

## **KMG EP announced a programme to repurchase its preferred shares from the KASE**

**Astana, 13 August 2018.** JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces that the Board of Directors of KMG EP has approved the programme to repurchase preferred shares of the Company.

The Company intends to repurchase up to 1,905,209 (up to 100% of the total number of outstanding preferred shares of the Company in the free float) preferred shares from the Kazakhstan Stock Exchange (“KASE”) at a price of 12,800 (twelve thousand eight hundred) Tenge per preferred share, representing a premium of 24.4% to the 30-day volume-weighted average price of preferred shares of 10,292 (ten thousand two hundred and ninety two) Tenge as at 10 August 2018. The repurchase programme will be held from 13 August till 16 November 2018.

Resolution to repurchase preferred shares of the Company has been adopted to protect the interests of minority shareholders and give them an opportunity to sell shares they own in view of future plans of the Company. Particularly this resolution is driven by plans of JSC National Company KazMunaiGas (“NC KMG”) to switch to two-level management system over operating assets whereby NC KMG directly manages producing and oilfield service companies. Implementation of such business approach entails dissolution of the Company in future as an independent business entity. Earlier majority of holders of global depositary receipts (“GDRs”) and ordinary shares of the Company accepted a tender offer to repurchase ordinary shares and GDRs of the Company which resulted in NC KMG owning 95.4% of all outstanding shares of the Company.

Terms and details of the repurchase of preferred shares are presented below:

- **type of shares:** preferred shares of the Company (KZ1P51460114 (KZ000A0RMTC3));
- **quantity of shares to be repurchased:** up to 1,905,209 preferred shares (that is up to 100% of listed preferred shares of KMG EP);
- **repurchase price:** 12,800 (twelve thousand eight hundred) Tenge per preferred share representing a premium of 24.4% to the 30-day volume-weighted average price of preferred shares of 10,292 (ten thousand two hundred and ninety two) Tenge per preferred share as at 10 August 2018;
- **redemption dates:** preferred shares will be repurchased from 13 August to 16 November 2018. Requests (client orders) to sell shares must be submitted on or before 5:00PM (Almaty time) 15 November 2018 – Final Date of Acceptance;
- **repurchase terms and conditions:** preferred shares will be repurchased from KASE by special trades twice a month within the specified redemption dates.

KMG EP hereby advises all shareholders that the resolution adopted by the Board of Directors on 10 August 2018 to repurchase preferred shares of the Company as per the approved repurchase programme is a resolution on closing a major transaction – a series of interrelated transactions to repurchase outstanding preferred shares of the Company as the result of which the Company may repurchase its outstanding securities in the amount of twenty-five or more percent from the total number of outstanding securities of one type.

This announcement has been prepared in accordance with clause 4 Article 26 and clause 1 Article 70 of the Stock Corporation Act dated 13 May 2003. For more details on procedure for repurchase of preferred shares of the Company, please refer to Offer to repurchase preferred shares of the Company posted at: [www.kmgep.kz](http://www.kmgep.kz).

In addition, please contact Kazpost call center toll-free number 1499 for information on terms and procedure for repurchase (including procedures for acceptance of the offer to repurchase and opening a broker account).

**For further details please contact us at:**

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***Forward-looking statements***

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