

PRESS RELEASE

Resolutions of the Meeting of the Board of Directors

Astana, 12 April 2017. JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") held its regular Board of Directors ("the Board") meeting. During the meeting, the Board recommended a dividend payment on 2016 earnings, approved the revision of the 2017 capital expenditure plan and approved increase of processing fees starting from 1 April 2017.

2016 dividend recommendation

Based on 2016 results the Board has recommended a dividend per ordinary and preferred share of KMG EP at 289 Tenge (including taxes withheld in accordance with the legislation of Kazakhstan) to be paid from 2016 earnings. This is equivalent to approximately 19.8 bn Tenge¹ (US\$63m²), or 15% of the Company's net profit for 2016. This decision is subject to approval by the shareholders at the Annual General Meeting of Shareholders ("AGM") on 23 May 2017.

If approved, the payment of the 2016 annual dividend will be made starting from 3 July 2017 to shareholders of record as of 2 June 2017 (close of the business day).

Revised 2017 budget

The Board of Directors approved an increase in capital expenditure for 2017 to 133 billion Tenge (US\$369m³), which is 14.1 billion Tenge or 12% more compared to the previous guidance. Additional investments are aimed at production efficiency activities, in particular, such as sidetracking and deepening of production wells, acquisition of fixed assets, construction and maintenance works, improvement of social conditions, and investments associated with gas utilization to mitigate environmental risks.

Increase of oil processing fees

As per the approved budget for 2017 and the Company's previous guidance, the Board has agreed an increase of processing fees starting from 1 April 2017. The processing fee will stand at 24 512 Tenge per tonne at Atyrau Refinery (20 501 Tenge previously) and 16 417 Tenge per tonne at Pavlodar Refinery (14 895 Tenge previously).

Notes to Editors

KMG EP is among the top three Kazakh oil producers based on the 2016 results. The overall production in 2016 was 12.2 million tonnes (245 kbopd) of crude oil, including the Company's share in Kazgermunai, CCEL and PKI. The Company's volume of proved and probable reserves excluding shares in the associates, at the end of 2015 was 193 million tonnes (1,409 mmbbl). The Company's shares are listed on the Kazakhstan Stock Exchange and the GDRs are listed on The London Stock Exchange. The Company raised over US\$2bn at its IPO in September 2006.

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¹ Calculated based on number of shares outstanding as of April 11, 2017.

² Converted at the official National Bank of the Republic of Kazakhstan rate as of April 11, 2017.

³ Amounts shown in US dollars ("USD" or "\$") have been translated solely for the convenience of the reader at the budget rate of 360 KZT/USD.

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Forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology including, but not limited to, the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "target", "will", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include, but are not limited to, statements regarding the Company's intentions, beliefs and statements of current expectations concerning, amongst other things, the Company's results of operations, financial condition, liquidity, prospects, growth, potential acquisitions, strategies and as to the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. Forward-looking statements are not guarantees of future performance and the actual results of the Company's operations, financial condition and liquidity and the development of the country and the industries in which the Company operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. The Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements or industry information set out in this document, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.