

**Materials for the Extraordinary General Meeting of Shareholders of  
KazMunaiGas Exploration Production Joint Stock Company to be held  
on 15 October 2018 at 10:00AM**

**Agenda:**

- 1) Increase in the number of announced shares of the Company by increasing the number of placed common shares (less those ordinary shares that have been repurchased by the Company).

**Increase in the number of announced shares of the Company by increasing the number of placed common shares (less those ordinary shares that have been repurchased by the Company)**

Pursuant to subclause 3) of clause 1) of Article 36 of the Kazakh Stock Corporation Act and subclause 3) of clause 103) of the Charter of KazMunaiGas E&P (“Company”), the increase of the number of authorized shares of the Company falls under the sole responsibility of general meeting of shareholders.

As at 19 September 2018, the number of authorized and outstanding ordinary and preferred shares of the Company was 70,220,935 and 4,136,107 shares, respectively. The number of ordinary and preferred shares that have been repurchased by the Company as at the date was 14,261,778 and 2,634,461, respectively<sup>1</sup>.

As a result of the Tender Offer to repurchase all global depositary receipts (“GDRs”) and ordinary shares that was made on 8 December 2017 (“Tender Offer”), the Company repurchased 135,454,910 GDRs (98.7 percent of all GDRs that were issued less the GDRs that the Company had as at 18 February 2018) and 336,584 ordinary shares.

After the Tender Offer was completed on 10 May 2018, GDRs were delisted from the London Stock Exchange (“LSE”) and the trading on the main market of the LSE was cancelled, and on the same date Company’s ordinary shares and GDRs were delisted from the Kazakhstan Stock Exchange.

In consideration of the foregoing and of the plans of NC KazMunayGas to discontinue Company’s operations as a separate commercial entity, the Company is contemplating conversion of the GDRs that were repurchased by the Company into ordinary shares followed by their transfer into issuer’s account so that the Integrated Securities Registrar keeps record of the repurchased stock and the depositary receipt programme be closed. For the Company to comply with clause 1 of Article 28 of the Kazakh Stock Corporation Act whereby the number of repurchased outstanding shares and those to be repurchased must not exceed

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<sup>1</sup> Should the number change at the date of the extraordinary general meeting of shareholders under applicable laws, then the general meeting of shareholders would be provided with respective details.

twenty-five percent of the total number of outstanding shares, the Company should increase the number of its authorized shares by increasing the number of its outstanding ordinary shares (with the exception of the ordinary shares that have been repurchased by the Company)<sup>2</sup>.

As the depositary receipt programme is going to be closed, and as the Company has launched buyback program to repurchase up to 100 percent of its outstanding preferred shares, we would recommend that the number of outstanding ordinary shares (with the exception of the ordinary shares that have been repurchased by the Company) be increased twenty-fourfold.

Should the general meeting of shareholders adopt the resolution, the number of outstanding shares would be one billion three hundred sixty-one million four hundred seventeen thousand six hundred fifty-three (1,361,417,653) and would include:

- one billion three hundred fifty-seven million two hundred eighty-one thousand five hundred forty-six (1,357,281,546) ordinary shares;
- four million one hundred thirty-six thousand one hundred seven (4,136,107) preferred shares.

The Company will make respective amendments to the Company's Prospectus.

It should also be noted that the increase of the number of outstanding ordinary shares of the Company (with the exception of the ordinary shares that have been repurchased by the Company) would result in a different ordinary shares-to-GDR ratio, the underlying asset being Company's ordinary shares, in the system of Deutsche Bank Trust Company Americas, and would require respective amendments to be made to the Depositary Agreement.

**The following resolution is proposed to shareholders:**

- 1. increase the number of authorized ordinary shares of KazMunaiGas E&P ("Company") up to one billion three hundred fifty-seven million two hundred eighty-one thousand five hundred forty-six (1,357,281,546) by increasing fifty-five million nine hundred fifty-nine thousand one hundred fifty-seven (55,959,157) outstanding ordinary shares (with the exception of fourteen million two hundred sixty-one thousand seven hundred seventy-eight (14,261,778) ordinary shares that have been repurchased by the Company) twenty-fourfold. After the number of Company's authorized ordinary shares (with the exception of the ordinary shares that have been repurchased by the Company) has been increased, the total number of outstanding shares of the Company would be one billion three hundred sixty-one million four hundred seventeen thousand six hundred fifty-three (1,361,417,653) and would include:**

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<sup>2</sup> Pursuant to subclause 21 of clause 1 of Article 1 of the Kazakh Stock Market Act, a GDR is a derivative security and is not subject to record-keeping by registrar among the total number of shares repurchased by the issuer.

- **one billion three hundred fifty-seven million two hundred eighty-one thousand five hundred forty-six (1,357,281,546) ordinary shares;**
  - **four million one hundred thirty-six thousand one hundred seven (4,136,107) preferred shares.**
2. **that Mr Kurmangazy Iskazyev, the Company's Chief Executive Officer and Chairman of the Management Board, takes steps required for this resolution to be implemented.**