

OPERATING REVIEW



KMG is the national leader in Kazakhstan's oil and gas industry with a fully integrated value chain.

The proved reserves (1P)

16 years

far exceeding the average for global oil majors (about 11 years).

RESERVES

According to the reserves audit report prepared by the international independent consulting firm DeGolyer and MacNaughton in line with the PRMS international standard, KMG's proved plus probable hydrocarbon reserves (2P) were 707 mln toe (5,478 mln boe) as of 31 December 2021. 2P reserves increased by 9% year-on-year. The increase is mainly attributable to comprehensive initiatives in hydrocarbon reserves management, including the recalculation of hydrocarbon reserves at the Kalamkas and other fields, as well as the increase of the share in the Kashagan field from 8.44% to 16.88% (on 15 September 2022, KMG acquired a 50% stake in KMG Kashagan B.V. from Samruk-Kazyna) and improved macroeconomic environment (higher oil prices).

EXPLORATION

In exploration, KMG pursues its Development Strategy until 2031 approved in 2021.

The Development Strategy provides for the strategic goal of the Resource base sufficient to support the Company's growth that envisages exploration at seven offshore and seven onshore projects, as well as further exploration at the key existing fields. The exploration is expected to increase the Company's recoverable reserves by 299 mln tonnes by 2031. We plan to achieve a reserve replacement ratio of 105%.

In the medium term, KMG will continue to ramp up its investment in exploration, with plans to invest approximately USD 900 mln between 2023 and 2030. The planned exploration programme includes 2D and 3D seismic surveys of more than 5,000 linear km and more than 2,400 sq km, respectively.

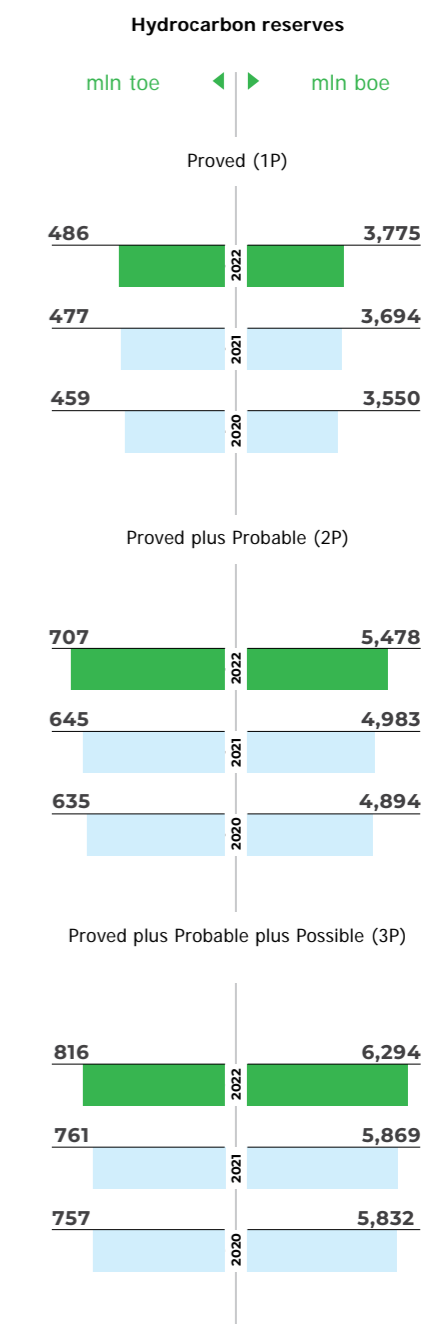
During this period, we expect 56 exploration and appraisal wells to be drilled, including:

- first prospecting wells at the Zhenis, Karaton Subsalt, Turgai Palaeozoic, Taisoigan, Abay and Al-Farabi exploration blocks with further drilling of related appraisal wells;
- more than 25 appraisal wells for continued further exploration and reserve replenishment at existing fields.

299 mln tonnes
recoverable reserves by 2031

105%
reserve replacement ratio

NET RESERVES¹ UNDER PRMS as of 31 December 2022



¹ Net Reserves are defined as the portion of gross reserves attributable to (1) the interest held by KMG after deducting all interests held by others, and (2) interests that are not held, but controlled by KMG.