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

Update from the Independent Non-Executive Directors (the “INEDs”) of KMG EP regarding the Tender Offer and Share Offer by the Company

The INEDs note the Company's announcement made today (the “Company's Announcement”) confirming that the resolution put to EGM 1 on 22 January facilitating the Tender Offer has been passed, with 89.5% of votes cast in favour.

In addition, the Acceptance Condition has been satisfied and the Tender Offer was declared unconditional in all respects, following the First Closing Date of 22 January 2018, with 119,741,576 or approximately 87% of the GDRs for which the tender was made accepting the offer of \$14 per GDR. In accordance with its terms and conditions, the Tender Offer will now remain open for acceptances until 3.00 p.m. (London time) on the Final Closing Date, which is 8 March 2018.

Accordingly, the Company has launched the Share Offer to repurchase on KASE all of its Common Shares and has convened EGM 2 on 12 March 2018 to approve the cancellation of the admission of KMG EP's GDRs to the Official List and to trading on the LSE and the delisting of the Common Shares from KASE, as anticipated in the tender offer circular dated 8 December 2017 (the “Tender Offer Document”).

Following settlement of the Tender Offer on the first Settlement Date, NC KMG will control more than 75% of the voting rights of KMG EP. Therefore, the cancellation of the admission of the GDRs to the Official List and to trading on the LSE and the delisting of the Common Shares from KASE will be approved. It is expected that cancellation and delisting will take place on 11 May 2018 (as set out in the revised expected timetable in the Company's Announcement).

Accordingly, GDR Holders who have not accepted the Tender Offer by the relevant time on 8 March 2018 (being, for the KASE Tender Offer, 1.00 p.m. (London time) and, for the OTC Tender Offer, 3.00 p.m. (London time)) and Common Shareholders who have not accepted the Share Offer by 12 March 2018 will hold GDRs or Common Shares in an unlisted company controlled by NC KMG and will have no further opportunity to accept the Tender Offer or the Share Offer (as applicable). This is set out in more detail in paragraph 16 of Part I and in Part III of the Tender Offer Document.

Following Delisting, the rights of GDR Holders and Common Shareholders will be significantly reduced as they will no longer have the protections available to them under the Listing Rules, the Relationship Agreement and the Charter. In addition, the liquidity, marketability and value of GDRs and Common Shares will be adversely affected. Therefore this will impact the ability of GDR Holders and Common Shareholders to dispose of their GDRs and Common Shares, other than pursuant to a Put Option Right, following the Tender Offer and the Share Offer being closed to acceptances will be materially restricted.

The INEDs, who have been so advised by Rothschild and HSBC in their capacity as financial advisers, consider the terms of the Tender Offer to be fair and reasonable and maintain their view that the Proposals are in the best interest of the GDR Holders and Common Shareholders as a whole. **Accordingly, the INEDs maintain their unanimous recommendation (as set out in Part II of the Tender Offer Document) that GDR Holders accept the Tender Offer and now recommend that GDR Holders do so as soon as possible.**

The latest date on which the Tender Offer and the Share Offer will be open for acceptances is 8 March 2018 for the Tender Offer and 12 March 2018 for the Share Offer. **GDR Holders and Common Shareholders who wish to accept the Tender Offer and the Share Offer (as applicable) should take all action to ensure that they tender their securities and all relevant documents are received by the Receiving Agent or by their KASE Broker by the relevant date.**

Please note that Euroclear, Clearstream and DTC, their respective participants and the brokers or other securities intermediaries through which GDRs are held will establish their own cut-off dates and times for the tender of the GDRs, which will be earlier than 3.00 p.m. (London time) on 8 March 2018.

Capitalised terms used but not defined in the announcement shall, unless the context otherwise requires, have the meaning given to them in the Tender Offer Document.

A further announcement will be made as and when appropriate.

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