

## PRESS - RELEASE

### Results of the AGM and BoD meeting

**Astana, 24 May 2017.** JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company") held its Board of Directors meeting and Annual General Meeting of shareholders ("AGM") on 23<sup>rd</sup> May 2017. Each of the resolutions contained in the AGM agenda were voted on by the shareholders.

#### ***Dividend for the year of 2016***

Shareholders approved the dividend payment for the year of 2016 at 289 Tenge (including taxes withheld in accordance with the legislation of Kazakhstan) per one ordinary and preferred share of KMG EP. This is equivalent to approximately 19.8 bn Tenge<sup>1</sup> (US\$63m<sup>2</sup>), or 15% of the Company's net income for 2016.

The payment of the 2016 annual dividend will be made to shareholders of record as at 2<sup>nd</sup> June 2017 (close of the business day) and will commence on 3<sup>rd</sup> July 2017.

#### ***Board Appointments***

During the AGM, the Board of Directors was elected for a term up until 23<sup>rd</sup> May 2018. The newly elected Board includes three new directors – Mr. Dauren Karabayev and Mr. Ardak Mukushov, who were appointed as representatives of the National Company KazMunayGas ("NC KMG"), replacing Mr. Serik Abdenov and Mrs. Asiya Syrgabekova. Mr. Francis Sommer was also elected to the Board as an Independent Non-Executive Director, replacing Mr. Edward Walshe.

During the Board of Directors meeting, Mr. Igor Goncharov, Senior Vice-president for Oil and Gas Production at NC KMG, was also re-appointed as the Chairman of the Board of Directors of KMG EP.

#### **Igor Goncharov, Chairman of the Board, commented:**

*"I would like to thank those members of the Board stepping down following the AGM. Edward and Asiya have been integral members of the Board giving over 10 years of service to the Company. Their experience and insight has been highly valued by the executive team and me. I would also like to wish Serik well and thank him for his commitment during his time with KMG EP."*

#### **Kurmangazy Iskaziyeu, Chief Executive Officer of KMG EP, said:**

*"On behalf of KMG EP's management and staff I would like to express gratitude to Edward, Asiya and Serik for their contribution to the Company's development and wish success in the future."*

#### **Members of the KMG EP Board of Directors as at 23 May 2017:**

- Igor Goncharov – representative from NC KMG; Senior Vice-president for Oil and Gas Production at NC KMG – Chairman of the Board of Directors of KMG EP;
- Dauren Karabayev – representative from NC KMG; Executive Vice President – Finance Director at NC KMG;

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<sup>1</sup> Calculated based on number of shares outstanding as of April 11, 2017.

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

- Ardak Mukushov – representative from NC KMG; Vice President for Legal Support at NC KMG;
- Gustave Louis Eugene van Meerbeke – representative from NC KMG; independent consultant, oil and gas;
- Kurmangazy Iskazyev – Chief Executive Officer (Chairman of the Management Board of KMG EP);
- Philip Dayer – Independent Non-Executive Director;
- Alastair Ferguson – Independent Non-Executive Director;
- Francis Sommer – Independent Non-Executive Director.

All other resolutions put to shareholder in the Notice of AGM were passed, including the approval of Consolidated Financial Statements and the Annual Report for 2016.

### ***Committee members***

The Board of Directors also elected committee members under the Board.

*The members of the Audit Committee under the KMG EP Board of Directors:*

Philip Dayer – Chairman of the Committee

Alastair Ferguson – Member of the Committee

Francis Sommer – Member of the Committee

*The members of the Nominations Committee under the KMG EP Board of Directors:*

Philip Dayer – Chairman of the Committee

Igor Goncharov – Member of the Committee

Alastair Ferguson – Member of the Committee

Francis Sommer – Member of the Committee

*The members of the Remuneration Committee under the KMG EP Board of Directors:*

Francis Sommer – Chairman of the Committee

Philip Dayer – Member of the Committee

Alastair Ferguson – Member of the Committee

*The members of the Strategic Planning Committee under the KMG EP Board of Directors:*

Alastair Ferguson – Chairman of the Committee

Kurmangazy Iskazyev – Member of the Committee

Dauren Karabayev – Member of the Committee

Philip Dayer – Member of the Committee

Francis Sommer – Member of the Committee

### ***Oil processing fees***

According to the Board decision, the processing fee at Pavlodar Refinery has been amended and maintained at the level of 14 895 Tenge per tonne from 1<sup>st</sup> April 2017.

### **Notes to Editors**

**Dauren Karabayev, CFA** has been Executive Vice President – Finance Director at NC KMG since October 2016. Prior to that, he held a position of Deputy Chair of the Management Board at Halyk Bank of Kazakhstan from March 2007. He has a Master of Finance degree from Mays Business School – Texas A&M.

**Ardak Mukushov** has been Vice President for Legal Support at NC KMG since January 2017. Prior to this role, he held various senior management positions at NC KMG and Ministry of Oil and Gas. He also serves as the member of the Board of Directors of Kaztransoil since May 2014 and the member of the Board of Directors of Kaztransgas since April 2016. He has a degree in Law and Legal Education from Lev Gumilev Eurasian University and a degree in Economics from Ryskulov Kazakh University of Economy.

**Francis Sommer** has been the Independent director at Nobel Oil E&P(UK)Ltd (Nobel Upstream) since 2014, and a partner in LetterOne(L1)Energy(UK) since 2013. Prior to these roles, he was an Executive Vice President of Production and Technology in TNK-BP Holding in Russia from 2009 to 2013. He has a Master in Petroleum Engineering degree from University of Texas in Austin and a Bachelor of Science in Physics from New York University.

**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 2016 was 182 million tonnes (1,327 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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