilities	**50,268**	49,282
Current liabilities		
Borrowings	**5,400**	5,483
Income tax payable	**5,319**	33
Provisions	**33,690**	45,926
Mineral extraction tax and rent tax payable	**27,350**	8,571
Trade payables	**34,133**	37,751
Dividend payable and other payables	**52,179**	29,918
Total current liabilities	**158,071**	127,682
Total liabilities	**208,339**	176,964
Total liabilities and equity	**2,195,274**	2,110,476

Consolidated Interim Statement of Cash Flows (unaudited)

Tenge million

	Six months ended June 30,	
	2017	**2016**
Cash flows from operating activities		
Profit before tax	**102,303**	34,831
Adjustments to add/(deduct) non-cash items		
Depreciation, depletion and amortisation	**16,909**	13,349
Share of result of associate and joint ventures	**(14,571)**	6,710
(Gain)/loss on disposal of property, plant and equipment (PPE)	**(197)**	282
Recognition of share-based payments	**–**	1,350
Forfeiture of share-based payments	**(13)**	(2)
Unrealised foreign exchange loss/(gain) on non-operating activities	**30,225**	(1,387)
Change in provisions	**(2,545)**	2,372
Net (reversal)/allowance for VAT recoverable	**(26,414)**	6,936
Net loss on acquisition of a subsidiary	**3,249**	–
Other non-cash income and expense	**629**	350
Add finance costs	**2,199**	1,866
Deduct finance income	**(14,999)**	(14,275)
Working capital adjustments		
Change in other assets	**(604)**	(3,056)
Change in inventories	**617**	1,246
Change in export customs duty, VAT recoverable and other taxes prepaid	**14,443**	(9,483)
Change in prepaid expenses	**(7,987)**	709
Change in trade and other receivables	**7,724**	(19,948)
Change in trade and other payables	**(6,170)**	4,449
Change in mineral extraction and rent tax payable and prepaid	**36,427**	13,388
Income tax refunded/(paid)	**12,096**	(35,248)
Net cash generated from operating activities	**153,321**	4,439
Cash flows from investing activities		
Purchases of PPE and advances paid for PPE	**(49,951)**	(49,484)
Proceeds from sale of PPE	**496**	384
Purchases of intangible assets	**(368)**	(430)
Loans provided to joint ventures	**(814)**	(1,468)
Dividends received from joint ventures and associate, net of withholding tax	**38,159**	9,696
(Purchase)/proceeds from withdrawal of financial assets held to maturity	**(80,421)**	166,625
Proceeds from acquisition of a subsidiary	**181**	–
Interest received	**4,963**	8,576
Net cash (used in)/generated from investing activities	**(87,755)**	133,899
Cash flows from financing activities		
Repayment of borrowings	**(1,192)**	(924)
Dividends paid to Company's shareholders	**(36)**	(35)
Net cash used in financing activities	**(1,228)**	(959)
Net change in cash and cash equivalents	**64,338**	137,379
Cash and cash equivalents at the beginning of the period	**162,091**	237,310
Net foreign exchange difference on cash and cash equivalents	**(6,998)**	5,385
Cash and cash equivalents at the end of the period	**219,431**	380,074

The following tables show the Company's realized sales prices adjusted for oil transportation and other expenses for the six months ended June 30, 2017[10].

6M2017 (US$/bbl.)	UAS	CPC	ANPZ 1-2Q	PNHZ 1-2Q
Benchmark end-market quote	51,7	51,7	-	-
Quality bank	-	(3,7)	-	-
Price differential	(2,8)	(2,9)	-	-
Realized price	**48,9**	**45,1**	**24,2**	**25,4**
Rent tax	(4,7)	(4,7)	-	-
Export customs duty	(6,8)	(6,7)	-	-
MET	(5,5)	(5,8)	(1,2)	(0,8)
Transportation	(6,1)	(7,6)	(1,2)	(3,4)
Netback	**25,8**	**20,3**	**21,8**	**21,2**
Premium of bbl. difference	-	4,3	-	-
Effective netback incl. premium of bbl. difference	**25,8**	**24,6**	**21,8**	**21,2**

6M2016 (US$/bbl.)	UAS	CPC	ANPZ 2Q	PNHZ 2Q	ANPZ 1Q	PNHZ 1Q
Benchmark end-market quote	39,8	39,8	-	-	-	-
Quality bank	-	(2,9)	-	-	-	-
Price differential	(2,6)	(0,4)	-	-	-	-
Realized price	**37,2**	**36,5**	**16,3**	**20,6**	**5,7**	**10,7**
Rent tax	(1,7)	(1,5)	-	-	-	-
Export customs duty	(4,8)	(4,9)	-	-	-	-
MET	(4,6)	(4,6)	(0,8)	(0,4)	(0,9)	(0,9)
Transportation	(5,0)	(7,6)	(1,1)	(4,0)	(1,4)	(4,0)
Netback	**21,1**	**17,9**	**14,4**	**16,2**	**3,4**	**5,8**
Premium of bbl. difference	-	3,7	-	-	-	-
Effective netback incl. premium of bbl. difference	**21,1**	**21,6**	**14,4**	**16,2**	**3,4**	**5,8**

Reference information	6M2016	6M2017
Average exchange US$/KZT rate	345,35	318,68
End of period US$/KZT rate	338,70	322,27
Coefficient barrels to tonnes for KMG EP crude (production)		7,36
Coefficient barrels to tonnes for KMG EP crude (sales)		7,23
Coefficient barrels to tonnes for Kazgermunai crude		7,70
Coefficient barrels to tonnes for CCEL crude		6,68
Coefficient barrels to tonnes for PKI crude		7,75

[10] As of first quarter 2015 the netback calculation methodology has been amendment and now includes a subtraction pertaining to the netback MET.

Notes to Editors

KMG EP is among the top three Kazakh oil producers based on the 2016 results. The overall production in 2016 was 12.2 million tonnes (245 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 2016 was 182 million tonnes (1,327 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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