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17 April 2018

JSC NC “KAZMUNAYGAS” AND KMG FINANCE SUB B.V. ANNOUNCE INSTRUCTIONS RECEIVED AS OF THE EARLY PARTICIPATION DEADLINE FOR THE TENDER OFFERS AND CONSENT SOLICITATIONS IN RESPECT OF THE FOLLOWING SERIES OF NOTES ISSUED UNDER THEIR GLOBAL MEDIUM TERM NOTE PROGRAMME:

- **U.S.\$1,500,000,000 7.000% NOTES DUE 2020 (ISIN (REG S): XS0506527851; ISIN (RULE 144A): US48667QAE52; CUSIP (RULE 144A): 48667QAE5);**
- **U.S.\$1,250,000,000 6.375% NOTES DUE 2021 (ISIN (REG S): XS0556885753; ISIN (RULE 144A): US48667QAF28; CUSIP (RULE 144A): 48667QAF2);**
- **U.S.\$500,000,000 4.875% NOTES DUE 2025 (ISIN (REG S): XS1132166031; ISIN (RULE 144A): US48667QAH83; CUSIP (RULE 144A): 48667QAH8); AND**
- **U.S.\$2,000,000,000 5.750% NOTES DUE 2043 (ISIN (REG S): XS0925015157; ISIN (RULE 144A): US46639UAB17; CUSIP (RULE 144A): 46639UAB1)**

On 3 April 2018, JSC NC “KAZMUNAYGAS” (the “**Issuer**”) and KMG FINANCE SUB B.V. (“**KMG Finance**”) announced their invitations to each holder (a “**Holder**”) (subject to certain offer and distribution restrictions referred to below):

- of the Issuer’s outstanding U.S.\$1,500,000,000 7.000% Notes due 2020 (the “**2020 Notes**”) to tender any or all of such 2020 Notes held by the Holder for purchase by the Issuer for cash (the “**2020 Tender Offer**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2020 Extraordinary Resolution**”), the terms and conditions of the Notes (the “**2020 Conditions**”) to provide for mandatory early redemption of the 2020 Notes by the Issuer (the “**2020 Proposal**”, and together with the 2020 Tender Offer, the “**2020 Offer**”);
- of the Issuer’s outstanding U.S.\$1,250,000,000 6.375% Notes due 2021 (the “**2021 Notes**”) to tender any or all of such 2021 Notes held by the Holder for purchase by the Issuer for cash (the “**2021 Tender Offer**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2021 Extraordinary Resolution**”), the terms and conditions of the Notes (the “**2021 Conditions**”) to provide for mandatory early redemption of the 2021 Notes by the Issuer (the “**2021 Proposal**”, and together with the 2021 Tender Offer, the “**2021 Offer**”);
- of the Issuer’s outstanding U.S.\$500,000,000 4.875% Notes due 2025 (the “**2025 Notes**”) to tender any or all of such 2025 Notes held by the Holder for purchase by the Issuer for cash (the “**2025 Tender Offer**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2025 Extraordinary Resolution**”), the terms and conditions of the Notes (the “**2025 Conditions**”) to provide for mandatory early redemption of the 2025 Notes by the Issuer (the “**2025 Proposal**”, and together with the 2025 Tender Offer, the “**2025 Offer**”); and
- of the Issuer’s outstanding U.S.\$2,000,000,000 5.750% Notes due 2043 (the “**2043 Notes**”, and together with the 2020 Notes, the 2021 Notes and the 2025 Notes, the “**Notes**”) to tender any or all of such 2043 Notes held by the Holder for purchase by the Issuer for cash (the “**2043 Tender Offer**”, and together with the 2020 Tender Offer, the 2021 Tender Offer and

the 2025 Tender Offer, the “**Tender Offers**”) and concurrently to consent to amend, by extraordinary resolution of the Holders (the “**2043 Extraordinary Resolution**”, and together with the 2020 Extraordinary Resolution, the 2021 Extraordinary Resolution and the 2025 Extraordinary Resolution, the “**Extraordinary Resolutions**”), the terms and conditions of the Notes (the “**2043 Conditions**”, and together with the 2020 Conditions, the 2021 Conditions and the 2025 Conditions, the “**Conditions**”) to provide for mandatory early redemption of the 2043 Notes by the Issuer (the “**2043 Proposal**”, and together with the 2043 Tender Offer, the “**2043 Offer**”; the 2020 Proposal, the 2021 Proposal, the 2025 Proposal and the 2043 Proposal, the “**Proposals**”; and the 2020 Offer, the 2021 Offer, the 2025 Offer and the 2043 Offer, the “**Offers**”).

The Offers are made on the terms and subject to the conditions set forth in the Tender Offer and Consent Solicitation Memorandum dated 3 April 2018 (the “**Memorandum**”).

Capitalised terms used in this announcement but not defined herein have the meaning given to them in the Memorandum.

As of the Early Participation Deadline, being 11:59 p.m. (New York City time) on 16 April 2018, the Issuer and KMG Finance had received Tender Instructions and Voting Instructions in respect of each series of Notes as set out below:

Description of the Notes	Outstanding Principal Amount	Tender Instructions Received (in principal amount of Notes)	Percentage of the Outstanding Notes Tendered	Additional Voting Instructions Received in Favour of the Relevant Proposal (in principal amount of Notes)	Total Instructions received in Favour of the Relevant Proposal (in principal amount of Notes)	Percentage of the Outstanding Notes in respect of which Instructions in Favour of the Relevant Proposal have been Received
The 2020 Notes	U.S.\$1,371,437,000	U.S.\$1,181,533,000	86.15%	U.S.\$119,438,000	U.S.\$1,300,971,000	94.86%
The 2021 Notes	U.S.\$1,130,274,000	U.S.\$959,707,000	84.91%	U.S.\$77,079,000	U.S.\$1,036,786,000	91.73%
The 2025 Notes	U.S.\$123,177,000	U.S.\$117,137,000	95.10%	U.S.\$0	U.S.\$117,137,000	95.10%
The 2043 Notes	U.S.\$512,249,000	U.S.\$472,553,000	92.25%	U.S.\$31,440,000	U.S.\$503,993,000	98.39%

The Tender Offers will expire at 10:00 a.m. (London time) on 1 May 2018, unless extended or earlier terminated, as described in the Memorandum and the Voting Deadlines in respect of the Proposals are on 1 May 2018 at, in respect of the 2020 Notes, 10:00 a.m. (London time), in respect of the 2021 Notes, 10:15 a.m. (London time), in respect of the 2025 Notes, 10:30 a.m. (London time) and, in respect of the 2043 Notes, 10:45 a.m. (London time).

Copies of the Memorandum are available from the Tender and Tabulation Agent as set out below.

Holders are advised to read carefully the Memorandum for full details of and information on the procedures for participating in the Offers.

Questions and requests for assistance in connection with the Offers may be directed to any Dealer Manager.

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Attention: Liability Management Group
Telephone: +44 20 7986 8969
Email: liabilitymanagement.europe@citi.com

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Attention: Liability management
Telephone: +44 20 7134 2468
Email: em_europe_lm@jpmorgan.com

JSC Halyk Finance

109“V” Abay avenue, 5th floor
A05A1B9
Almaty
Republic of Kazakhstan

Attention: Consulting and Underwriting
Department
Telephone: +7-727-357-3177
Email: IB@halykfinance.kz

MUFG Securities EMEA plc

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Attention: Liability Management Group
Telephone: +44-207-577-4048/4218
Email: DCM-LM@int.sc.mufg.jp

UBS AG, London Branch

5 Broadgate
London EC2M 2QS
United Kingdom

Attention: Liability Management Group
Telephone (US): (collect) +1 (203) 719-4210; (toll free) +1 (888) 719-4210
Telephone (UK): +44 20 7568 2133
Email: ol-liabilitymanagement-eu@ubs.com

Questions and requests for assistance in connection with the delivery of Tender Instructions or Voting Instructions may be directed to the Tender and Tabulation Agent.

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom

Attention: David Shilson / Alexander Yangaev
Fax: +44 203 004 1590
Telephone; +44 207 704 0880
Email: kmg@lucid-is.com
Website: <https://portal.lucid-is.com>

This announcement is made by:

JSC NC “KazMunayGas”
19, Kabanbay Batyr Street
Astana 010000
Kazakhstan

KazMunaiGaz Finance Sub B.V.
Strawinskylaan 723 (WTC Tower A, 7th Floor)
1077 XX Amsterdam
The Netherlands

This announcement is made by Mr. Dauren Karabayev, Executive Vice President and Chief Financial Officer, on behalf of JSC NC “KazMunayGas” and Mr. Otmar E. Carolus, Managing Director, on behalf of KazMunaiGaz Finance Sub B.V. and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (16 April 2014).

DISCLAIMER

This announcement must be read in conjunction with the Memorandum. This announcement and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If you are in any doubt as to the contents of this announcement or the Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, legal adviser, accountant or other independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Notes for purchase pursuant to the Tender Offers. For the avoidance of doubt, none of the Dealer Managers, the Tender and Tabulation Agent, the Trustee, the Issuer or KMG Finance makes any recommendation as to whether Holders should participate in the Offers or otherwise provides any legal, business, tax or other advice in connection with the Offers.

This announcement is for informational purposes only. The Offers are being made only pursuant to the Memorandum and only in such jurisdictions as is permitted under applicable law. None of this announcement, the Memorandum nor any other documents or materials relating to the Offers constitutes an offer to purchase or the solicitation of an offer to tender or sell Notes to or from any person located or resident in any jurisdiction where such offer or solicitation is unlawful.

None of the Dealer Managers, the Tender and Tabulation Agent or the Trustee (or their respective affiliates, directors, officers, employees and agents) have separately verified the information contained in the Memorandum and none of the Dealer Managers, the Tender and Tabulation Agent or the Trustee, their affiliates or their respective directors, officers, employees or agents makes any representations, warranties, undertakings or recommendations whatsoever (express or implied) regarding the Memorandum or the Offers and none of such persons accepts any liability or responsibility as to the accuracy or completeness of the information contained in the Memorandum or any other information provided by the Issuer or KMG Finance in connection with or in relation to the Offers or any failure by the Issuer or KMG Finance to disclose material information with regard to the Issuer, KMG Finance or the Offers.

The Dealer Managers, the Trustee and the Tender and Tabulation Agent (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this announcement, the Memorandum or the Offers. The Tender and Tabulation Agent is the agent of the Issuer and KMG Finance and owes no duty to any Holder. None of the Issuer, KMG Finance, the Dealer Managers, the Trustee or the Tender and Tabulation Agent or any of their respective directors, employees or affiliates makes any recommendation as to whether or not the Holders should participate in the Offers or refrain from taking any action in the Offers with respect to any of Notes, and none of them has authorised any person to make any such recommendation.

OFFER AND DISTRIBUTION RESTRICTIONS

General

This announcement does not constitute an offer to purchase, or the solicitation of an offer to tender or sell, or to exercise any voting rights with respect to any, Notes to or from, or by, any person located or resident in any jurisdiction where such offer or solicitation is unlawful, and tenders of Notes by Holders originating from any jurisdiction in which such offer or solicitation is unlawful will not be accepted. The Offers are not being made, directly or indirectly, in any jurisdiction where to do so would impose any obligations on the Issuer or KMG Finance in such jurisdiction, including any requirement to qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction, file any general consent to service of process in any such jurisdiction, subject itself to

taxation in any such jurisdiction if it is not otherwise so subject, make any filing with any regulatory body in any such jurisdiction or otherwise have any document approved by, or submitted to, any regulating body in such jurisdiction. In those jurisdictions where the securities laws or other laws require the Offers to be made by a licensed broker or dealer and any Dealer Manager or any of its respective affiliates is such a licensed broker or dealer in such jurisdiction, the Offers shall be deemed to be made on behalf of the Issuer and KMG Finance by such Dealer Manager or affiliate (as the case may be) in such jurisdiction and the Offers are not made in any such jurisdiction where either a Dealer Manager or any of its affiliates is not licensed. Neither this announcement nor the delivery of the Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or KMG Finance since the date hereof, or that the information herein is correct as of any time subsequent to the date hereof.

Each Holder participating in any Offer will be deemed to give certain representations in respect of the jurisdictions referred to below, and generally, on submission of Notes for tender in the relevant Tender Offer and submission of consent to the relevant Proposal. Any tender of Notes for purchase pursuant to any Tender Offer from a Holder that is unable to make these representations will not be accepted. Each of the Issuer, KMG Finance, the Dealer Managers and the Tender and Tabulation Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to any Tender Offer, or submission of consent to the relevant Proposal, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Issuer or KMG Finance determines (for any reason) that such representation is not correct, such tender will not be accepted.

A Holder who is a Sanctions Restricted Person may not participate in any Offer. No Notes purported to be tendered by a Sanctions Restricted Person pursuant to the Memorandum will be accepted for purchase and no Sanctions Restricted Person will be eligible to receive any monetary amount in respect of the relevant Total Consideration, Tender Offer Consideration or Early Consent Fee in any circumstances. The Issuer (or KMG Finance on the Issuer's behalf), in its discretion, reserves the absolute right not to accept the tender of any Notes by a person whom it has reason to believe is or may be a Sanctions Restricted Person.

United Kingdom

The communication of this announcement, the Memorandum and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (i) persons who have professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons who fall within Article 43(2) of the Financial Promotion Order, including existing members and creditors of the Issuer or KMG Finance, (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Financial Promotion Order or; or (iv) any other persons to whom these documents and/or materials may lawfully be made under the Financial Promotion Order. Any investment or investment activity to which the Memorandum relates is available only to such persons and will be engaged in only with such persons and other persons should not rely on it.

Italy

Neither this announcement, nor the Memorandum nor any other documents or materials relating to the Offers have been or will be submitted to the clearance procedure of the Commissione Nazionale per le

Società e la Borsa (“**CONSOB**”) pursuant to Italian laws and regulations. The Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”), and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended, as the case may be.

A Holder located in the Republic of Italy may tender Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with Notes or the Offers.

Belgium

In Belgium, the Offers will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors referred to in Article 10 § 1 of the Belgian law on the public offering of investment instruments and the admission of investment instruments to trading on regulated markets dated 16 June 2006, as amended from time to time (the “**Belgian Prospectus Law**”). Neither this announcement, nor the Memorandum nor any other documentation or material relating to the Offers has been or will be submitted to the Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit voorfinanciële diensten en markten*”) for approval. Accordingly, in Belgium, the Offers may not be made by way of a public offer within the meaning of article 3 of the Belgian Prospectus Law and article 3 of the Belgian act on public takeover offers dated 1 April 2007, as amended from time to time (the “**Belgian Takeover Act**”). Therefore, the Offers may not be promoted vis-à-vis, and are not being made to, any person in Belgium (with the exception of “qualified investors” within the meaning of Article 10 § 1 of the Belgian Prospectus Law that are acting for their own account and without prejudice to the application of Article 6 § 4 of the Takeover Act). This announcement, the Memorandum and any other documentation or material relating to the Offers (including memoranda, information circulars, brochures or similar documents) have not been forwarded or made available to, and are not being forwarded or made available to, directly or indirectly, any such person. With regard to Belgium, this announcement has been and the Memorandum will be transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offers. Accordingly, the information contained in this announcement and the Memorandum may not be used for any other purpose or be transmitted to any other person in Belgium (without prejudice to the application of article 6 § 4 of the Takeover Act).

France

The Offers are not being made, directly or indirectly, to the general public in the Republic of France. Neither this announcement, nor the Memorandum nor any other documentation or material relating to the Offers (including memorandums, information circulars, brochures or similar documents) has been distributed to, or is being distributed to, the general public in the Republic of France. Only (i) persons that provide investment services in the field of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) (that are not individuals) acting for their own account, in each case as defined in or pursuant to articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code Monétaire et Financier, may participate in the Offers. This announcement and the Memorandum have not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

The Netherlands

In the Netherlands, the Offers will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors as referred to in Section 1:1 of the Dutch Financial Supervision Act, as amended from time to time (*de Wet op het Financieel Toezicht*, the “**FSA**”). Neither this announcement, nor the Memorandum nor any other documentation or material relating to the Offers has been or will be submitted to the Dutch Authority for Financial Markets (*de Autoriteit Financiële Markten*, the “**AFM**”) for approval. Therefore, neither this announcement, the Memorandum nor any other documentation or material relating to the Offers qualify as an approved prospectus as meant in Section 5:2 FSA. Accordingly, in the Netherlands, the Offers may not be made by way of a public offer within the meaning of Section 5:2 FSA and the Offers may not be promoted and are not being made to, any person in the Netherlands (with the exception of “qualified investors” within the meaning of Section 1:1 in conjunction with Section 5:3(1)(a) FSA). This announcement, the Memorandum and any other documentation or material relating to the Offers (including memoranda, information circulars, brochures or similar documents) have not been forwarded or made available to, and are not being forwarded or made available to, directly or indirectly, any such person. With regard to the Netherlands, this announcement has been and Memorandum will be transmitted only for personal use by the aforementioned qualified investors and only for the purpose of the Offers. Accordingly, the information contained in this announcement and the Memorandum may not be used for any other purpose or be transmitted to any other person in the Netherlands.

Republic of Kazakhstan

The Offers are not being made, directly or indirectly, in the Republic of Kazakhstan, except in compliance with the laws and regulations of the Republic of Kazakhstan, including the rules of the KASE. This announcement and the Memorandum have not been and will not be submitted for clearance to nor approved by the National Bank of Kazakhstan.