

**Approved by
decision of the Sole shareholder of
JSC «KazTransOil»
(Minutes of Meeting of the
Board of Directors of
JSC NC «KazMunayGas»
No 75 dated July 3, 2012)**

**Methods of determining the value of the shares at their redemption by
JSC "KazTransOil"
over the counter securities market**

1. General Provisions

1. This method determines the value of the shares over the counter securities market redeemed by JSC "KazTransOil" (hereinafter – the Company) and is designed in accordance with the laws of the Republic of Kazakhstan and the Articles of Association.

2. The effect of this method applies to the cases of redemption of shares issued by the Company:

- Initiated by the Company with the consent of the shareholder;
- At the request of the shareholder in cases stipulated by the legislation of the Republic of Kazakhstan;
- By court order.

3. In this method, the following definitions are used:

Act- the Act of the Republic of Kazakhstan "On Joint Stock Companies";

shareholder - the person who is the owner of the shares;

share – a security issued by the Company and certifying the right to participate in the management of the Company, receive of dividend on it and part of the Company's assets upon liquidation and other rights provided by law and other legislative acts of the Republic of Kazakhstan;

Stock Exchange - a legal entity established in a legal form of joint stock company carrying out the organizational and technical support through their direct trading of using the trading systems of the trade organizer;

Delisting - temporary or permanent exclusion of securities from the list of auction organizer;

organized securities market - the sphere of circulation of securities and other financial instruments, transactions that are carried out in accordance with the internal documents of the trade organizer;

unorganized securities market - the sphere of circulation of securities in which securities transactions are carried out without complying with the requirements established by the internal documents of the auction organizer.

4. Redemption of shares by the Company for the purpose of subsequent sale, the rights of shareholders (in the event the Company has responsibilities to redeem the shares owned by the shareholder of the Company in accordance with the laws of the Republic of Kazakhstan), or for other purposes not inconsistent with the laws of the Republic of Kazakhstan and the Articles of Association of the Company.

2. Redemption of shares on the initiative of the Comapny

5. Redemption of shares on the initiative of the Company is carried out in accordance with this method, except in the case of redemption of shares by the Company on the Stock Exchange by open bidding.

6. Redemption of shares may be made with the consent of the shareholder at the initiative of the Company for the purpose of subsequent sale or for other purposes not inconsistent with the laws of the Republic of Kazakhstan and the Articles of Association of the Company.

7. Redemption by the Company of shares of the Company's initiative is based on decisions of the Board of Directors.

Decision of the Board of Directors of the Company to repurchase outstanding shares of the Company shall include information on about the types, amount of redeemed shares, price, terms and conditions of redemption.

The Company may not redeem its outstanding shares in the following cases:

1) prior to the first General Meeting of Shareholders;
2) prior to approval of the first report on the placement of shares among the founders;
3) If as a result of share redemption the equity capital of the Company will be smaller than the minimum authorized capital established by law;

4) If at the time of redemption of shares of the Company meets the insolvency or bankruptcy, in accordance with Kazakhstan legislation on bankruptcy, or these signs appear as a result of its purchase of all required or proposed to buy back shares;

5) If the court or the General Meeting of Shareholders decided to eliminate it.

8. If the number of redeemable at the initiative of the Company's outstanding shares to exceed one percent of the total, before the conclusion of the transaction (s) of sale of shares is obliged to announce this repurchase by its shareholders.

Announcement of the Company to repurchase its outstanding shares must contain information on the types, amount on redeemed shares, price, terms and conditions of purchase and shall be published in the media.

9. If the number of outstanding shares of the Company, announced its shareholders for redemption exceeds the number of shares which the Company announced the redemption, the shares are redeemed from the shareholders in proportion to their shares.

Aspect ratio is set by the following formula:

$$K = A/C, \text{ where}$$

K is the coefficient of proportion;

A is the total number of shares that can be redeemed by the Company (based on the restrictions imposed by law);

C is the total number of outstanding shares of the Company placed for repurchase.

Number of shares that are redeemed by the Company from the Shareholder is calculated by multiplying the number of announced shares redeemed to the shareholder on the aspect ratio.

10. Redemption is not traded on the stock exchange of shares may be made at the initiative of the Company with the consent of the shareholder at a price determined by an independent appraiser as of the date, not earlier than thirty (30) calendar days prior to the adoption by the Board of Directors of the Company's decision to repurchase shares.

The maximum deviation of the estimates based on the report of an independent appraiser of the market price of shares shall not exceed 20%.

3. Redemption of shares by the Company at the request of the shareholder

11. Redemption of shares by the Company at the request of the shareholder is carried out in accordance with this method.

12. Redemption of shares must be made by the Company at the request of a shareholder of the Company, which may be brought against them in the following cases:

1) adoption of the decision by the General Meeting of shareholders on the reorganization of the Company (if the shareholder has participated in the General Meeting of Shareholders, which dealt with the reorganization of the Company, and voted against it);

2) adoption of the decision by the General Meeting of shareholders to delist the shares of the Company (if the shareholder did not participate in the General Meeting or if he participated in that meeting and voted against the decision);

3) decision by the trade organizer to delist the shares of the Company;

4) of disagreement with the decision to conclude a major transaction and (or) the decision on the conclusion of a transaction in which the Company has the interest taken in accordance with the laws of the Republic of Kazakhstan and (or) the Company's Articles of Association;

5) adoption of the decision by the General Meeting of shareholders on making amendments to the Articles of Association restricting the rights of the shares owned by the Shareholder (if the Shareholder did not participate in the General Meeting of Shareholders at which such a decision was made, or if he participated in the meeting and voted against the adoption of the decision).

13. A shareholder may present to the Company a requirement to repurchase its shares by sending a written request to the Company, within thirty (30) days from the date of the decision referred to in paragraph 12 of this section, or from the date of the decision by the trade of the delisting of shares of the Company.

Within thirty (30) days from the date of receipt of the request the Company shall redeem the shares from the Shareholder.

14. If the number of outstanding shares of the Company, announced by its Shareholders for redemption exceeds the number of shares that can be redeemed by the Company, these shares are redeemed from the Shareholders in proportion to their shares.

Aspect ratio is set by the following formula:

$$K = A / C, \text{ where}$$

K is the coefficient of proportion;

A is total number of shares that can be redeemed by the Company (based on the restrictions imposed by law);

C is total number of outstanding shares of the Company placed for repurchase.

Number of shares that are redeemed by the Company from the Shareholder is calculated by multiplying the number of shares announced by the Shareholder to repurchase on the aspect ratio.

15. Redemption of shares by the Company at the request of the Shareholder is carried out on the book value of shares. The calculation of book value of shares is based on the latest available consolidated financial statements prepared in accordance with International Financial Reporting Standards, as of the date of registration in the office of the Company's statement of the Shareholder to buy out its shares of the Company.

The carrying value of one ordinary share is calculated by the formula:

$$BV_{CS} = NAV / NO_{CS}, \text{ where}$$

BV_{CS} - (book value per common share) book value per common share on the date of calculation;

NAV - (net asset value) the net assets for common shares on the date of calculation;

NO_{CS} - (number of outstanding common shares) number of common shares on the date of calculation.

Net assets for the common shares are calculated by the formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

TA - (total assets) assets of the issuer's shares in the statement of financial position of the issuer's shares on the date of calculation;

IA - (intangible assets) intangible assets in the statement of financial position of the issuer's shares on the date of calculation;

TL - (total liabilities) liabilities in the statement of financial position of the issuer's shares on the date of calculation;

PS - (preferred stock) account balance 'share capital, preference shares "in the statement of financial position of the issuer's shares on the date of calculation.

4. Redemption of shares by the Company by court order

16. Redemption of shares by the Company by a court decision is made by the book value of shares on the date of the decision by the Board of Directors of such redemption, unless another date is not determined by a court.

The carrying value of one ordinary share is calculated by the formula:

$$BV_{CS} = NAV / NO_{CS}, \text{ where}$$

BV_{CS} - (book value per common share) book value per common share on the date of calculation;

NAV - (net asset value) the net assets for common shares on the date of calculation;

NO_{CS} - (number of outstanding common shares) number of common shares on the date of calculation.

Net assets for the common shares are calculated by the formula:

$$NAV = (TA - IA) - TL - PS, \text{ where}$$

TA - (total assets) assets of the issuer's shares in the statement of financial position of the issuer's shares on the date of calculation;

IA - (intangible assets) intangible assets in the statement of financial position of the issuer's shares on the date of calculation;

TL - (total liabilities) liabilities in the statement of financial position of the issuer's shares on the date of calculation;

PS - (preferred stock) account balance 'share capital, preference shares "in the statement of financial position of the issuer's shares on the date of calculation.

5. Restrictions on redemption of the outstanding shares

17. The number of shares repurchased by the Company shall not exceed twenty-five percent of the total outstanding shares, and the cost to purchase the outstanding shares of the Company shall not exceed ten percent of the size of its equity:

1) upon redemption of shares at the request of the Shareholder - as of the date:

adoption of the decisions by the General Meeting of shareholders referred to in subparagraphs a), 2) and 5) of paragraph 12 of this methodology

acceptance by the trade organizer of solution to delist the shares of the Company;

decision on the conclusion of a major transaction and (or) a transaction in which the Company has an interest;

2) repurchase of shares at the initiative of the Company - as of the date of the decision to repurchase outstanding shares of the Company.

18. Repurchased shares of the Company are not counted in the quorum of the General Meeting of its Shareholders and do not vote on it.

6. Final Provisions

19. Issues not resolved by this methodology to be settled in accordance with the laws of the Republic of Kazakhstan.

20. This technique is an integral part of the share issue prospectus of the Company.