

PRESS-RELEASE

KMG EP reserves update as at 31 December 2017

Astana, 31 January 2018. JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") announces the results of an independent audit of liquid hydrocarbon reserves at the Ozenmunaigas JSC, Embamunaigas JSC and the Ural Oil and Gas LLP (KMG EP's share - 50%) fields as at 31 December 2017. The audit was performed by independent consultant DeGolyer and MacNaughton ("D&M").

According to the D&M report, proved plus probable (2P) reserves of liquid hydrocarbons as at 31 December 2017 were 145 million tonnes (1,065 million barrels), equal to the level at the end of 2016. The reserve replacement ratio (the ratio of increase in reserves to annual production) was 100%.

Proved (1P) reserves of liquid hydrocarbons at 31 December 2017 were 102 million tonnes (754 million barrels), and proved, probable and possible (3P) reserves amounted to 193 million tonnes (1,418 million barrels).

Liquid hydrocarbon reserves as of 31 December 2017

	Million tonnes			Million barrels		
	1P	2P	3P	1P	2P	3P
Reserves as at 31 Dec 2016	93	145	196	684	1,061	1,433
Production	8.3	8.3	8.3	61	61	61
Reserves increase	17.6	8.3	5.5	131	65	46
Reserves as at 31 Dec 2017	102	145	193	754	1,065	1,418
Present worth at 10%, US\$m				4,253	5,170	5,840

The report does not include KMG EP's share in reserves of JV Kazgermunai LLP, CCEL (Karazhanbasmunai) and PetroKazakhstan Inc.

NOTES TO EDITORS

KMG EP is among the top three Kazakh oil producers based on the 2017 results. The overall production in 2017 was 11.9 million tonnes (240 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 and Kazakhstan Stock Exchange. The Company raised over US\$2bn at its IPO in September 2006.

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