Holding a Tender for selection of Trustee for transfer of property for trust management (stake in KMG EP Catering LLP, which is a wholly-owned subsidiary of KazMunaiGas Exploration & Production)

In accordance with procedure for selection of Trustee for transfer of property (stake in KMG EP Catering LLP) for trust management (hereinafter referred to as the Procedure) approved by the Management Board in their resolution No. 15 dated 3 August 2017, KazMunaiGas Exploration & Production (hereinafter referred to as the "Company") informs that the period lasting from __ January 2018 through __ March 2018 (40 business days) is announced as Tender to select Trustee.

The terms and procedure for holding a Tender for selection of a Trustee for placement of property (a stake in KMG EP Catering LLP which is a wholly-owned subsidiary of KazMunaiGas E&P) under discretionary management are as follows (according to the Procedure):

1. Name, location, postal address, e-mail address, website, telephone numbers of the Company as the Tender Organizer

KazMunaiGas Exploration & Production, 17, Kabanbay Batyr, Astana, Kazakhstan, 010000, www.kmgep.kz, contact person is Valikhan Primbetov. Tel.: +7 (7172) 975422.

2. Subject of the Tender

Selection of a Trustee that is going to be made solely for potential trustees - Management Companies that are not affiliates of the Company.

3. Duration of Company Property Trust Management Agreement with potential Trustee is from 1 July 2018 providing authorized bodies of the Parties have adopted resolutions to sign this Contract and is valid through 30 June 2019 with possible extension for another year.

4. Fee to the Trustee:

KZT10,000 (ten thousand) per annum without VAT.

5. Criteria for selecting potential Trustee:

Management Companies that are residents of the Republic of Kazakhstan within the last 5 (five) years may apply to Tender if they meet the following requirements:

- 1) potential bidder's Charter includes the type of activity related to a catering company;
- 2) the experience and the duration of the bidder's operations as at the date of the bid must be at least 5 years;
- 3) potential bidder must not have any tax or any other charge debt for 5 (five) consecutive years before the date of the bid for the tender;
- 4) amount of assets on the balance sheet over the last 12 months prior to the date of the tender (as of the last reporting date of each quarter) must be not less than the total value of all assets of KMG EP Catering LLP as of the last reporting date of the quarter);
 - 5) the bidder was not subject to procedures that dealt with insolvency/bankruptcy;
- 6) by end of year preceding the year of the tender, and as of end date of last quarter before date of filing the bid, potential Trustee must have non-borrowed money in the amount of no less than its net income for the reporting period;
 - 7) the bidder must not be an affiliated person in relation to the Company;
- 8) must have furnished information about the amount of fees, and the willingness to receive fees. At the same time, gratuitous trust management may also be considered;
- 9) potential bidder must ensure social stability (preservation of all jobs within the Partnership) and food prices for the Company's subsidiaries and affiliates. These conditions must necessarily be included in the Trust Agreement with provision for settlement of labor disputes;
- 10) potential bidder must sign a confidentiality and non-disclosure agreement in case of need to review activities of the Partnership;
- 11) potential bidder must furnish information about the amount of security deposit specified in section 6.

6. The amount of security deposit to be made by each bidder:

One of the terms of the Tender is a security deposit to be made by each bidder. Such security deposit will be refunded to the bidders after the tender is over. The security deposit would not be refunded if the bidder revokes their own offer, changes it after the deadline for the bids or if the winner of the Tender refuses to sign the Fiduciary Management Agreement. The amount of the security deposit is 10,000,000 tenge.

7. An exhaustive list of documents to be submitted for tender and requirements for their design:

- 1) notarized copies of constitutional documents of a legal entity, certificate of registration of a legal entity or a state registration (re-registration) card of a legal entity. At that, the charter of the potential Trustee should provide for the type of activity with regard to a catering organization;
- 2) copy of the document on election (appointment) of the person performing functions of the executive body of the legal entity certified by the head and seal of the bidder;
- 3) balance sheet and profit and loss statement certified by the Chief Accounting Officer and seal of the bidder for the last 5 (five) years preceding the year of filing the bid;
 - 4) document confirming the authority of the person who submitted the bid;
- 5) list of information about affiliates of the bidder certified by the bidder's chief executive; this list should include the following information:
 - full name, registration address and postal address;
 - date and certificate of registration number of the legal entity;
 - information on changes in the name, organizational and legal form of the legal entity;
 - last name, first name, middle name of the chief executive of the executive body or the sole executive of the legal entity with document confirming his/her appointment;
 - information on establishment of affiliation. If the affiliated person is the shareholder (participant) of the bidder, the bidder must also provide information on his/her share in the authorized capital of the bidder;
- 6) information from the state revenue authority about lack or presence of tax debt of the bidder, arrears in obligatory pension contributions, obligatory professional pension contributions and social contributions for the last 5 (five) consecutive years preceding date of submission of the bid for the tender;
- 7) documents confirming the duration of bidder's operations specified in subclause 1 hereof as of date of the bid for at least 5 (five) years (acts of delivery and acceptance, acts of works performed under contracts);
- 8) owner's equity calculation for the year preceding year of the tender, and as of date of end of last quarter before date of filing the bid;
 - 9) application letter for participation in tender;
 - 10) tender proposal on amount of remuneration for trust management;
- 11) payment order on transfer of the security deposit in an amount specified in section 6 or a bank guarantee;
- 12) letter confirming consent of bidder that the final decision on transfer of the property (stake in the Partnership) to trust management and determination of terms for such transfer will be up to the sole member of the Partnership, in case the bidder is found the winner upon results of the tender.

8. Venue, date, time of beginning and end of receipt of bids for the tender:

Astana, 17, Kabanbay Batyr, Office of KazMunaiGas Exploration & Production, the bid acceptance period starts at 09.00 a.m. on 22 January 2018 and lasts until 6.30 p.m. on 22 March 2018 (40 business days);

9. The form of the application for the tender (bid): as per the annex hereto.

10. Procedure on submission of bids for the tender:

- 1) Submission of bids for the tender is possible within 40 business days from date of placement of the announcement on the Company's website;
- 2) Bid for the tender must be presented in Russian and Kazakh in two copies (original and copy), each certified by the bidder's signature. The bid for the tender is to be presented with a list of documents and materials submitted by the bidder and certified by its signature, the original of which is to remain with the Tender Committee, and the copy with the bidder;
- 3) Bid for the tender submitted to the Tender Committee should be registered by secretary of the Tender Committee in the bid log under ordinal number with date and exact time of its submission (hour and minutes) in order to avoid overlap of this time with submission time by other bidders. A note is made on copy of list of documents and materials submitted by the bidder about date and time of bid submission for participation in tender with a number of such bids:
- 4) No bid for the tender will be accepted that have been submitted to the Tender Committee after the deadline. Upon request of the bidder, the Tender Committee Secretary makes a rejection note in the bid.

11. Place, date and time of bid opening and determining winner of the tender -

Kabanbay Batyr, 17, office of KazMunaiGas Exploration & Production, Astana, Kazakhstan, 2 April 2018, 10.00 a.m.

12. The manner in which a winning bidder is determined:

Managing company that meets all of the requirements to bidders will be recognized as the winning bidder. If two or more bids have similar offers according to the criteria, a bidder that has the maximum net assets will be recognized as the winning bidder.

13. Deadline to sign tender evaluation report by members of the Tender Committee on results of the tender -

10 business days.

The Tender Organizer within fifteen business days from date of signing of tender evaluation report or decision to declare tender invalid will post on its website on the Internet results of the tender, including the name of winner of the tender and will send to winner of the tender a copy of the tender evaluation report.

14. The manner in which the Agreement must be signed:

Prior to entering into Trust Agreement, the Tender Organizer shall, in accordance with the applicable procedure, send materials to sole member of the Partnership with tender results and Trust Agreement draft in order to make a decision to transfer the property (stake in the Partnership) for trust management and determine terms of such transfer pursuant to subclause 7) of clause 8.2. of the Charter of the Partnership.

Once the sole member adopts respective resolutions the Deed will be sent to the Managing Company for signature. The Managing Company must sign the Trust Deed within 10 calendar days. If the Managing Company fails to sign the Trust Deed within 10 calendar days the security deposit will not be returned according to Section 6.

15. Final provisions

In order to ensure proper review of the Partnership's operation by potential bidders and make a decision whether they should apply for the tender, the Tender Organizer will organize a **Data Room** for bidders of the tender, where all information necessary for review will be presented, including budgets, constitutional documents, the Charter, audited financial statements, all kinds of reports and other documents that are of commercial secret.

Terms with regard to Data Room:

- 1) Access to Data Room is provided starting the date of posting this announcement on the Company's website.
- 2) Due to confidential nature of the information to be disclosed, access to Data Room will be provided to potential bidders <u>only after signing Confidentiality and Non-disclosure Agreement</u>.

Bid

to participate in the tender for selecting Trustee to transfer the property (stake in KMG EP Catering LLP) for trust management

1. Upon consideration of the announcement on holding a tender for the transfer of	
(name of property)	
for trust management for a period of	
and informing myself with the Procedure for selection of trustee during property transfer (staken)	te in KMG
EP Catering Limited Liability Partnership) for trust management,	
(full name of bidder)	
We ask (I ask) to accept the bid for participation in the tender and register as bidder of the ten will be held on 20 on the web portal	der, which
2. We (I) have made security deposit to participate in the tender in the total amount of	
(amount indicated in KZT, including in words)	
to the account of	
indicated in the notice:	
	·

(IIC, BIC, payment destination code, Beneficiary Code)