

### JSC NC KazMunayGas 9M 2021 Trading Update

**Nur-Sultan, 28 October 2021** - Joint-stock (JSC) National Company (NC) KazMunayGas (“KMG” or “Company”), Kazakhstan's national vertically integrated oil and gas company, announces its operating results for the nine months of 2021.

#### Highlights for the nine months of 2021 in comparison with the nine months of 2020:

- Oil and gas condensate production amounted to 15,923 thous. tonnes as compared to 16,423 thous. tonnes in nine months of 2020;
- The transportation volume of oil amounted to 55,727 thous. tonnes as compared to 55,225 thous. tonnes in nine months of 2020;
- Transportation volume of gas increased by 12.0% to 71 036 million m<sup>3</sup>;
- Hydrocarbons refining volumes at the Kazakh and Romanian refineries has grown by 7.7% to 14,083 thous. tonnes in comparison with 13,081 thous. tonnes in previous year.

|  | 9M 2021<br>(net to KMG) | 9M 2020<br>(net to KMG) | %     |
|--|-------------------------|-------------------------|-------|
| Oil production, thous. tonnes          | 15,923                  | 16,423                  | -3.0% |
| Gas production, mln m <sup>3</sup>     | 5,811                   | 6,173                   | -5.9% |
| Oil transportation, thous. tonnes      | 55,727                  | 55,225                  | 0.9%  |
| Gas transportation, mln m <sup>3</sup> | 71,036                  | 63,448                  | 12.0% |
| Oil refining, thous. tonnes            | 14,083                  | 13,081                  | 7.7%  |

#### Operational results for the nine months of 2021

Operating results presented in accordance with KMG's ownership interest in joint ventures and associates and 100% of results for consolidated subsidiaries, unless specifically indicated otherwise.

#### Upstream

The volume of oil and gas condensate production by KMG in the nine months of 2021 amounted to 15,923 thous. tonnes (436 kbopd), showing a decrease of 3.0% compared to the nine months of the last year. The volume of production of associated and natural gas decreased by 5.9% to 5,811 million m<sup>3</sup>.

| Oil and condensate production, thous. tonnes | 9M 2021<br>(net to KMG) | 9M 2020<br>(net to KMG) | %            |
|--|-------------------------|-------------------------|--------------|
| OMG  | 3,988                   | 4,027                   | -1.0%        |
| MMG  | 2,192                   | 2,229                   | -1.7%        |
| EMG  | 1,855                   | 1,967                   | -5.7%        |
| Tengiz                                       | 3,786                   | 4,032                   | -6.1%        |
| Kashagan                                     | 952                     | 954                     | -0.3%        |
| Karachaganak                                 | 768                     | 816                     | -5.9%        |
| Others                                       | 2,382                   | 2,397                   | -0.6%        |
| <b>Total</b>                                 | <b>15,923</b>           | <b>16,423</b>           | <b>-3.0%</b> |

Oil production at Tengiz decreased by 6.1% compared to the nine months of the last year, amounting to 3,786 thous. tonnes (111 kbopd), and gas production declined by 9.9%, amounting to 2,016 million m<sup>3</sup>. A significant impact on the decline in oil production was made by the commitments to limit production within the framework of OPEC + agreement, as well as the planned overhaul of the second-generation plant and sour gas injection units in August and September 2021.

Oil production at Kashagan in the third quarter of 2021 was increased by 20.2% compared to the third quarter of 2020 due to an increase in the quota for Kazakhstan from August of this year under the OPEC + agreement, as a result of which the production volume net to KMG for nine months of 2021 reached 952 thous. tonnes (28 kbopd), which is comparable to the volumes of the nine months of 2020, in which production restrictions began to operate only from the second quarter. The volume of production of natural and associated gas increased by 1.3% and amounted to 581 million m<sup>3</sup>.

Oil and condensate production at Karachaganak decreased by 5.9% and amounted to 768 thous. tonnes (22 kbopd). Gas production amounted to 1,404 million m<sup>3</sup> and decreased by 6.4% from the level of nine months of 2020. The decline in production was due to restrictions on the intake of gas sent for processing to the Orenburg Gas Processing Plant, as well as due to repair work at the Gas Processing Unit - 2 and the Gas Processing Unit - 3.

The volume of oil and condensate production from operating assets decreased by 1.9% to 10,417 thous. tonnes (276 kbopd) and gas production decreased by 2.7% to 1,807 million m<sup>3</sup>. The decline in oil and condensate production is mainly due to the obligations assumed to limit production under the OPEC + agreement, as well as a natural decline in production at mature fields.

## Midstream

The volume of oil trunk pipelines and sea transportation in the nine months of 2021 decreased by 0.9% to 55,727 thous. tonnes<sup>1</sup>.

| Oil transportation, thous. tonnes | 9M 2021<br>(100%) | 9M 2021<br>(net to KMG) | 9M 2020<br>(net to KMG) | %           |
|-----------------------------------|-------------------|-------------------------|-------------------------|-------------|
| KazTransOil                       | 30,824            | 30,824                  | 31,742                  | -2.9%       |
| Kazakhstan-China Pipeline         | 13,030            | 6,515                   | 5,821                   | 11.9%       |
| MunaiTas <sup>2</sup>             | 3,047             | 1,554                   | 1,199                   | 29.6%       |
| Caspian Pipeline Consortium       | 43,898            | 9,109                   | 9,253                   | -1.6%       |
| Kazmortransflot                   | 7,726             | 7,726                   | 7,210                   | 7.2%        |
| <b>Total</b>                      | -                 | <b>55,727</b>           | <b>55,225</b>           | <b>0.9%</b> |

<sup>1</sup> Part of the volume of oil can be transported by two or three pipeline companies, and correspondingly these volumes are counted more than once in the consolidated volume of oil transportation.

<sup>2</sup> Munaitas is an equity-consolidated joint venture and transportation volumes are quoted at a 51% ownership interest.

The volume of oil transportation through trunk pipelines in the nine months of 2021 remained almost unchanged compared to 2020 and amounted to 48,002 thous. tonnes. At the same time, there is a decrease in the volumes of oil delivered by KazTransOil and the Caspian Pipeline Consortium due to the fulfillment of obligations by shippers to limit oil production under the OPEC + agreement. An increase in the volume of trunk oil transportation is observed along MunaiTas and the Kazakhstan-China Pipeline, mainly due to an increase in volumes in the direction of the Pavlodar refinery and the Shymkent refinery to ensure the required refining volumes of in the domestic market.

Compared to the same period last year, the total volume of oil transportation by sea in the first nine months of 2021 increased by 7.2% to 7,726 thous. tonnes, mainly due to the growth in transportation in the Mediterranean Sea, thanks to the recovery of the oil shipping market in the world.

The volume of gas transported through the trunk gas pipelines of KMG in the first nine months of 2021 increased by 12.0% to 71,036 million m<sup>3</sup>. The increase was due to an increase in transit flows of Central Asian gas to Russia and China, as well as an increase in gas consumption in the domestic market of Kazakhstan. Along with this, there is a decrease in the volumes of gas transportation for export due to the redistribution of part of the gas volumes to meet the needs of the domestic market, as well as due to the reduction of commercial gas production by large suppliers.

| Gas transportation, mln m <sup>3</sup> | 9M 2021<br>(100%) | 9M 2021<br>(net to KMG) | 9M 2020<br>(net to KMG) | %            |
|--|-------------------|-------------------------|-------------------------|--------------|
| Intergas Central Asia                  | 48,654            | 48,654                  | 42,626                  | 14.1%        |
| Asia Gas Pipeline                      | 33,783            | 16,891                  | 14,469                  | 16.7%        |
| Beineu-Shymkent Gas Pipeline           | 9,349             | 4,675                   | 4,464                   | 4.7%         |
| KazTransGas Aimak <sup>1</sup>         | 816               | 816                     | 1,889                   | -56.8%       |
| <b>Total</b>                           | -                 | <b>71,036</b>           | <b>63,448</b>           | <b>12.0%</b> |

<sup>1</sup>KazTransGas Aimak (KTGA) entered into a sale and purchase agreement for gas trunk pipelines and attributable facilities dated 19.03.21. Under the agreement, the Zhanaozen-Aktau gas pipeline was transferred to ICA. In this connection, since April 2021, the KTGA does not account trunk pipelines transportation.

## Trading

The volume of sales of KMG's own produced oil and gas condensate in the nine months of 2021 decreased by 5.1% compared to the same period of last year and amounted to 16,141 thous. tonnes, of which 63.0% was exported.

Supplies to the domestic market of own produced oil and gas condensate amounted to 5,956 thous. tonnes, including supplies of crude oil from operating assets (Ozenmunaigas, Embamunaigas, Kazakhturkmunai and Urikhtau Operating) in the amount of 3,297 thous. tonnes to the Atyrau Refinery, Shymkent refinery and Pavlodar refinery for further oil refining and sale of oil products.

Commercial gas sales in the nine months of 2021 increased slightly, by only 0.2% compared to the nine months of 2020 and amounted to 15 523 million m<sup>3</sup>. Export of commercial gas amounted to 4,671 million m<sup>3</sup>, of which 96% was exported to China. Compared to the same period in 2020, there is a decrease in gas export volumes by 21.3%, associated with a decrease in gas supplies to Russia and China.

## Downstream

| Hydrocarbon refining, thous. tonnes | 9M 2021<br>(net to KMG) | 9M 2020<br>(net to KMG) | %           |
|-------------------------------------|-------------------------|-------------------------|-------------|
| Atyrau refinery                     | 4,007                   | 3,679                   | 8.9%        |
| Pavlodar refinery                   | 4,321                   | 3,519                   | 22.8%       |
| Shymkent refinery <sup>1</sup>      | 1,829                   | 1,767                   | 3.5%        |
| Caspi Bitum                         | 373                     | 346                     | 7.6%        |
| Petromidia                          | 3,326                   | 3,504                   | -5.1%       |
| Vega                                | 227                     | 265                     | -14.4%      |
| <b>Total</b>                        | <b>14,083</b>           | <b>13,081</b>           | <b>7.7%</b> |

<sup>1</sup> Shymkent refinery processing volume is indicated at a share of 50%

For the nine months of 2021, the total refining volume compared to the nine months of 2020 increased by 7.7% and amounted to 14,083 thous. tonnes:

- At Kazakh refineries, the volume of hydrocarbon refining increased by 13.1% and amounted to 10,530 thous. tonnes, which is comparable to the volume of nine months before the pandemic. A significant increase in refining volumes at Pavlodar refinery and Atyrau refinery is due to an increase in demand for oil products in the domestic market this year, as well as the shutdown of refineries for overhaul last year and continuous operation of refineries this year;
- The volume of refining at the KMG International refineries (Petromidia, Vega) in Romania amounted to 3,553 thous. tonnes, which is 5.7% less than in nine months last year. The decrease in refining volumes is associated with a complete shutdown of the refinery for three months due to the fire of the diesel hydrotreating unit at Petromidia on July 2, 2021.

In the nine months of 2021, the volume of oil products production at Kazakh and Romanian refineries increased by 7.7% and amounted to 13,179 thous. tonnes:

- Kazakhstani refineries produced 9,744 thous. tonnes of oil products, which is 14.0% more than in the first nine months of last year, demonstrating a complete recovery of production volumes before the pandemic;
- Plants of KMG International (Petromidia, Vega) produced 3,434 thous. tonnes of petroleum products, which is 7.0% less than in the first nine months of 2020.

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**About JSC National Company KazMunayGas:**

JSC National Company KazMunayGas (KMG) is Kazakhstan's leading vertically integrated oil and gas company, operating assets across the entire production cycle from the exploration and production of hydrocarbons to transportation, refining and specialized services. Established in 2002, the company represents Kazakhstan's interests in the national oil and gas industry.

KMG's main assets are as follows:

**Upstream:** Ozenmunaigas (OMG) – 100%, Embamunaigaz (EMG) – 100%, KazakhTurkmenai (KTM) – 100%, KazMunayTeniz – 100%, Urikhtau (UO) – 100%, Mangistaumunaigaz (MMG) – 50%, Kazgermunai (KGM) – 50%, Karazhanbasmunai (KBM) – 50%, KazakhOil Aktobe (KOA) – 50%, Petrokazakhstan Inc (PKI) – 33%, Tengizchevroil (TCO) – 20%, Karachaganak (KPO) – 10%, Kashagan – 8.44%.

**Midstream:** KazTransOil – 90%, Kazakhstan China Pipeline (KCP) – 50%, Munai Tas – 51%, Batumi Oil Terminal – 100%, Caspian Pipeline Consortium (CPC) – 20.75%, Kazmortransflot – 100%, KazTransGas – 100%, Intergas Central Asia (ICA) – 100%, Asia Gas Pipeline (AGP) – 50%, KazTransGas Aimak – 100%, Beineu-Shymkent Gas Pipeline (BSGP) – 50%, KazRosGas – 50%.

**Downstream:** Pavlodar refinery – 100%, Atyrau refinery – 99,53%, Shymkent refinery – 49,72%, KMG International – 100%, Petromidia – 54,63%, Vega – 54,63%.