

## PRESS - RELEASE

### JSC KazMunaiGas Exploration Production

#### Positive result from the Supreme Court on the 2006-2008 tax audit appeal

**Astana, 29 August 2016.** JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) is pleased to announce that in accordance with the decision of the Supreme Court of the Republic of Kazakhstan, the 2006-2008 tax charge has been reduced by 5.4 billion Tenge from 12.2 billion Tenge. This amount will be recorded as other income in the Company’s third quarter of 2016 financial statements.

Following the 2006-2008 tax audit by the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan in 2012, a tax charge including principal and administrative fines and late payment interest of 16.9 billion Tenge was levied on KMG EP. The Company disputed the amount and filed an out of court appeal directly to Ministry of Finance. This was followed by two inspections and discussions with by the Ministry of Energy of the Republic of Kazakhstan and in 2014 resulted in a reduction of the charge to 12.2 billion Tenge. Since that time, the Company has appealed the remaining charge in courts, which has resulted in today’s announcement of a further 5.4 billion Tenge reduction to a 6.8 billion Tenge for the period of 2006-2008.

The Company expects that further benefits from this ruling will be achieved during the course of appealing the 2009-2012 tax audit. KMG EP is currently appealing the 2009-2012 tax audit by the tax authority, which in September 2015 charged an additional 18.6 billion Tenge, imposed a penalty of 9.7 billion Tenge plus implemented a fine of 9.3 billion Tenge.

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#### Notes to Editors

**KMG EP** is among the top three Kazakh oil producers. The overall production in 2015 was 12.4 million tonnes (251 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.

#### 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*

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