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KMG EP's GDRs are admitted to listing on Kazakhstan Stock Exchange pursuant to the Tender Offer

Astana, 15 December 2017. JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") announces that following its announcement of 8 December 2017 regarding the Company's launch of a tender offer (the "**Tender Offer**") to purchase its GDRs and to delist from the London Stock Exchange ("LSE") and Kazakhstan Stock Exchange ("KASE") ("**Tender Offer Announcement**"), the Company's GDRs have been admitted to listing on the official list of KASE under the ticker RDGZd.

The KASE listing enables GDR Holders to tender their GDRs to the Company as part of the Tender Offer and have those GDRs settled by way of an Open Trade transaction on KASE free of Kazakhstan withholding tax, regardless of whether or not they are Kazakhstan Holders.

GDR Holders are encouraged to submit their voting cards/instructions for EGM1 via the Depositary as soon as possible, and in any event, so as to be duly received to qualify for voting at EGM 1 scheduled for 22 January 2018. Previously, voting deadlines have been around seven working days before an EGM. A detailed timetable setting out the key dates for the Tender Offer is set out on pages 14-15 of the Tender Offer circular dated 8 December 2017.

The Directors, including the INEDs, unanimously recommend that GDR Holders vote in favour of the resolution to be proposed at EGM 1.

The Tender Offer will lapse at 3.00 p.m. on the First Closing Date, which is 22 January 2018, unless it has become unconditional or is extended by means of an announcement through a Regulatory Information Service. GDR Holders are therefore urged to tender their GDRs as soon as possible.

The Directors, including the INEDs, unanimously recommend that Qualifying GDR Holders accept the Tender Offer.

Further details of the GDR Tender Offer and the proposed delisting are set out in the Circular, which can be found at the following link: <https://www.kmgep.kz/details/ndownload.php?fn=803&lang=eng> or by calling Link Asset Services on [+44 371 664 0321](tel:+443716640321).

Words and phrases defined in the Tender Offer Announcement shall bear the same meaning in this announcement.

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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.

Important notices

This announcement contains inside information.

The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom, the US or Kazakhstan may be restricted by the laws of those jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

J.P. Morgan, which is authorised in the United Kingdom by the PRA and regulated by the PRA and the FCA, is acting as financial adviser exclusively for KMG EP and for no one else in connection with the matters referred to in this announcement, will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than KMG EP for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to any matter referred to in this announcement.

Rothschild, which is authorised in the United Kingdom by the FCA, is acting as financial adviser exclusively for the INEDs and for no one else in connection with the Tender Offer and will not be responsible to any person other than the INEDs for providing the protections afforded to clients of Rothschild or for providing advice in relation to the matters described in this announcement.

HSBC is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom. HSBC is acting as financial adviser exclusively for the INEDs in connection with the Tender Offer and no one else and will not regard any person as its client in relation to any matters set out in this announcement and will not be responsible to anyone other than the INEDs for providing the protections afforded to clients of HSBC or for providing advice in connection with the Tender Offer or any matter referred to in this announcement.

No person has been authorised to give any information or make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this announcement shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this announcement or that the information in it is correct as of any subsequent time.

Notice for US Securities Holders

The Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act. The Tender Offer will be made in the United States in accordance with the requirements of Regulation 14E under the US Exchange Act to the extent applicable. Certain provisions of Regulation 14E under the US Exchange Act are not applicable to the Tender Offer by virtue of Rule 14d-1(c) under the US Exchange Act. US GDR Holders should note that the GDRs are not listed on a US securities exchange and KMG EP is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission under such Act.

This announcement has not been approved, disapproved or otherwise recommended by the US Securities and Exchange Commission or any US state securities commission and such authorities have not confirmed the accuracy or determined the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Forward-looking statements

This announcement, including information included or incorporated by reference in this announcement, includes statements that are, or may be deemed to be, "forward-looking statements" concerning the Tender Offer, KMG EP, the KMG EP Group and NC KMG that are subject to risks and uncertainties. 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 announcement. 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 announcement, 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.