

WITHOUT PREJUDICE

16 October 2009

To the Members of the JSC Astana Finance Creditors' Committee listed on Appendix A hereto (the "Committee")

JSC Astana Finance – Framework for Astana Finance Debt Restructuring

Ladies and Gentlemen:

This letter records the understanding in principle reached between JSC Astana Finance (the "Company") and the members of the Committee listed on Appendix A hereto in respect of the broad indicative terms to be offered to creditors in connection with a proposed restructuring of the financial indebtedness of the Company and certain financial indebtedness of certain of the Company's subsidiaries and affiliates (the "Restructuring"), as follows:

A. Indicative Restructuring Terms: Creditors shall be offered the following basket of new debt instruments and equity:

1. Senior Unsecured Creditors

Senior unsecured creditors, consisting of holders of Eurobonds issued or guaranteed by the Company, lenders pursuant to bilateral or syndicated loan facilities entered into or guaranteed by the Company and other holders of senior unsecured debt of or guaranteed by the Company, excluding holders of Tenge-denominated domestic obligations and trade finance creditors ("Senior Creditors"), shall be offered the following securities:

1.1. **Eurobonds:** Senior Creditors will be offered new eurobonds (the "New Eurobonds") to be issued or guaranteed by the Company with the following terms:

<i>Aggregate Principal Amount:</i>	A minimum of US\$350 million, equivalent to approximately 35% of the sum of outstanding principal and interest accrued but unpaid through the Restructuring Date on the existing indebtedness held by Senior Creditors (subject to reconciliation and agreement by the Committee), subject to increase as provided below ¹
<i>Final Maturity:</i>	Seven (7) years
<i>Currency:</i>	US dollars ²
<i>Principal Repayment:</i>	Equal annual repayments of principal in the amount of US\$32 million (assuming an issue size of US\$350 million, subject to increase proportional to any increase in the size of the issue)

¹ The aggregate principal amount of the New Eurobonds shall be subject to increase, as mutually agreed between the Company and the Committee, by reference to (i) the provisions taken or to be taken by the Company on its loan and investment portfolios or other impaired assets, following completion of a review of the loan and investment portfolios and such other impaired assets and the related provisions by the independent accountants engaged by the Committee to stress-test the Company's proposed provisioning levels; and (ii) any cash contribution that existing shareholders shall make to the Company or to the Senior Creditors in connection with the Restructuring, whether in respect of the Comfort Letters (as defined below) or otherwise.

² Eurobonds or other senior debt obligations of the Company denominated in a currency other than US dollars shall be converted into US dollars at published rates to be mutually agreed between the Company and the Committee.

	beginning at the end of year one (i.e., no grace period), with a balloon payment of any remaining principal balance at final maturity, subject to mandatory prepayment as provided below
<i>Mandatory Prepayment:</i>	Subject to partial mandatory prepayment in an amount up to US\$125 million, in the event that the Company realises cash from the Collateral (as defined below)
<i>Collateral:</i>	First priority security interest in all of the shares of JSC "AF Bank", which are owned by the Company and which represent 99.98% of the outstanding share capital of such bank (the "Collateral")
<i>Interest Rate:</i>	6.25 p.a., subject to step-up to 10.00% p.a. upon the occurrence of any mandatory prepayment
<i>Interest Payments:</i>	Paid annually in cash
<i>Listing:</i>	Primary listing on an international stock exchange acceptable to the Committee, with a secondary listing on KASE

1.2. Recovery loan notes: In addition to the New Unsecured Bonds, Senior Creditors will be offered recovery loan notes ("**Recovery Notes**") to be issued or guaranteed by the Company with a final maturity of 8 years, which shall evidence the rights of holders to receive 60% of the following:

- (i) any recovery by the Company above the net book value on the date of the Restructuring (after giving effect to agreed provisions) of any loan, investment or other asset against which the Company has taken provisions; and
- (ii) any recovery by the Company on its claims in respect of disputed derivatives transactions, which the Company has advised the Committee it is pursuing

(the assets and claims described in (i) and (ii) above collectively the "**Impaired Assets and Claims**").

The Company shall take all commercially reasonable steps to maximise recoveries in respect of the Impaired Assets and Claims. The *pro rata* share of recovered amounts due to holders of Recovery Notes shall be paid at least quarterly. At final maturity, to the extent any Impaired Assets and Claims (including any replacement assets) remain outstanding or unrealised, there shall be an independent valuation of any residual potential cash recoveries on such Impaired Assets and Claims and a final bullet payment in the amount of such valuation shall be made, following which the Recovery Notes shall be cancelled.

1.3. Equity Participation: In addition to the New Eurobonds and the Recovery Notes, Senior Creditors will receive shares in the Company representing, in the aggregate, 58.9% of the voting shares of the Company outstanding immediately post-Restructuring (the "**Creditor Shares**"). Subject to applicable regulatory approvals, the Creditor Shares shall be held for the benefit of the Senior Creditors (and their successors) through a special purpose company. A portion of the Creditor Shares representing, in the aggregate, 25% of the voting shares of the Company outstanding immediately post-Restructuring shall be subject to a call option or similar mechanism, which shall be exercisable at a price of US\$1.00 per purchaser or transferee (or its equivalent in Tenge) following payment in full of all amounts due in respect of the New Eurobonds and the Recovery Notes.

2. Domestic Senior Creditors

Domestic senior creditors, consisting of holders of Tenge-denominated bonds (other than subordinated bonds) issued by the Company (“**Domestic Senior Creditors**”), will be offered modified terms in respect of their existing Tenge-denominated bonds issued by the Company as follows:

<i>Aggregate Principal Amount:</i>	The sum of outstanding principal and interest accrued but unpaid through the Restructuring Date on the existing non-subordinated Tenge-denominated bonds issued by the Company
<i>Final Maturity:</i>	Twenty (20) years
<i>Currency:</i>	Tenge
<i>Principal Repayment:</i>	Straight-line amortisation with equal annual repayments of principal beginning at the end of year 9, subject as set out below
<i>Interest Rate:</i>	8% p.a., with 6% as PIK for the first 9 years
<i>Interest Payments:</i>	Paid annually, subject to the above
<i>Subordination:</i>	No payment of principal, interest or any other amount shall be made (except, subject to (i) and (ii) below, for the 2% cash interest as provided above) unless and until (i) all principal, interest and other amounts in respect of the New Eurobonds and the Recovery Notes shall have been paid in full; and (ii) the Company shall otherwise not be in default in respect of any other payment due to the Senior Creditors.

3. Domestic Subordinated Creditors

Domestic subordinated creditors, consisting of holders of Tenge-denominated subordinated bonds issued or guaranteed by the Company, will receive shares in the Company representing an aggregate 16%-ownership interest in the Company post-Restructuring.

B. Conditions Precedent: Approval of any term sheet for the Restructuring or the taking of any other action by the Committee shall be subject to the following conditions being satisfied or waived by the Committee:

- **Treatment of Trade Finance Creditors:** the Committee shall be satisfied with the definition of “trade finance creditor” to be applied in the Restructuring and the independent process used to determine who qualifies as such a “trade finance creditor” and the Committee shall have been informed of, and be satisfied with, the terms to be offered to such “trade finance creditors” as part of the Restructuring;
- **Comfort Letters:** the Committee shall have been satisfied with the resolution of the issues relating to the comfort letters issued to creditors by the Municipality of Astana, the Kazyna Fund for Sustainable Development JSC or Samruk-Kazyna (collectively, the “**Comfort Letters**”);
- **Report from Ernst & Young:** Ernst & Young shall have delivered its final report upon which Senior Creditors who shall have signed a reliance letter (in the agreed form) may rely;

- Report from BDO LLP/BDO Kazakhstan: BDO LLP and/or BDO Kazakhstan shall have delivered reports upon which Senior Creditors who shall have signed a reliance letter (in the agreed form) may rely;
- Required Regulatory Approvals: all approvals necessary or appropriate for the consummation of the Restructuring shall have been obtained, including approvals in respect of the ownership of the Creditor Shares by a special purpose vehicle;
- Legal Due Diligence: Clifford Chance and First Legal, or other legal advisers to the Company, shall have delivered legal due diligence reports upon which Senior Creditors who shall have signed a reliance letter (in the form to be agreed between such legal advisers, respectively, and the Committee) may rely;
- Absence of Material Adverse Change: no material adverse change shall have occurred since the date of this letter in (i) the business, financial condition, results, indebtedness or prospects of the Company and its material subsidiaries and affiliates, taken as a whole, or (ii) the international or any relevant domestic market, including any significant devaluation of the Tenge against the US dollar or the Euro;
- No Creditor Enforcement Action: no creditor of the Company or any of its subsidiaries or affiliates shall have taken steps to enforce any security or collect amounts due to them outside of the Restructuring;
- Subsidiary Indebtedness: the Company shall have provided evidence satisfactory to the Committee that the Company's subsidiaries and affiliates are current in the payment of all indebtedness not included in the Restructuring and that there is no likelihood of default in respect of any such indebtedness, other than certain intra-group loans as disclosed to, and accepted by, the Committee;
- Agreement on the Legal Process: the Committee shall be satisfied with the legal steps (in all relevant jurisdictions) to be taken by the Company to implement the Restructuring;
- Payment of Fees: the Company shall have paid all amounts due and payable to the Committee's legal and other advisers; and
- Other Terms: the agreements governing and implementing the Restructuring shall include customary additional terms, including restrictive covenants and financial ratios, information furnishing requirements and monitoring provisions, corporate governance norms (including Committee representation on the Board of Directors) and rules for the conduct of the business, which shall be satisfactory to the Committee.

C. Good Faith Undertakings: Without prejudice to any of the provisions in this letter, the Company and the Committee will work together in good faith on the terms of the Restructuring. A detailed timetable and an expanded description of the steps required to complete the Restructuring will be agreed between the Company and the Creditors as promptly as possible following the date of this letter.

D. Non-binding Nature: No provision of this letter shall (i) have any legal effect or constitute any binding obligation on any of the parties to it other than paragraphs C through H, inclusive, of this letter; or (ii) be otherwise binding on any individual creditor. Nothing contained herein, however, shall affect the continued validity and binding nature of the Appointment Letter dated 21 August 2009 between the Company and the Committee (including Schedule 2 thereto), which shall remain in full force and effect.

E. No Commitment: The Company acknowledges that (i) nothing in this letter shall be construed as a commitment (express or implied) that any member of the Committee will arrange, provide, underwrite, approve or otherwise consent to any particular plan or terms for the Restructuring or as a

representation that any such commitment will be provided in the future; and (ii) the members of the Committee have no authority whatsoever in any capacity to act for, represent or commit any creditors.

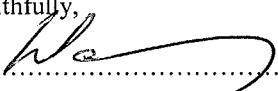
F. No Waiver; Reservation of Rights: This letter is expressly (i) without prejudice to and shall not be construed as a waiver or variation of any of the rights and remedies of any creditor under any agreement or instrument governing the Company's debt obligations held by them and/or under applicable law, all of which rights and remedies are hereby specifically reserved; (ii) without prejudice to the Company's continuing obligations under any such agreement or instrument, all of which shall continue and remain in full force and effect; and (iii) subject to all necessary approvals of the Company and of each member of the Committee.

G. Governing Law: This letter shall be governed by and construed in accordance with the laws of England.

H. Miscellaneous: This letter may be translated into the Russian language; provided, however, that, in the event of any discrepancy, the English language version of this letter shall prevail. This letter may be executed in any number of counterparts and this shall have the same effect as if the signatures on the counterparts were on a single copy of this letter.

Please confirm your acknowledgement and acceptance of the provisions of this letter by signing below.

Yours faithfully,

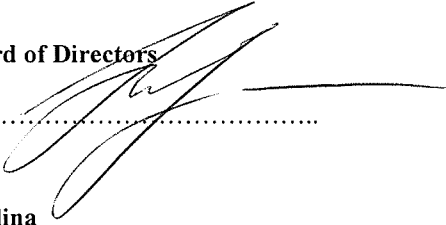

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For and on behalf of

JSC Astana Finance

By Kintal Islamov

Chairman of the Board of Directors

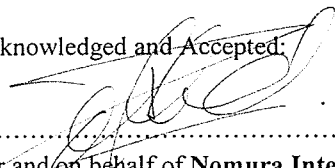

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For and on behalf of

JSC Astana Finance

By Ms. Elmira Ibatullina

Chief Executive Officer – Chair of the Management Board

Acknowledged and Accepted:


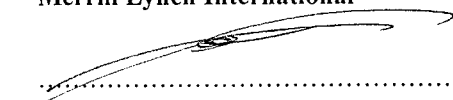
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For and on behalf of **Nomura International Plc**,
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For and on behalf of
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For and on behalf of
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For and on behalf of
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For and on behalf of
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Luisa By Zent Ochs

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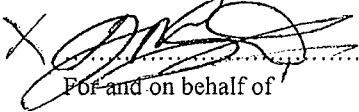
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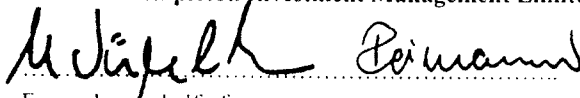
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.....
Gina Grasso
Authorised Signatory

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For and on behalf of
Portland Worldwide Investments Ltd.

Members of JSC Astana Finance Creditors' Committee

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Banco Finantia SA
Franklin Templeton Investment Management Limited
Landesbank Berlin AG
Merrill Lynch International
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