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Президенту
АО «Казахстанская
фондовая биржа»
г-ну Кабашеву М.Р.

Касательно присвоения рейтинга

Уважаемый Максат Рахимжанович!

Настоящим АО «Интергаз Центральная Азия» (далее – Общество) сообщает о подтверждении долгосрочного кредитного рейтинга на уровне ВВВ- рейтинговым агентством Fitch Ratings. Прогноз изменения рейтингов Общества – стабильный.

Прилагается пресс-релиз Fitch Ratings.

С уважением,

Заместитель
Генерального директора



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FITCH AFFIRMS KAZTRANS GAS AND SUBSIDIARIES AT 'BBB-'; OUTLOOK STABLE

Fitch Ratings-Moscow/London-21 April 2015: Fitch Ratings has affirmed KazTransGas JSC's (KTG) and its fully-owned subsidiaries, Intergas Central Asia JSC's (ICA) and KazTransGas Aimak JSC's (KTGA), Long-term Issuer Default Ratings (IDRs) at 'BBB-'. The Outlooks are Stable. A full list of rating actions is at the end of this commentary.

KTG is the state-owned monopoly engaged in natural gas transit, transportation, distribution and sales in Kazakhstan (BBB+/Stable). The affirmation of KTG and its subsidiaries (KTG or the group) reflects Fitch's view that KTG's leverage and coverage ratios will revert to acceptable levels in 2017-2018 following a temporary weakening due to the announced reduction of OAO Gazprom's (BBB-/Negative) transit of central Asian gas to Russia and the devaluation of the tenge in February 2014. We also expect JSC National Company KazMunayGas (NC KMG, BBB/Stable), KTG's parent, to provide the group with funds if and when needed.

KEY RATING DRIVERS

Strong Links with the Parent

KTG's ratings are notched down by one notch from NC KMG. KTG and ICA each qualify as material subsidiaries in NC KMG's Eurobonds and are subject to cross-default provisions, but NC KMG does not guarantee their debt. We believe that the 'national operator' status granted to KTG in 2012, the ongoing transfer of trunk gas pipelines from the state to ICA, as well as NC KMG's flexible approach to KTG's dividend payouts underline the strong parent-subsidiary links between KTG and NC KMG.

In 2014, NC KMG provided a 10-year, KZT14.9bn loan to KTG, which we view as an element of support. We also note that NC KMG participates in negotiations between Gazprom and KTG on the gas transit contract.

Midstream and Downstream Gas Monopoly

KTG's ratings reflect its status as the operator of the Kazakh gas pipeline network, the only transit route for central Asian gas to Russia and Europe, and its role in distribution and sales of natural gas. KTG has a pre-emptive right to purchase all produced natural gas from domestic oil & gas companies and resell it in Kazakhstan and for export. ICA, the operator of trunk gas pipelines, generated 79% of the group's consolidated EBITDA in 2014.

We view the intra-group links between KTG, ICA and KTGA as strong and hence align the ratings of the two subsidiaries with KTG's at 'BBB-'. The evidence of strong linkage includes financial guarantees that KTG has provided to KTGA, operational interdependence and a common planning and budgeting process between the companies.

Customer, Profitability Concentration Decreases

Historically, Gazprom has been the group's principal customer, accounting for 69% of ICA's 2014 revenues, down from 71% in 2013. The current contract between Gazprom and ICA for transit of 28 billion cubic meters (bcm) of central Asian gas, of which 80% is covered by 'ship-or-pay' clauses, expires in January 2016. Gazprom and KTG are currently negotiating the gas contract terms and we expect more clarify on transit volumes and tariffs later this month.

We believe that Gazprom will continue cooperating with KTG on natural gas sales to south Kazakhstan, which began in late 2014 using the reverse flow of the Bukhara-Ural pipeline, and

potentially even on the transit of Russian gas to China via the Kazakh territory. We conservatively do not include any upside from this transit into our forecasts.

KTG is currently implementing a number of measures to downsize its operations following the reduction of central Asian transit volumes. These include mothballing unused trunk pipeline facilities, maintenance staff optimisation and seeking other income sources, such as providing maintenance and technical assistance services to the Asian Gas Pipeline to China.

Fully Regulated Tariffs

The group's profitability from domestic gas sales is driven by cost-plus domestic tariffs and regulated gas prices set by Kazakhstan's Committee for Regulation of Natural Monopolies (CRNM) of the Ministry of National Economy. Historically, gas prices have been sufficient for KTG to maintain adequate profits and finance its capex, while domestic transport tariffs have not covered costs. KTG has already applied to CRNM for tariff increases in 2015. We believe that in an event of a prolonged economic recession, CRNM may face pressure to limit further tariff increases, which could force KTG to raise its leverage beyond our expectations.

Capex To Decline in 2016

We expect that KTG will finish its partially debt-funded large investment programme in 2015. Thereafter, the company expects annual capex to fall below KZT40bn per year in 2016 and 2017. We do not foresee any significant impact on KTG's creditworthiness from the completion of the Beineu-Bozoy-Shymkent pipeline and Line C of the Asian Gas Pipeline from Central Asia to China, which are financed by KTG's JVs with China National Petroleum Corporation (CNPC, A+/Stable) and guaranteed by CNPC and NC KMG with no recourse to KTG.

Devaluation, Volumes Drive Leverage

At end-2014, KTG's funds from operations (FFO) adjusted gross leverage was 3.4x, and we expect it to decline to 1.3x in 2016. We forecast that the group's FFO interest coverage will improve to 9.7x in 2017, up from 7.2x at end-2014, which remains adequate for the ratings.

KTGA Aligned with KTG

We continue to align KTGA's ratings of with those of KTG. First, KTG guarantees all KTA's loans to Development Bank of Kazakhstan (BBB/Stable), which made up nearly 70% of KTGA's total borrowings at end-March 2015. Equally importantly, we view KTGA as an essential part of KTG's strategy and operations as KTGA plays a vital social role in supplying natural gas to households and industrial customers across Kazakhstan.

KEY ASSUMPTIONS

- Export gas prices changing in line with our Brent price deck of USD55/bbl in 2015; USD65/bbl in 2016 and USD80/bbl in 2017.
- 25% tenge devaluation against the US dollar from 1 July 2015.
- Lower 'ship-or-pay' volumes for central Asian gas transit in 2015-2016 and cancellation of the 'ship-or-pay' clause in 2017.
- 5bcm annual central Asian gas volumes shipped by ICA from 2015.
- Higher tariffs for domestic gas transportation increasing by around 80% in 2015.
- Domestic gas sales prices growing by 15% in 2015.
- Dividend pay-out ratio of 0%.
- 2016-2018 capex within KZT45bn-KZT50bn range.

RATING SENSITIVITIES

Positive: Future developments that may, individually or collectively, lead to positive rating action include:

- Positive rating action on NC KMG.

- Evidence of stronger ties between NC KMG and KTG, eg, parental guarantees for a large part of KTG's debt.

Negative: Future developments that may, individually or collectively, lead to negative rating action include:

- Negative rating action on NC KMG.

- Evidence of weaker ties between NC KMG and KTG, eg, sustained deterioration of KTG's credit profile with FFO adjusted gross leverage consistently above 3x.

LIQUIDITY AND DEBT STRUCTURE

Improving Liquidity, Debt Doubles

At 31 March 2015, KTG's short-term debt amounted to KZT9.2bn and was covered by cash and short-term bank deposits of KZT29.9bn. The company's liquidity was supported by undrawn credit lines of KZT42.6bn at end-March 2015. In March 2015, KTG raised a USD400m syndicated loan to refinance its debts maturing in 2015. After the refinancing, KTG's maturities will be concentrated in 2017 when ICA's USD540m Eurobond and USD320m out of USD400m syndicated loan are due.

KTG's debt had nearly doubled to KZT244.7bn at end-March 2015, from KZT122.2bn at 31 December 2013. During 2014, the group increased the amount of bank deposits to KZT57bn at end-2014 from KZT17.3bn at end-2013 and provided a KZT26bn loan to its JV with CNPC for construction of the Beineu-Bozoy-Shymkent pipeline.

At end-2014, the group's bank deposits included ICA's Accumulation Fund for Eurobonds, which had USD180m designated for the USD540m Eurobond repayment in 2017. In 2015-2016, ICA intends to transfer around USD180m per year to the Accumulation Fund.

Possible Tenge Devaluation Neutral

We assume that a 25% devaluation of tenge may occur in 2015, driven by the 40% Russian rouble depreciation in 2H14 and sharply weaker oil prices. We expect this possible devaluation to have a largely neutral impact on the group's leverage ratios, as higher leverage due to US dollar-denominated debt will be largely offset by additional EBITDA as most of ICA's and KTG's revenues are US dollar-linked while most costs are tenge-linked. At 31 December 2014, around 77% of the group's debt and a half of 2014 revenues were dollar-denominated, while nearly all operating costs and capex are denominated in tenge.

Large Exposure to Local Banks

KTG and its subsidiaries have a significant exposure to low-rated and unrated Kazakh banks. For example, at end-March 2015 KTG held 91% of cash and deposits with Kazakh banks rated 'B' or lower by Fitch, or not rated by Fitch. This amount includes ICA's Accumulation Fund for Eurobonds, most of which was held with AsiaCredit Bank JSC (B/Stable) and local banks unrated by Fitch.

LIST OF RATING ACTIONS

KazTransGas JSC

Long-Term foreign currency IDR: affirmed at 'BBB-', Outlook Stable

Long-Term local currency IDR: affirmed at 'BBB-', Outlook Stable

Short-Term IDR: affirmed at 'F3'

National Long-Term rating: affirmed at 'AA(kaz)', Outlook Stable

Senior unsecured long-term rating: affirmed at 'BBB-'

Senior unsecured National long-term rating: affirmed at 'AA(kaz)'

Intergas Central Asia JSC

Long-Term foreign currency IDR: affirmed at 'BBB-', Outlook Stable

Long-Term local currency IDR: affirmed at 'BBB-', Outlook Stable
Short-Term IDR: affirmed at 'F3'
National Long-Term rating: affirmed at 'AA(kaz)', Outlook Stable
Senior unsecured long-term rating: affirmed at 'BBB-'
Senior unsecured National long-term rating: affirmed at 'AA(kaz)'

KazTransGas Aimak JSC

Long-Term foreign currency IDR: affirmed at 'BBB-', Outlook Stable
Long-Term local currency IDR: affirmed at 'BBB-', Outlook Stable
Short-Term IDR: affirmed at 'F3'
National Long-Term rating: affirmed at 'AA(kaz)', Outlook Stable
Senior unsecured long-term rating: affirmed at 'BBB-'
Senior unsecured National long-term rating: affirmed at 'AA(kaz)'

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Additional information is available at www.fitchratings.com. For regulatory purposes in various jurisdictions, the supervisory analyst named above is deemed to be the primary analyst for this issuer; the principal analyst is deemed to be the secondary.

Applicable criteria, 'Corporate Rating Methodology', dated 28 May 2014, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=749393

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