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Dear Shareholders,

Thank you for taking the time to consider our proposals for KMG EP. This is a difficult time for the sector, and for KMG EP in particular, and we want to work with all shareholders to find the best way forward.

Following our engagement with shareholders, we have today made two changes to our proposals.

First, we have removed the proposal for an NC veto over future INED nominations, to ensure that minority investors can have the maximum possible confidence in the full independence of the EP INEDs in future.

Second, we propose to increase the price offered to investors who want to sell some or all of their holding if our proposals are approved from \$7.88 per GDR to \$9.00 per GDR. This is a firm offer to buy all shares that are offered to KMG NC and is not conditional on anything apart from the proposed changes in the Charter and Relationship Agreement (RA) being approved.

As we are still being asked about the detail of the process, I thought it would be helpful to set out the sequence of events if our proposals are accepted at the EGM.

1. Current situation: existing Charter and Relationship Agreement are in force.
2. The proposed changes to the existing Charter and RA are approved by the EGM (by simple majority of minorities voting).
3. NC KMG will buy back all GDRs offered at \$ 9.00 (\$54.00 for common shares and \$31.55 for preferred shares, both in KZT equivalent calculated daily) for a period of 21 days.
4. In the unlikely event NC KMG doesn't buy back all GDRs offered to them or the offer does not remain open for 21 days, the changes approved at the EGM will never take effect and we will remain in the situation before the EGM.

I would like to reiterate again that this is not a buyout offer. We are only trying to fix EP - we are not seeking a significant increase in our stake. We are also committed to maintain the listing.

Our proposal seeks to preserve your existing right to put your shares to KMG EP in the event of changes to the Charter. As you know, this right is to sell at 10% below the market price, but the volumes that can be absorbed are limited by law, so there is a risk that some investors could be disadvantaged.

As well as preserving (and in fact enhancing) this existing right, we want those shareholders who wish to exit to feel they are fairly treated. Given some positive changes in the external context for KMG EP (but not in the company's underlying performance) since our original proposals were developed, and in the light of the feedback we have received, we have revised our initial position as far as we can, and we think that \$9 is an appropriate consideration for an immediate, risk-free exit from KMG EP at a difficult time for the company.

Our hope, however, is that you and other minority shareholders will remain at least partly invested in KMG EP and support our efforts to improve the performance of the company for the benefit of all shareholders. We believe our interests are aligned with yours on this, and we want to make progress with the full support of minority investors. More detail on our approach to improving performance in KMG EP, as well as our response to issues raised by the INEDs of EP, are set out in the presentation that has been made published alongside the official announcement of these changes.

We hope that the changes we have made to our proposals will help to give you confidence in our approach, and that you will support us in creating a more resilient and more valuable KMG EP.

Finally I want to leave you with three commitments about how we will approach our role as the majority shareholder in KMG EP in future:

1. If and when KMG EP achieves a positive operational result, whether as a result of our proposed turn around program and/or an improvement in the oil price environment, KMG EP will resume paying dividends at a minimum level of 15% of that result.
2. Moreover if such a result is triggered by an improvement in the operational practices of KMG EP, the NC KMG will support the acquisition by KMG EP of good assets and promising exploration acreage.
3. Finally, in the event that our proposed changes to the RA and Charter are accepted, and the EP INEDs resign as they announced they will (or indeed if our proposals are declined and they leave for other reasons) then we propose to form a committee made up of minority shareholders only to find three new INEDs for EP whom they consider suitable and who have their trust.

Of course I would be delighted to speak with you at any time or to answer any further questions you may have.

Yours sincerely,



Frank Kuijlaars

Chairman of the Board of Directors
JSC NC KazMunayGas