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JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”)

Announcement by the Company Regarding the Intention to Repurchase its GDRs and delist from the London Stock Exchange (“LSE”) and Kazakhstan Stock Exchange (“KASE”)

Astana, 04 December 2017. The Company wishes to announce its intention to launch a tender offer (the “GDR Tender Offer”) to repurchase all of its outstanding GDRs at a price of US\$14.00 per GDR, representing a premium of 23.7 per cent. to the 30-day volume-weighted average GDR price of US\$11.32 at 1 December 2017. The release of this announcement has been approved unanimously by the Board of Directors of the Company.

Subject to the approval by shareholders of the Company of certain amendments to the Company’s valuation methodology required in connection with the GDR Tender Offer (which approval will be sought at an initial EGM), and subject to the Company having acquired such number of GDRs as part of the GDR Tender Offer as will ensure that JSC National Company KazMunayGas (“NC KMG”) can exercise at least 75 per cent. of voting rights in the Company, the Company also intends to launch a further tender offer to acquire all of its outstanding Common Shares not already owned by NC KMG on the same economic terms as the GDR Tender Offer.

The Company will then also call a further EGM for shareholders to consider and, if thought appropriate, approve (as required by the Charter) the cancellation of the London listing of the Company’s GDRs and of the KASE listing of the Company’s Common Shares, and certain amendments to the Charter that will become effective upon delisting.

The launch of the GDR Tender Offer is expected to receive unanimous approval from both the Board of Directors of the Company and the Independent Non-Executive Directors of the Company (the “INEDs”), the approval of the INEDs being required under the Company’s Charter. The INEDs intend to recommend unanimously that GDR holders accept the GDR Tender Offer at the price of US\$14.00 per GDR. However, no offer will be made until the INEDs and NC KMG have each given their approval to the launch of the GDR Tender Offer, which approvals remain subject to final agreement on the content of the circular setting out the full basis on which the GDR Tender Offer will be made.

If the GDR Tender Offer is made and becomes unconditional, it will remain open for acceptances until the date falling 90 days after commencement of the GDR Tender Offer.

Further details of the GDR Tender Offer and the proposed delisting will be set out in a circular to be made available to all holders of GDRs on the website of the Company and through Euroclear and Clearstream.

A further announcement will be made as appropriate.

This announcement contains inside information.

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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.

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.