

**Materials for the Annual General Meeting of Shareholders of  
KazMunaiGas Exploration Production JSC  
21 May 2013**

The annual general meeting of shareholders (“AGM”) of KazMunaiGas Exploration Production JSC (the “Company”) is to be held on 21 May 2013 at 10-30 at the Parliament Suite of the Duman Hotel, located at Qurghalzhyn Highway, 2A, Astana, Kazakhstan, pursuant to a resolution adopted on 16 April 2013 by the Company’s Board of Directors. The agenda is as follows:

1. Approval of the 2012 annual consolidated financial statements
2. Approval of procedure for distribution of Company’s net income for 2012 and amount of dividend per ordinary share and per preferred share of the Company for 2012
3. Approval of the annual report of the Company for 2012
4. Review of appeals from shareholders against Company’s and its officers’ actions, and results of such review in 2012
5. Report on compensation package for the members of the Board of Directors and the Management Board in 2012
6. Approval of the report on performance of the Board of Directors and the Management Board in 2012

## **1. Approval of the 2012 annual consolidated financial statements**

Pursuant to Clause 10) Article 11.1 of the Company's Charter, approval of the annual financial statements of the Company is within the exclusive authority of the general meeting of shareholders. In accordance with requirements of the London Stock Exchange and the Kazakhstan Stock Exchange, the Company must disclose information about itself and its activities and announce the consolidated financial statements following year-end results.

In accordance with International Standards on Auditing, Ernst & Young have audited the consolidated financial statements of the Company for 2012 and prepared their opinion based on the audit.

The key figures in the Financial Statements for 2012 are as follows:

- revenue – 797 170 million tenge;
- share of results of associates and joint ventures – 67 442 million tenge;
- production expenses – 140 362 million tenge;
- taxes other than on income – 274 171 million tenge;
- property, plant and equipment impairment – 77 012 million tenge;
- depreciation, depletion and amortization – 53 747 million tenge;
- selling, general and administrative expenses – 93 088 million tenge;
- exploration expenses – 6 104 million tenge;
- loss on disposal of fixed assets – 3 189 million tenge;
- finance income less finance costs – 27 297 million tenge;
- foreign exchange gain – 9 513 million tenge;
- profit before tax – 253 749 million tenge;
- net profit – 160,823 million tenge.

The Company's annual consolidated financial statements are available either at [www.kmgep.kz](http://www.kmgep.kz) or provided upon request from shareholders.

### **Resolution:**

**Approve the 2012 annual consolidated financial statements of the Company.**

## **2. Approval of procedure for distribution of Company's net income for 2012 and amount of dividend per ordinary share and per preferred share of the Company for 2012**

In accordance with Subclause 3) Clause 3 Article 44 of Kazakhstan's Joint-Stock Company Law (the "JSC Law") and Subclause 3) of Article 10.28 of the Company's Charter, materials for an annual general meeting of shareholders shall include recommendations of the Board of Directors on procedure for distribution of Company's net income for the past financial year and amount of dividend for the year per ordinary share and per preferred share of the Company. Pursuant to Article 8.1 of the Company's Charter, the record date of shareholders entitled to dividends may not be set less than ten (10) calendar days after the date of decision on dividend payment. The beginning of dividend payment shall commence no less than thirty (30) calendar days after the record date of the shareholders entitled to dividends.

On 16 April 2013, the Board of Directors recommended to the annual general meeting of shareholders to approve the procedure for distribution of Company's net income and amount of dividend per ordinary share and per preferred share of the Company for 2012.

Based on the aforesaid and proposal from the Company's Board of Directors, the annual general meeting of shareholders is recommended to approve the following procedure for distribution of Company's net income for 2012 and amount of dividend per ordinary share and per preferred share of the Company for 2012:

- 1) the amount of dividend for 2012 per one ordinary share of the Company is 1 619 tenge (including taxes payable under the laws of Kazakhstan);
- 2) the amount of dividend for 2012 per one preferred share of the Company is 1 619 tenge (including taxes payable under the laws of Kazakhstan);
- 3) to distribute the Company's net income for the reported financial year in the amount of 160 823 million tenge pursuant to the audited consolidated financial statements for 2012 in the following manner:
  - to distribute as dividends the amount equal to the product of the amount of dividend for 2012 per one ordinary share and one preferred share and the number of outstanding shares as of the record date of shareholders entitled to dividends; and
  - to leave the balance at the disposal of the Company;
- 4) the list of shareholders entitled to dividends shall be fixed on 31 May 2013 at 23-59;
- 5) dividend payment will commence on 1 July 2013;
- 6) procedure for and form of dividends payment is by money transfer to bank accounts of shareholders according to the list of shareholders entitled to dividends.

**Resolution:**

**1. Approve the following procedure for distribution of net income of the Company (full name: Joint-stock Company KazMunaiGas Exploration Production; address: Kabanbay Batyr Avenue, 17, 010000, Astana, Republic of Kazakhstan; bank details: BIN 040340001283, IBAN KZ656010111000022542, SWIFT HSBKKZKX, JSC Halyk Bank of Kazakhstan, Astana Regional Branch) for 2012 and the amount of dividend for 2012 per one ordinary share and per one preferred share of the Company:**

- 1) the amount of dividend for 2012 per one ordinary share of the Company is 1 619 tenge (including taxes payable under the laws of Kazakhstan);**
- 2) the amount of dividend for 2012 per one preferred share of the Company is 1 619 tenge (including taxes payable under the laws of Kazakhstan);**
- 3) to distribute the Company's net income for the reported financial year in the amount of 160 823 million tenge pursuant to the audited consolidated financial statements for 2012 in the following manner:**
  - to distribute as dividends the amount equal to the product of the amount of dividend for 2012 per one ordinary share and one preferred share and the number of outstanding shares as of the record date of shareholders entitled to dividends; and**
  - to leave the balance at the disposal of the Company;**
- 4) the list of shareholders entitled to dividends shall be fixed on 31 May 2013 at 23-59;**
- 5) dividend payment will commence on 1 July 2013;**
- 6) procedure for and form of dividends payment is by money transfer to bank accounts of shareholders according to the list of shareholders entitled to dividends.**

**2. Abat Nurseitov, General Director and Chairman of the Management Board, shall take all necessary actions arising from this resolution in accordance with the laws of the Republic of Kazakhstan.**

### **3. Approval of the annual report of the Company for 2012**

Pursuant to Article 10.29 and Subclause 41) Article 12.2 of the Company's Charter, and in compliance with UKLA's Disclosure and Transparency Rules and corporate governance standards recommended by the Company's Code on Corporate Governance, the annual report is prepared by the Company's Management Board and approved and presented to the general meeting of shareholders by the Company's Board of Directors. The 2012 annual report is hereby brought to the attention of shareholders. The Company's annual report for 2012 is available at [www.kmgep.kz](http://www.kmgep.kz) or provided upon request from shareholders.

**Resolution:**

**Approve the annual report of the Company for 2012.**

**4. Review of appeals from shareholders against Company's and its officers' actions, and results of such review in 2012**

Pursuant to Clause 2) of Article 35 of the JSC Law and Article 10.3 of the Company's Charter, the annual general meeting of shareholders shall review complaints from shareholders in relation to actions taken by the Company or its officers as well as results of such review. There were no such complaints from Company's shareholders in relation to actions taken by the Company or its officers in 2012.

**Resolution:**

**Take note of this information.**

## **5. Report on compensation package for the members of the Board of Directors and the Management Board in 2012**

In 2012, only the independent directors from amongst the directors were compensated for their work in the Board of Directors and its Committees. The total amount of compensation to the independent directors was US\$713 200 excluding taxes (121 250 thousand tenge including taxes), including: to Paul Manduca – US\$206 200 excluding taxes (34 126 thousand tenge including taxes); to Edward Walshe – US\$262 500 excluding taxes (43 562 thousand tenge including taxes); and to Philip Dayer – US\$262 500 excluding taxes (43 562 thousand tenge including taxes).

The compensation for the independent directors has been determined by annual general meeting of shareholders held on 25 May 2010. It includes the annual compensation, compensation for attending a meeting of the Board of Directors, compensation for attending Board meetings via telephone and video conference, compensation for attending meetings of independent directors, and compensation for chairing the audit committee, remuneration committee and strategic planning committee of the Company's Board of Directors.

The remaining members of the Board of Directors are not compensated as members of the Board of Directors, but they are entitled to reimbursement of costs related to such appointment.

### **Resolution:**

**Take note of this information.**

## **6. Approval of the report on performance of the Board of Directors and the Management Board in 2012**

Pursuant to Article 9.1 of the Provisions on the Company's Board of Directors, together with the annual report and consolidated financial statements of the Company, the Board of Directors submits a report on performance of the Board of Directors and the Management Board.

Detailed information on the Board of Directors and the Management Board report for 2012 is provided in the Company's annual report for 2012. The Company's annual report for 2012 is available at [www.kmgep.kz](http://www.kmgep.kz) or provided upon request from shareholders.

### **Resolution:**

**Approve the report on performance of the Board of Directors and the Management Board of the Company for 2012.**