

**JSC "National Company
"KazMunayGas"**

Interim Condensed Consolidated Financial Statements (unaudited)

*For the three months ended
March 31, 2013*

CONTENT

Report on Review of Interim Condensed Consolidated Financial Statements*Interim Condensed Consolidated Financial Statements (unaudited)*

Interim Consolidated Statement of Financial Position.....	1-2
Interim Consolidated Statement of Comprehensive Income.....	3
Interim Consolidated Statement of Cash Flows.....	4-5
Interim Consolidated Statement of Changes in Equity	6
Notes to the Interim Condensed Consolidated Financial Statements.....	7-31

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION


<i>In thousands of Tenge</i>	<i>Note</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,400,526,942	3,423,256,395
Exploration and evaluation assets	8	187,901,736	185,284,168
Intangible assets	9	201,437,668	201,207,926
Long-term bank deposits	10	4,386,100	2,487,515
Investments in joint ventures and associates	11	972,477,275	894,097,039
Deferred income tax assets		37,589,201	34,167,348
VAT recoverable		7,273,921	8,641,358
Advances for non-current assets		118,475,950	117,846,042
Bonds receivable from the Parent		36,772,575	36,725,575
Note receivable from a shareholder of a joint venture		14,971,795	14,326,455
Note receivable from associate		21,041,275	20,721,926
Loan due from related parties		18,770,670	16,637,532
Other non-current assets		31,873,620	30,347,102
		5,053,498,728	4,985,746,381
Current assets			
Inventories	12	221,163,184	203,281,273
VAT recoverable		125,618,112	123,223,688
Income taxes prepaid		62,125,105	42,555,972
Trade accounts receivable	13	274,779,473	219,286,785
Other short-term financial assets	14	614,428,488	659,577,808
Note receivable from a shareholder of a joint venture		3,897,618	3,895,304
Dividends receivable from associate	11	34,820,940	34,820,940
Other current assets	13	109,301,164	135,026,188
Cash and cash equivalents	15	467,636,097	415,085,451
		1,913,770,181	1,836,753,409
Assets classified as held for sale		11,872,936	11,221,633
		1,925,643,117	1,847,975,042
TOTAL ASSETS		6,979,141,845	6,833,721,423

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of Tenge</i>	<i>Note</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	16	527,760,531	527,760,531
Additional paid-in capital	16	19,645,866	19,062,712
Other equity		2,209,786	2,180,382
Currency translation reserve		225,727,121	222,112,349
Retained earnings		2,346,846,202	2,241,272,475
Attributable to equity holders of the Parent		3,122,189,506	3,012,388,449
Non-controlling interest	16	596,942,201	581,147,319
Total equity		3,719,131,707	3,593,535,768
Non-current liabilities			
Borrowings	17	1,563,413,341	1,593,704,304
Payable for the acquisition of additional interest in the North Caspian Project		229,807,830	226,366,710
Provisions	18	111,113,669	115,117,818
Deferred income tax liabilities		148,719,259	154,546,429
Other non-current liabilities		26,327,246	26,174,856
		2,079,381,345	2,115,910,117
Current liabilities			
Borrowings	17	461,531,536	469,943,861
Provisions	18	48,407,530	34,598,962
Income taxes payable		66,336,329	48,103,198
Trade accounts payable		267,951,559	227,115,792
Payable for the acquisition of additional interest in the North Caspian Project		113,188,000	113,183,280
Other taxes payable	19	105,820,215	109,435,007
Derivatives		34,392	372,026
Other current liabilities	20	113,474,791	117,740,857
		1,176,744,352	1,120,492,983
Liabilities directly associated with the assets classified as held for sale		3,884,441	3,782,555
		1,180,628,793	1,124,275,538
Total liabilities		3,260,010,138	3,240,185,655
TOTAL EQUITY AND LIABILITIES		6,979,141,845	6,833,721,423


Explanatory notes on pages 7 through 31 form an integral part of these interim condensed consolidated financial statements

Deputy Chairman of Management Board on Economy and Finance



Kasymbek A.M.

Chief Accountant



Valentinova N.S.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Tenge</i>	<i>Note</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited) (restated*)
Revenue	21	725,273,594	743,132,243
Cost of sales	22	(514,278,147)	(508,131,549)
Gross profit		210,995,447	235,000,694
General and administrative expenses	23	(33,580,954)	(32,747,102)
Transportation and selling expenses	24	(75,469,197)	(100,854,020)
Impairment of property, plant and equipment, exploration and evaluation assets, intangible assets other than goodwill	7	(56,490,426)	(146,118)
Loss on disposal of property, plant and equipment, net		(827,149)	(1,284,038)
Other operating income		2,760,645	3,556,465
Other operating expenses		(2,053,523)	(1,374,650)
Operating profit		45,334,843	102,151,231
Net foreign exchange loss		(454,393)	3,213,686
Finance income	25	8,361,028	8,312,804
Finance costs	26	(42,181,713)	(46,871,564)
Share of income of joint ventures and associates	27	147,955,717	135,007,954
Profit for the period from continuing operations before income tax		159,015,482	201,814,111
Income tax expenses	28	(34,015,989)	(35,320,953)
Profit for the period from continuing operations		124,999,493	166,493,158
Discontinued operation			
Loss after income tax for the period from discontinued operations	5	(192,903)	(341,248)
Profit for the period		124,806,590	166,151,910
Other comprehensive income:			
Foreign currency translation		3,599,686	(5,055,717)
Other comprehensive income for the period to be reclassified to profit or loss in subsequent periods		3,599,686	(5,055,717)
Total comprehensive income for the period, net of tax		128,406,276	161,096,193
Profit for the period attributable to:			
Equity holder of the Parent		108,990,047	142,220,786
Non-controlling interest		15,816,543	23,931,124
		124,806,590	166,151,910
Total comprehensive income for the period, net of tax attributable to:			
Equity holder of the Parent		112,604,818	137,355,922
Non-controlling interest		15,801,458	23,740,271
		128,406,276	161,096,193

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Deputy Chairman of Management Board on Economy and Finance

Kasymbek A.M.

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Tenge</i>	<i>Note</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited) (restated*)
Cash flows from operating activities:			
Profit before income tax for the period from continuing operations		159,015,482	201,814,111
Loss before income tax for the period from discontinued operations		(192,903)	(341,248)
Adjustments for:			
Depreciation, depletion and amortization	22, 23, 24		
Share of income of joint ventures and associates	27	46,911,795	38,175,925
Finance costs	26	(147,955,717)	(135,007,954)
Finance income	25	42,181,713	46,871,564
Impairment of property, plant and equipment, exploration and evaluation assets, intangible assets other than goodwill	7, 9	(8,361,028)	(8,312,804)
Loss on disposal of property, plant and equipment		56,490,426	146,118
Provisions	18	827,149	1,284,038
Impairment of trade accounts receivable, other current and non-current assets	23	7,694,112	1,421,088
Accrual of provision for obsolete inventory	12	(790,216)	(38,873)
Recognition of share based payments		(1,346,507)	(172,395)
Loss on unrealized foreign exchange		29,404	54,526
Operating profit before working capital changes		13,647	(4,339,786)
Change in inventories		(15,265,250)	(22,218,506)
Change in VAT recoverable		(1,026,987)	1,474,881
Change in trade accounts receivable and other assets		(27,187,491)	(14,383,232)
Change in other taxes payable		(3,620,584)	15,203,281
Change in trade accounts payable		40,835,767	22,692,225
Change in other liabilities and short-term provisions		(10,868,507)	(227,408,960)
Cash generated from operations		137,384,305	(83,086,001)
Income taxes paid		(44,595,222)	(34,008,063)
Interest received		4,646,570	1,608,924
Interest paid		(24,802,592)	(22,498,440)
Net cash flow from operating activities		72,633,061	(137,983,580)
Cash flows from investing activities:			
Placement of bank deposits, net		41,220,546	(156,124,326)
Purchase of property, plant and equipment, exploration and evaluation assets, intangible assets and investment property		(84,147,751)	(97,005,342)
Proceeds from sale of property, plant and equipment, exploration and evaluation assets, intangible assets and investment property		66,082	925,501
Dividends received from joint ventures and associates		70,900,694	173,282,604
Net cash flow used in investing activities		28,039,571	(78,921,563)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In thousands of Tenge</i>	<i>Note</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited) (restated*)
Cash flows from financing activities:			
Proceeds from borrowings		95.878.176	320.038.981
Repayment of borrowings		(145.073.843)	(155.811.815)
Buy back of shares by subsidiaries		—	(6.223.922)
Acquisition of non-controlling interest		(147.759)	—
Net cash flow from financing activities		(49.343.426)	158.003.244
Effects of exchange rate changes on cash and cash equivalents		1.221.440	487.162
Net change in cash and cash equivalents		51.329.206	(58.901.899)
Cash and cash equivalents at the beginning of the period	15	415.085.451	581.952.853
Cash and cash equivalents at the end of the period	15	467.636.097	523.538.116

Explanatory notes on pages 7 through 31 form an integral part of these interim condensed consolidated financial statements

Deputy Chairman of Management Board on Economy and Finance



Kasymbek A.M.

Chief Accountant



Valentinova N.S.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Tenge Note	Attributable to equity holder of the Parent					
	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings	Total
	16	16			16	16
As at December 31, 2011 (audited) (restated*)	341,393,764	17,314,366	1,966,059	188,573,100	2,033,113,206	2,582,360,495
Net profit for the period (restated*)	-	-	-	-	142,220,786	142,220,786
Other comprehensive income (restated*)	-	-	-	(4,864,864)	-	(4,864,864)
Total comprehensive income for the period (restated*)	-	-	-	(4,864,864)	142,220,786	137,355,922
Contribution (restated*)	-	(4,076,372)	-	-	-	(4,076,372)
Recognition of share based payments at subsidiaries	-	-	54,526	-	-	54,526
Acquisition of treasury shares by subsidiary	-	-	-	-	(2,692,154)	(2,692,154)
Change in ownership of subsidiaries	-	-	-	-	(370)	(370)
As at March 31, 2012 (unaudited) (restated*)	341,393,764	13,237,994	2,020,585	183,708,236	2,172,641,468	2,713,002,047
As at December 31, 2012 (audited)	527,760,531	19,062,712	2,180,382	222,112,349	2,241,272,475	3,012,388,449
Net profit for the period	-	-	-	-	108,990,047	108,990,047
Other comprehensive income	-	-	-	3,614,772	-	3,614,772
Total comprehensive income for the period	-	-	-	3,614,772	108,990,047	112,604,819
Contribution from the Parent (Note 16)	-	583,154	-	-	-	583,154
Other transactions with the Parent, net (Note 16)	-	-	-	-	(3,275,136)	(3,275,136)
Recognition of share based payments at subsidiaries	-	-	29,404	-	16,445	45,849
Change in ownership of subsidiaries	-	-	-	-	(157,629)	(157,629)
As at March 31, 2013 (unaudited)	527,760,531	19,645,866	2,209,786	225,727,121	2,346,846,202	3,122,189,506
As at March 31, 2013 (unaudited)	527,760,531	19,645,866	2,209,786	225,727,121	2,346,846,202	3,122,189,506
						596,942,201
						3,719,131,707

The accounting policies and explanatory notes on pages 7 through 31 form an integral part of these interim condensed consolidated financial statements

Deputy Chairman of Management Board on Economy and Finance

Chief Accountant



Kasymbek A.M.
Valentinova N.S.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

JSC “National Company “KazMunayGas” (the “Company” or “KazMunayGas”) is a wholly owned state oil and gas enterprise of the Republic of Kazakhstan, which was established on February 27, 2002 as a closed joint stock company pursuant to the Decree No. 811 of the President of the Republic of Kazakhstan dated February 20, 2002 and the resolution of the Government of the Republic of Kazakhstan (the “Government”) No. 248 dated February 25, 2002. The Company was formed as a result of the merger of National Oil and Gas Company Kazakhoil CJSC (“Kazakhoil”) and National Company Transport Nefti i Gaza CJSC (“TNG”). As the result of the merger, all assets and liabilities, including ownership interest in all entities owned by these companies, have been transferred to KazMunayGas. The Company was reregistered as a joint stock company in accordance with the legislation of the Republic of Kazakhstan in March 2004.

The sole shareholder of the Company is JSC Sovereign Welfare Fund “Samruk-Kazyna” (the “Parent”, the “Shareholder” or “Samruk-Kazyna”). The Government is the sole shareholder of Samruk-Kazyna.

As at March 31, 2013 the Company has an interest in 38 companies (2012: 37) (together the “Group”).

The Company has its registered office in the Republic of Kazakhstan, Astana, 19, Kabanbay Batyr avenue.

The principal objective of the Group includes, but is not limited, to the following:

- participation in the Government activities relating to the oil and gas sector;
- representation of the state interests in the subsoil use contracts through equity participation in those contracts; and
- corporate governance and monitoring of exploration, development, production, processing, transportation and sale of hydrocarbons and design, construction and maintenance of oil-and-gas pipeline and field infrastructure.

These interim condensed consolidated financial statements of the Group were approved for issue by the Vice Chairman of Management Board on Economy and Finance and the Chief Accountant on November 1, 2013.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended March 31, 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting (IAS 34). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2012.

Foreign currency translation

Functional and presentation currency

Items included in these interim condensed consolidated financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The interim condensed consolidated financial statements are presented in Kazakhstan Tenge (“Tenge” or “KZT”) (“presentation currency”).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at interim reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the interim consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates effective at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Foreign currency translation (continued)

Group Companies

The results and financial position of all of the Group's subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each set of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange (“KASE”) are used as official currency exchange rates in the Republic of Kazakhstan.

The currency exchange rates of KASE as at March 31, 2013 and December 31, 2012 were 150.84 Tenge and 150.74 to US\$ 1 accordingly. These rates were used for translation of monetary assets and liabilities denominated in US Dollars at March 31, 2013 and December 31, 2012.

Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as of January 1, 2013, noted below:

IAS 1 Presentation of Items of Other Comprehensive Income (Amendments)

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's consolidated financial position or performance.

IAS 1 Clarification of the Requirement for Comparative Information (Amendment)

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the ‘third balance sheet’) must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third balance sheet does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third balance sheet.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)**Changes in accounting policies (continued)***IAS 32 Tax Effects of Distributions to Holders of Equity Instruments (Amendment)*

The amendment to IAS 32 *Financial Instruments: Presentation* clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements of the Group, as there is no tax consequences attached to cash or non-cash distribution.

IAS 34 Interim Financial Reporting and Segment Information for Total Assets and Liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 *Operating Segments*. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The amendment did not have an impact on the interim condensed consolidated financial statements of the Group.

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income and permanently excluded from profit and loss; expected returns on plan assets are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The amendment did not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments)

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

Changes in accounting policies (continued)

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 11 is effective for annual periods beginning on or after 1 January 2013. The standard did not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, except for significant events and transactions in the interim period that must be disclosed. Accordingly, the Group has not made such disclosures.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed financial statements period. The Group provides these disclosures in the Notes to the interim condensed consolidated financial statements.

In addition to the above-mentioned amendments and new standards, IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEASONALITY OF OPERATIONS

The Group's operating costs are subject to seasonal fluctuations, with higher expenses for materials and repair, maintenance and other services usually expected later in the year rather than in the first three months. These fluctuations are mainly due to the requirement to conduct formal public tenders during the first six months for goods and services purchased in the second six months of the year.

4. ACQUISITIONS

Acquisition of share in Karachaganak Project Consortium

On June 28, 2012 the Group obtained 10% interest in Karachaganak Project Consortium ("Karachaganak") which operates the Karachaganak gas condensate field in the Republic of Kazakhstan in accordance with the Final Production Sharing Agreement, dated November 18, 1997 as amended in 2012.

The fair value of 10% share in Karachaganak Project was assessed as 301,206,898 thousand Tenge as at the date of the transaction.

5% of the interest in Karachaganak was contributed by the Parent, in exchange for the Company issued share capital in the amount of 150,035,141 thousand Tenge. The fair value of the contribution amounted to 151,171,757 thousand Tenge. The difference in the amount 1,136,616 thousand Tenge was recognized as additional paid-in capital.

The other 5% of the interest in Karachaganak was acquired from the Parent for 150,035,141 thousand Tenge using funds obtained under a loan agreement with other partners to Karachaganak project in the amount of 1 billion US Dollars (equivalent to 150,840,000 thousand Tenge as at March 31, 2012).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. ACQUISITIONS (continued)

Acquisition of share in Karachaganak Project Consortium (continued)

Share in Karachaganak assets and liabilities as at acquisition date was represented as follows:

<i>In thousands of Tenge</i>	Fair value of acquired assets and liabilities
Property, plant and equipment	294,642,852
Intangible assets	1,130,800
Trade receivables	10,917,748
Inventory	4,299,379
Other current assets	373
	310,991,152
Provisions	7,500,461
Trade payables	2,283,793
	9,784,254
Net assets	301,206,898

Acquisition of share in Arkagaz JSC (“Arkagaz”)

In 2012, the Parent transferred 100% share in Arkagaz. In exchange the Company issued share capital in the amount of 4,109,246 thousand Tenge. Arkagaz is a gas distribution company, which is located in the western region of Kazakhstan and supplies the region with natural gas.

The 100% interest in Arkagaz was recorded as acquisition of subsidiaries from parties under common control and accounted for using the pooling of interest method. The comparative interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2012 have been restated accordingly (Note 6).

5. DISCONTINUED OPERATIONS

“Aysir Turizm ve Inshaat A.S”

In 2012, the Group decided to sell its 75% interest in “Aysir Turizm ve Inshaat AS” (“Aysir”).

The disposal of Aysir should be completed in 2013 and, as at March 31, 2013, final sale negotiations were in progress. At December 31, 2012 Aysir was classified as a disposal group held for sale and as a discontinued operation.

The results of Aysir for the three months ended March 31, 2013 and March 31, 2012 are presented below:

<i>In thousands of Tenge</i>	For the three months ended March 31	
	2013	2012
Revenue	108,570	70,276
Cost of sales	(278,986)	(325,148)
Gross loss	(170,416)	(254,872)
General and administrative expenses	(30,416)	(134,960)
Other operating income	3,283	2,680
Operating loss	(197,549)	(387,152)
Net foreign exchange (loss) / gain	16,813	61,954
Finance income	1,098	4,028
Finance costs	(13,265)	(24,314)
Loss before income tax for the period from discontinued operations	(192,903)	(345,484)
Income tax expense	–	4,236
Loss after income tax for the period from discontinued operations	(192,903)	(341,248)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. DISCONTINUED OPERATIONS (continued)

The major classes of assets and liabilities of Aysir, classified as held for sale as follows:

<i>In thousands of Tenge</i>	March 31, 2013	December 31, 2012
ASSETS		
Property, plant and equipment	6,673,251	5,585,278
Intangible assets	33,110	3,559,560
Other non-current assets	25,020	-
Inventories	74,643	73,687
Trade accounts receivable	75,143	122,081
VAT recoverable	146,367	143,580
Other current assets	118,929	94,849
Cash and cash equivalents	463,954	539,668
Assets classified as held for sale	7,610,417	10,118,703
Liabilities		
Borrowings	1,384,690	1,404,942
Deferred income tax liabilities	-	540,540
Other non-current liabilities	1,477,576	1,413,922
Trade accounts payable	274,970	261,951
Other current liabilities	206,665	161,200
Liabilities directly associated with the assets classified as held for sale	3,343,901	3,782,555
Net assets directly associated with the disposal group	4,266,516	6,336,148

The net cash flows incurred by Aysir are as follows:

<i>In thousands of Tenge</i>	For the three months ended March 31	
	2013	2012
Operating	(70,803)	(30,481)
Investing	-	(24,139)
Financing	-	-
Net cash outflow	(70,803)	(54,620)

6. RESTATEMENTS

As at March 31, 2013 the Group made restatement of the interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2012 due to recognition of Aysir as discontinued operation, as discussed in details in *Note 5* and due to contribution of share in Arkagaz by the Parent accounted for under pooling of interest method (*Note 4*).

Accordingly, the comparative interim consolidated statements of comprehensive income for the three months ended March 31, 2012 have been restated as required by IAS 1.

The effect of the change on comparative data is tabulated below.

<i>In thousands of Tenge</i>	
Effect on performance for the nine months ended March 31, 2012	
Increase in revenue	358,205
Increase in cost of sales	(11,692)
Increase in general and administrative expenses	102,940
Increase in transportation and selling expenses	(6,288)
Increase in other operating income	(2,644)
Increase in other operating expenses	(114)
Increase in net profit for the period from continued operations	160,762
Decrease in net profit for the period from discontinued operations (Note 5)	(341,248)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**7. PROPERTY, PLANT AND EQUIPMENT**

<i>In thousands of Tenge</i>	Oil and gas assets	Pipelines	Refinery assets	Buildings and improvements	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Net book value as at December 31, 2012	1,960,029,016	292,786,187	460,497,374	198,985,648	189,576,023	89,013,754	26,964,076	205,404,317	3,423,256,395
Foreign currency translation	1,064,230	(3,978)	215,582	(460,156)	20,149	14,365	(22,113)	4,960	833,039
Additions	19,036,254	801,573	184,447	—	1,063,594	2,982,389	1,188,624	54,063,316	79,320,197
Disposals	(1,783,527)	(60,801)	(115,193)	(3,886,747)	(1,102,421)	(428,899)	(524,885)	—	(7,902,473)
Depreciation charge	(17,241,744)	(3,713,306)	(9,756,777)	(3,505,051)	(7,092,483)	(2,961,647)	(1,648,649)	—	(45,919,657)
Accumulated depreciation and impairment on disposals	1,693,685	49,926	113,636	3,838,488	988,012	390,710	431,319	—	7,505,776
(Impairment provision) / reversal of impairment provision	(48,771,108)	—	—	(992,203)	(951,225)	(1,962,004)	(321,673)	(3,492,213)	(56,490,426)
Transfers to intangible assets	(70,291)	—	—	—	(477)	—	—	(5,141)	(75,909)
Transfers and reclassifications	12,857,827	718,432	2,121,269	1,991,725	1,196,363	4,230,209	384,661	(23,500,486)	—
Net book value as at March 31, 2013	1,926,814,342	290,578,033	453,260,338	195,971,704	183,697,535	91,278,877	26,451,360	232,474,753	3,400,526,942
At cost	2,316,189,311	363,310,446	628,343,057	289,910,627	326,052,002	142,135,813	57,093,492	246,698,050	4,369,632,798
Accumulated depreciation and impairment	(389,374,969)	(72,732,413)	(175,082,719)	(93,838,923)	(142,354,467)	(50,856,936)	(30,642,132)	(14,223,297)	(969,105,856)
Net book value as at March 31, 2013	1,926,814,342	290,578,033	453,260,338	195,971,704	183,697,535	91,278,877	26,451,360	232,474,753	3,400,526,942
At cost	2,287,091,863	361,850,426	625,876,778	291,210,707	324,938,523	135,270,824	56,607,869	216,886,899	4,299,733,889
Accumulated depreciation and impairment	(327,062,847)	(69,064,239)	(165,379,404)	(92,225,059)	(135,362,500)	(46,257,070)	(29,643,793)	(11,482,582)	(876,477,494)
Net book value as at December 31, 2012	1,960,029,016	292,786,187	460,497,374	198,985,648	189,576,023	89,013,754	26,964,076	205,404,317	3,423,256,395

For the three months ended March 31, 2013, the Group capitalized borrowing costs in the amount of 2,581,555 thousand Tenge related to construction of new assets (for the three months ended March 31, 2012: 1,218,489 thousand Tenge).

As at March 31, 2013, items of property, plant and equipment with the net book value of 1,044,049,042 thousand Tenge (as at December 31, 2012: 986,599,966 thousand Tenge) are pledged as collateral to secure borrowings and payables of the Group (*Note 17*).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

During the three months ended March 31, 2013, the Group recorded net impairment of 56,490,426 thousand Tenge that is mainly attributable to property, plant and equipment of KMG EP in the amount of 56,983,877 thousand Tenge due to the increase in export duty from April 12, 2013 - from 40 USD per ton to 60 USD per ton. The main assumptions employed for the formal assessment at year end of 2012 remain unchanged. The results of the assessment are sensitive to estimates related to production and pricing. If production profile was assumed to be 5% higher or lower than that used in the assessment, this would have the effect of reducing impairment by more than 50 billion Tenge or increasing impairment by more than 50 billion Tenge, respectively. If Brent crude oil price were assumed to be 5% higher or lower than those used in assessment, this would have the effect of reducing impairment by more than 40 billion Tenge or increasing impairment by more than 40 billion Tenge, respectively.

8. EXPLORATION AND EVALUATION ASSETS

<i>In thousands of Tenge</i>	Tangible assets	Intangible assets	Total
Net book value as at December 31, 2012	123,939,298	61,344,870	185,284,168
Foreign currency translation	(367,175)	–	(367,175)
Additions	2,961,865	228,503	3,190,368
Disposals	(205,625)	–	(205,625)
Net book value as at March 31, 2013	126,328,363	61,573,373	187,901,736

As at March 31, 2013, items of exploration and evaluation assets with the net book value of 42,761,372 thousand Tenge (as at December 31, 2012: 43,228,819 thousand Tenge) are pledged as collateral to secure borrowings and payables of the Group (Note 17).

9. INTANGIBLE ASSETS

<i>In thousands of Tenge</i>	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value as at December 31, 2012	135,026,234	27,434,077	20,145,083	18,602,532	201,207,926
Foreign currency translation	3,471	15,937	(13,875)	(10,840)	(5,307)
Additions	–	–	257,089	907,366	1,164,455
Disposals	–	–	(90,467)	(8,709)	(99,176)
Amortization charge	–	–	(457,206)	(534,932)	(992,138)
Accumulated amortization and impairment on disposals	–	–	84,388	1,611	85,999
Transfer from property, plant and equipment	–	–	5,618	70,291	75,909
Transfers and reclassifications	–	–	(2,671)	2,671	–
Net book value as at March 31, 2013	135,029,705	27,450,014	19,927,959	19,029,990	201,437,668
At cost	165,751,399	28,009,651	39,099,531	33,850,563	266,711,144
Accumulated amortization and impairment	(30,721,694)	(559,637)	(19,171,572)	(14,820,573)	(65,273,476)
Net book value as at March 31, 2013	135,029,705	27,450,014	19,927,959	19,029,990	201,437,668
At cost	165,747,928	28,014,773	38,937,207	32,893,451	265,593,359
Accumulated amortization and impairment	(30,721,694)	(580,696)	(18,792,124)	(14,290,919)	(64,385,433)
Net book value as at December 31, 2012	135,026,234	27,434,077	20,145,083	18,602,532	201,207,926

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. LONG-TERM BANK DEPOSITS

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Denominated in US Dollars	2,100,969	215,391
Denominated in Tenge	2,285,131	2,272,124
	4,386,100	2,487,515

Long-term bank deposits as at March 31, 2013 include deposits of 1,166,067 thousand Tenge (as at December 31, 2012: 1,141,416 thousand Tenge) pledged as collateral to secure banking facilities granted to the Group (*Note 17*).

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Maturities between 1 and 2 years	124,703	153,261
Maturities over 2 years	4,261,397	2,334,254
	4,386,100	2,487,515

As at March 31, 2013 credit ratings of the banks, where most of the Group's long-term deposits are placed, have not deteriorated as compared to December 31, 2012.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)		December 31, 2012 (audited)	
	Book value	Ownership share	Book value	Ownership share
<i>Joint Ventures:</i>				
Tengizchevroil LLP	277,615,893	20.00%	264,698,959	20.00%
Mangistau Investments B.V.	194,403,886	50.00%	176,949,392	50.00%
Kazakhoil-Aktobe LLP	74,994,247	50.00%	72,085,480	50.00%
KazRosGas LLP	70,974,934	50.00%	63,423,836	50.00%
Beineu-Shymkent Pipeline LLP	71,812,067	50.00%	71,959,310	50.00%
KazGerMunay LLP	68,808,396	50.00%	55,315,780	50.00%
Ural Group Limited BVI	19,995,120	50.00%	19,066,237	50.00%
Kazakhstan-China Pipeline JSC	14,733,644	50.00%	12,011,596	50.00%
Valsera Holdings B.V.	18,046,570	50.00%	18,511,433	50.00%
Asian Gas Pipeline LLP	11,475,946	50.00%	1,025,067	50.00%
MunayTas JSC	8,005,076	51.00%	7,505,315	51.00%
Other	27,296,753		27,342,980	
<i>Associates:</i>				
PetroKazakhstan Inc. ("PKI")	91,029,785	33.00%	80,909,217	33.00%
Caspian Pipeline Consortium	17,235,976	20.75%	17,274,707	20.75%
Other	6,048,982		6,017,730	
	972,477,275		894,097,039	

During the three months ended March 31, 2013 the Group recognized its share of income from joint ventures and associates in the amount of 147,955,717 thousand Tenge (March 31, 2012: 135,007,954 thousand Tenge), which increased the carrying value of investments. Dividends declared by joint ventures and associates totaled 70,900,694 thousand Tenge (March 31, 2012: 173,282,604 thousand Tenge) and reduced the carrying value of investments. As at March 31, 2013, dividends receivable from PKI amounted to 34,820,940 thousand Tenge (December 31, 2012: 34,820,940 thousand Tenge). The remaining change in investments is attributable to foreign currency translation adjustment.

The following table summarizes the movements in investments in joint ventures and associates during the nine months ended March 31, 2013:

<i>In thousands of Tenge</i>	
At January 1	894,097,039
Share of profits (Note 27)	147,955,717
Dividends received	(70,900,694)
Foreign currency translation	1,325,213
At March 31	972,477,275

12. INVENTORIES

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Materials and supplies	89,767,480	86,918,791
Refined products	64,865,486	64,654,236
Crude oil	75,526,419	50,716,508
Gas products	1,530,836	12,865,282
Less: write-down to net realizable value	(10,527,037)	(11,873,544)
	221,163,184	203,281,273

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Trade accounts receivable	293,036,901	238,061,651
Less: allowance for impairment	(18,257,428)	(18,774,866)
Trade accounts receivable	274,779,473	219,286,785
Prepayments and deferred expenses	30,506,999	35,401,526
Taxes recoverable	20,588,456	19,805,144
Other current assets	70,488,641	91,817,051
Less: allowance for impairment	(12,282,932)	(11,997,533)
Total other current assets	109,301,164	135,026,188

As at March 31, 2013 and December 31, 2012, assets disclosed above were non-interest bearing.

As at March 31, 2013 the Group has pledged trade accounts receivable of approximately 59,240,101 thousand Tenge (as at December 31, 2012: 91,444,763 thousand Tenge) as collateral to secure borrowings and payables of the Group (Note 17).

Movements in the allowance for impairment of trade accounts receivable and other current assets were as follows:

<i>In thousands of Tenge</i>	2013
As at January 1 (audited)	30,772,399
Charge for the period	680,812
Receivables written off	(213,215)
Foreign currency translation	(501,278)
Recovered	(198,358)
As at March 31 (unaudited)	30,540,360

14. OTHER SHORT-TERM FINANCIAL ASSETS

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Short-term bank deposits	607,362,032	633,122,581
Loans due from related parties	12,871,283	32,262,570
Less: allowance for doubtful loans from related parties	(5,804,827)	(5,807,343)
	614,428,488	659,577,808

As at March 31, 2013, weighted average interest rate on short-term bank deposits was 1.77% in US Dollars, 4.27% in Tenge and 2.39% in other foreign currency (as at December 31, 2012: 2.21% in US Dollars, 4.06% in Tenge and 4.00% in other foreign currency).

As at March 31, 2013 credit ratings of the banks, where most of the Group's short-term deposits are placed, have not deteriorated compared to December 31, 2012.

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Short-term financial assets in US Dollars	531,663,969	413,047,217
Short-term financial assets in Tenge	238,117,087	246,339,253
Short-term financial assets in other foreign currencies	224,085	191,338
	770,005,141	659,577,808

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. CASH AND CASH EQUIVALENTS

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Term deposits with banks – US Dollars	117,321,701	93,134,773
Current accounts with banks – US Dollars	116,945,189	86,329,779
Term deposits with banks – Tenge	94,374,126	120,933,758
Current accounts with banks – Tenge	117,578,139	90,815,360
Term deposits with banks – other currencies	8,012,596	12,058,545
Current accounts with banks – other currencies	9,876,877	7,982,589
Cash-on-hand	3,532,341	3,830,647
	467,636,097	415,085,451

As at March 31, 2013 credit ratings of the banks, where most of the Group's term deposits and current accounts are placed, have not deteriorated as compared to December 31, 2012.

16. EQUITY

Contributions from the Parent

During the three months ended March 31, 2013, the Group received gas pipelines with the fair value of 583,154 thousand Tenge and recognized this amount within additional paid in capital.

Other transactions with the Parent

During the three months ended March 31, 2013, the Group increased provision with respect to construction costs to be incurred on the History Museum by 3,275,136 thousand Tenge and recognized respective distribution to the Shareholder.

Non-controlling interest

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Exploration Production KazMunayGas JSC	508,483,223	492,114,355
Subsidiaries of Cooperative KazMunaiGaz U.A.	56,268,528	59,322,890
KazTransOil JSC	31,250,458	29,178,181
Subsidiaries of KazMunayGas Refinery and Marketing JSC	318,491	288,568
Other	621,501	243,325
	596,942,201	581,147,319

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. BORROWINGS

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Fixed interest rate borrowings	1,565,835,604	1,560,512,307
Weighted average interest rates	7.63%	8.01%
Variable interest rate borrowings	459,109,273	503,135,858
Weighted average interest rates	4.91%	4.89%
	2,024,944,877	2,063,648,165

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
US Dollar denominated borrowings	1,740,366,411	1,760,318,824
Tenge denominated borrowings	247,063,801	265,733,278
Euro denominated borrowings	37,340,144	36,642,633
Other currency denominated borrowings	174,521	953,430
	2,024,944,877	2,063,648,165

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Current portion	461,531,536	469,943,861
Non-current portion	1,563,413,341	1,593,704,304
	2,024,944,877	2,063,648,165

18. PROVISIONS

<i>In thousands of Tenge</i>	Asset retirement obligations	Provision for environ- mental liability	Provision for taxes	Other	Total
Provision as at December 31, 2012 (audited)	59,443,369	33,642,799	8,703,807	47,926,805	149,716,780
Foreign currency translation	19,623	(15,690)		31,625	35,558
Change in estimate	5,578	—	—	—	5,578
Unwinding of discount	410,002	343,054	—	—	753,056
Provision for the period	536,661	151	7,377,645	4,102,943	12,017,400
Unused amounts reversed	—	(61,469)	—	(511,340)	(572,809)
Use of provision	(63,484)	(16,265)	—	(2,354,615)	(2,434,364)
Provision as at March 31, 2013	60,351,749	33,892,580	16,081,452	49,195,418	159,521,199

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. ROVISIONS (continued)

Current portion and long-term portion are segregated as follows:

<i>In thousands of Tenge</i>	Asset retirement obligations	Provision for environmental liability	Provision for taxes	Other	Total
As at March 31, 2013					
Current portion	994.986	3.370.573	16.081.452	27.960.519	48.407.530
Long-term portion	59.356.763	30.522.007	-	21.234.899	111.113.669
Provision as at March 31, 2013	60.351.749	33.892.580	16.081.452	49.195.418	159.521.199
As at December 31, 2012					
Current portion	971,466	3,489,231	8,703,807	21,434,458	34,598,962
Long-term portion	58,471,903	30,153,568	-	26,492,347	115,117,818
Provision as at December 31, 2012	59,443,369	33,642,799	8,703,807	47,926,805	149,716,780

19. OTHER TAXES PAYABLE

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Rent tax on export of crude oil	40,993,748	38,775,752
Mineral extraction tax	20,005,472	11,644,041
Excise tax	13,707,641	10,563,717
VAT	9,889,423	24,421,260
Special fund on petroleum products	1,206,569	1,237,425
Other	20,017,362	22,792,812
	105,820,215	109,435,007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. OTHER CURRENT LIABILITIES

<i>In thousands of Tenge</i>	March 31, 2013 (unaudited)	December 31, 2012 (audited)
Dividends payable	1,301,109	1,299,726
Due to employees	37,457,557	25,917,030
Advances received	29,770,196	31,214,807
Other	44,945,929	59,309,294
	113,474,791	117,740,857

As at March 31, 2013 and December 31, 2012, other current liabilities were non-interest bearing.

21. REVENUE

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Sales of refined products	388,143,797	470,083,567
Sales of crude oil	204,086,779	163,277,841
Transportation fee	65,987,684	57,223,925
Sales of gas products	71,575,148	66,693,359
Other revenue	50,120,802	43,475,894
Less: sales taxes and commercial discounts	(54,640,616)	(57,622,343)
	725,273,594	743,132,243

22. COST OF SALES

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Materials and supplies	363,181,100	370,705,322
Payroll expenses	50,597,691	42,873,482
Depreciation, depletion and amortization	39,936,895	31,702,873
Mineral extraction tax	20,085,005	22,032,203
Taxes other than on income	5,880,921	4,020,430
Repair and maintenance	4,992,454	4,150,259
Other	29,604,081	32,646,980
	514,278,147	508,131,549

23. GENERAL AND ADMINISTRATIVE EXPENSES

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Payroll expenses	12,118,766	13,297,952
Taxes other than income tax	6,660,580	2,100,724
Depreciation and amortization	3,890,892	5,033,956
Provision / (reversal of provision for taxes)		
Charitable donations	2,591,615	4,625,359
Fines and penalties	1,791,582	440,764
Consulting services	874,538	1,018,829
Allowance for impairment of trade accounts receivable and other current assets	482,454	87,467
Impairment of non-current assets	(1,272,670)	(126,340)
Other	6,443,197	6,268,391
	33,580,954	32,747,102

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. TRANSPORTATION AND SELLING EXPENSES

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Rent tax on crude oil export	41,194,836	43,618,518
Transportation	12,641,880	31,853,037
Export customs duty	11,100,504	10,331,668
Payroll expenses	3,584,866	3,119,665
Depreciation and amortization	3,010,720	3,409,112
Other	3,936,391	8,522,020
	75,469,197	100,854,020

25. FINANCE INCOME

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Interest income on bank deposits, loans and bonds	6,812,649	6,563,880
Other	1,548,379	1,748,924
	8,361,028	8,312,804

26. FINANCE COSTS

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Interest on loans and debt securities issued	33,637,237	33,582,696
Interest expenses on payable for the acquisition of additional interest in the North Caspian Project	3,216,917	3,019,728
Amortization of discount on loans and debt securities issued	249,470	507
Unwinding of discount on provisions (Note 18)	753,056	148,082
Change of fair value of financial instruments	12,644	333,437
Other	4,312,389	9,787,114
	42,181,713	46,871,564

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. SHARE OF INCOME OF JOINT VENTURES AND ASSOCIATES

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Tengizchevroil LLP	82,818,905	72,198,276
Mangistau Investments B.V.	17,454,494	20,286,679
KazGerMunay LLP	13,458,880	12,911,444
PetroKazakhstan Inc.	9,793,869	13,499,584
Asian Gas Pipeline LLP	10,450,879	—
KazRosGas JSC	7,497,341	8,704,040
Kazakhoil-Aktobe LLP	2,908,767	4,140,275
Other	3,572,582	3,267,656
	147,955,717	135,007,954

28. INCOME TAX EXPENSE

<i>In thousands of Tenge</i>	For the three months ended March 31, 2013 (unaudited)	For the three months ended March 31, 2012 (unaudited)
Current income tax:		
Corporate income tax	27,908,404	23,749,447
Excess profit tax	4,475,071	4,595,103
Withholding tax on dividends	10,875,745	8,629,117
Deferred income tax:		
Income tax benefit	(12,604,643)	(1,955,438)
Excess profit tax expense / (benefit)	3,361,412	(47,578)
Withholding tax expense	—	350,302
Income tax expenses	34,015,989	35,320,953

29. RELATED PARTY DISCLOSURES

Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following table provides the total amount of transactions, which have been entered into with related parties during the three months ended March 31, 2013 and 2012 and the related balances as at March 31, 2013 and December 31, 2012, respectively:

<i>In thousands of Tenge</i>	<i>For the nine months ended</i>	<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Interest earned from related parties</i>	<i>Interest incurred to related parties</i>
Samruk-Kazyna entities	March 31, 2013	11,781,596	6,894,180	1,349,308	2,784,006
	March 31, 2012	9,327,785	5,351,775	3,049,507	3,201,715
Associates	March 31, 2013	244,796	46,040	145,537	—
	March 31, 2012	225,219	6	33,068	—
Joint ventures in which the Group is a venturer	March 31, 2013	30,490,594	55,907,772	1,176,210	—
	March 31, 2012	26,567,197	50,843,462	—	—
Other related parties	March 31, 2013	—	—	—	—
	March 31, 2012	—	—	—	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. RELATED PARTY DISCLOSURES (continued)

<i>In thousands of Tenge</i>		Due from related parties	Due to related parties	Cash and deposits placed with related parties	Borrowings payable to related parties
Samruk-Kazyna entities	March 31, 2013	42,602,021	1,147,412	16,075,484	252,135,927
	December 31, 2012	47,594,452	784,243	15,322,862	259,891,388
Associates	March 31, 2013	7,782,382	1,475,261	—	—
	December 31, 2012	55,542,866	1,321,554	—	—
Other related parties	March 31, 2013	—	—	—	—
	December 31, 2012	—	—	—	—
Joint ventures in which the Group is a venturer	March 31, 2013	54,734,723	59,003,957	—	—
	December 31, 2012	53,899,492	38,836,399	—	—

Transactions with Samruk-Kazyna, other related parties and joint ventures are mainly represented by transactions of the Group with Development Bank of Kazakhstan JSC, NC Kazakhstan Temir Zholy JSC (railway services), NC Kazakhtelecom JSC (communication services), NAC Kazatomprom JSC (energy services), KEGOK JSC (energy supply), Kazpost JSC (postal services) and Samruk-Energo JSC (energy supply). In addition, the Group sells and purchases crude oil and natural gas, refined products and transportation services from and to Samruk-Kazyna subsidiaries, associates and joint ventures.

Total compensation to key management personnel included in general and administrative expenses in the accompanying interim consolidated statement of comprehensive income amounted to 852,248 thousand Tenge for the three months ended March 31, 2013 (the three months ended March 31, 2012: 482,878 thousand Tenge). Compensation to key management personnel consists of contractual salary and performance bonus based on operating results.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments:

<i>In thousands of Tenge</i>	Carrying value		Fair value	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Financial assets				
Cash and cash equivalents	467,636,097	415,085,451	467,636,097	415,085,451
Other short-term financial assets	614,428,488	659,577,808	614,428,488	659,577,808
Dividends receivable from associate	34,820,940	34,820,940	34,820,940	34,820,940
Trade accounts receivable	274,779,473	219,286,785	274,779,473	219,286,785
Note receivable from the shareholder of joint venture (current and non-current portions)	18,869,413	18,221,759	18,869,413	18,221,759
Note receivable from associate	21,041,275	20,721,926	21,041,275	20,721,926
Bonds receivable from the Parent	37,882,575	41,165,575	41,485,650	55,288,271
Loans due from related parties	18,770,670	16,637,532	18,770,670	16,637,532
Long-term bank deposits	4,386,100	2,487,515	4,386,100	2,487,515
Financial liabilities				
Borrowings	2,024,944,877	2,063,648,165	2,225,687,310	2,264,397,146
Payable for the acquisition of additional interest in the North Caspian Project	342,995,830	339,549,990	342,995,830	339,549,990
Trade accounts payable	267,951,559	227,115,792	267,951,559	227,115,792
Other current and non-current liabilities (excluding advances received)	110,031,841	112,700,906	110,031,841	112,700,906

The fair value of bonds receivable from the Parent and borrowings was calculated by discounting the expected future cash flows at prevailing interest rates.

The carrying amount of other financial instruments approximates their fair value due to the fact that these financial instruments are at market interest rates or with short-term maturity.

31. CONTINGENT LIABILITIES AND COMMITMENTS

In addition to the contingent liabilities and commitments disclosed in the annual consolidated financial statement of the Group for the year ended December 31, 2012, the following changes have taken place during the three months ended March 31, 2013.

Tax audit of KMG EP

On July 12, 2012 the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan completed the 2006-2008 comprehensive tax audit of KMG EP. As a result of the tax audit commenced in October 2011, the tax authorities provided a tax assessment to KMG EP in the amount 16,938 million Tenge, including 5,800 million Tenge of principal, 7,160 million Tenge of administrative fines and 3,978 million Tenge of late payment interest. Matters involved in the assessment relate mainly to reallocation of certain revenues and expenditures among the subsoil use contracts, timing of recognition of demurrage expenses, adjustment of revenues based on transfer pricing regulations.

KMG EP disagreed with the above tax assessments and filed an appeal to the Ministry of Finance. The management of KMG EP believes its interpretations of the tax legislation were appropriate. However, as management believes the outcome of the dispute is uncertain and further believes that it is more likely than not that KMG EP may not be entirely successful in its appeals, due to the ambiguity contained in the tax legislation and a history of varying interpretations and inconsistent opinions of the authorities and courts, management has accrued for certain matters included in the assessment. As at March 31, 2013, existing tax provision includes 9,661 million Tenge, including principal of 4,158 million Tenge, fines of 2,307 million Tenge and late payment interest of 3,196 million Tenge. The management believes that KMG EP will be successful in appealing the remaining balances of principal, fines, and late payment interest of the assessments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. CONTINGENT LIABILITIES AND COMMITMENTS (continued)*Ozenmunaigas environmental audit*

On January 25, 2013 JSC “Ozenmunaigas”, KMG EP subsidiary, received a notification from the Environmental Protection Department of Mangystau Region to pay 59,611 million Tenge in fines for environmental damage to the state budget. Total amount was determined as a result of an audit that covered the period from August 27, 2011 to November 12, 2012. JSC “Ozenmunaigas” disagreed with this notification and on February 26, 2013 filed an appeal to the Specialized Interregional Economic Court of Mangystau Region stating that the act was illegal and that calculations were not reliable. On March 7, 2013 the Environmental Protection Department of Mangystau Region filed a claim with the same Court for the forced payment of the fines.

Management believes that JSC “Ozenmunaigas” has a strong position on this issue, as the audit was carried out with gross violations of the laws of the Republic of Kazakhstan in relation to procedure for the audit process, and the Environmental Protection Department of Mangystau Region has no reliable evidence confirming the damage to the environment, as required by the civil procedure and Environmental Code of the Republic of Kazakhstan.

KMG EP believes that it will continue to successfully appeal the results of the audit and the request for payment for damages to the environment, and therefore no provision has been accrued for this matter as at March 31, 2013 in the interim condensed consolidated financial statements.

Tax audit of KMG RM

On June 5, 2012, the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan completed a comprehensive tax audit of KMG RM for the period from 2006 through 2010 and assessed additional: a) CIT of 2,980,118 thousand Tenge with corresponding penalty for late payment of 1,599,317 thousand Tenge and; b) VAT of 693,464 thousand Tenge with corresponding penalty for late payment of 332,106 thousand Tenge. In addition, 1,490,059 thousand Tenge of administrative fine for CIT and 346,732 thousand Tenge for VAT might also be assessed. Additional CIT and VAT were assessed based on the article 82 of the Tax Code of the Republic of Kazakhstan effective as at January 1, 2008 and related to calculation of gain on disposal of KazMunaiGaz PKOP Investment B.V. and KazMunaiGaz PKOP Finance B.V. On July 17, 2012 KMG RM appealed the results of the tax audit to the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan. In November 2012, the KMG RM filed a lawsuit in Specialized Interdistrict Economic Court of Astana (SIEC) to appeal against the tax audit results. The SIEC issued a preliminary decision to reject the claim of, but KMG RM appealed the decision in February 20, 2013.

Management believes that the tax liability and late payment interest were assessed as a result of an incorrect interpretation of laws in force and it is not probable that the outflow of resources will be required to settle the obligation and therefore no tax provision has been made in these interim condensed consolidated financial statements.

Tax risks of TRG

As at December 31, 2009 TRG had an outstanding balance of 3,353,168 thousand Tenge of a convertible debt instrument issued by a significant subsidiary of TRG – Rompetrol Rafinare S.A. to the Romanian State. The nominal value of liabilities equaled to 570.3 million Euros. The instrument had seven years maturity and expired on September 30, 2010. Fair value of the debt component at the initial recognition was determined as the discounted future contractual cash payments under the instrument. Under the share ownership as at December 31, 2009 the Group would have lost control over Rompetrol Rafinare S.A., if the entire debt instrument was settled at September 30, 2010 by issuance of new shares to the Romanian State, without any further action by TRG and/or Rompetrol Rafinare S.A.

During the first half of 2010 in order to increase its interest in Rompetrol Rafinare S.A. TRG was required to make a public offer to all shareholders. In August 2010 Rompetrol Rafinare S.A. increased its share capital by issuance of new shares amounting to RON 329.4 million (equivalent of 78 million Euro at the date of subscription), all of which were subscribed and fully paid for by TRG, further increasing the Group's interest in Rompetrol Rafinare S.A. Of these proceeds from the share issuance, during the same month, Rompetrol Rafinare S.A. repaid 54 million Euros (equivalent to 10,463,778 thousand Tenge) out of the total debt of 570.3 million Euro in relation to the convertible debt instrument to the Romanian State. In September 2010, Rompetrol Rafinare S.A. paid the last coupon, amounting to 17 million Euro (equivalent to 3,314,915 thousand Tenge), leading to a nil balance of the liability component of the instrument.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Tax risks of TRG (continued)

On September 30, 2010 the Extraordinary General Meeting of the shareholders of Rompetrol Rafinare S.A. approved the conversion of the unredeemed convertible debt instrument into shares, the corresponding share capital increase and the exact numbers of shares to be received by the Romanian State for the convertible debt it held, calculated based on the exchange rate in force on such date, together with a share premium calculated as a difference of the exchange rate valid on September 30, 2010 and issuance date on September 30, 2003. This resulted in a non-controlling position of the Romanian State in Rompetrol Rafinare S.A. of 44.6959%.

These transactions resulted in a decrease of retained earnings by 113,467,108 thousand Tenge and increase of non-controlling interest by 103,003,330 thousand Tenge in 2010.

In 2010, the Romanian State, represented by the Ministry of Public Finance of the Romanian State (MFP), initiated a legal action against the decision of Rompetrol Rafinare S.A. to increase the share capital and convert the convertible debt instrument partially in cash and partially by issuance of shares.

Constanta Tribunal dismissed the Romanian State request: (a) for some of the annulment reasons considering that the Romanian State lacks the capacity to stand trial, arguing that same did not have the capacity of shareholder when such acts were adopted, (b) for some of the annulment reasons considering that there were not grounded.

Furthermore, on November 17, 2010 the Ministry of Public Finance of the Romanian State issued a Summons and Forced Execution Title for the amount of RON 2,205,592,436 (for presentation purposes 516.3 million Euro and, at the exchange rate as of December 31, 2010 is 100,797,249 thousand Tenge) as a result of the Romanian Authorities disagreement with the decision of TRG to partially settle the instrument by issuance of shares. Rompetrol Rafinare S.A. filed a claim against a forced execution requesting cancelation of the Summons and Forced Execution Title. The hearing of the case had been suspended in June 2012 and can be resumed during one year period, until June 6, 2013.

In addition, on September 10, 2010 the Romanian authorities, represented by The National Agency for Fiscal Administration (ANAF), issued a decision for a precautionary seizure on all the participations held by Rompetrol Rafinare S.A. in its affiliates as well as on all movable and immovable assets of Rompetrol Rafinare S.A. except for inventories. This measure is still in force and being challenged by TRG. As of the reporting date this seizure has not been enforced as the Romanian authorities did not initiate forced execution procedures. Management believes that the enforcement of the seizure by the authorities would not be practicable.

On February 15, 2013, Rompetrol Rafinare S.A. and the Office of State Ownership and Privatisation in Industry (OPSPI), representing the Romanian State, signed a memorandum of understanding whereby they agreed the amiable settlement of the dispute over the conversion of the convertible debt instrument, including the following key aspects:

- OPSPI will sell and the Rompetrol Rafinare S.A. will acquire shares owned by OPSPI and representing 26.6959% of Rompetrol Rafinare S.A.'s share capital for a cash consideration of 200 million US Dollars;
- TRG will invest in energy project related to its core activities an amount estimated at 1 billion US Dollars over 7 years;
- Ministry of Public Finance will drop all cases against the General Meeting of Shareholders decisions related to the conversion and will cancel the forced execution title.

The agreement is subject to proper approvals of each party's governing bodies.

As a result of the memorandum, the parties agreed the suspension of the court proceedings, in order to allow the time to implement the memorandum, which was acknowledged by the court on February 18, 2013.

During end of May and beginning of June, the Romanian Parliament passed the law to approve the Memorandum of Understanding signed on February 15, 2013 by the Office of State Ownership and Privatization in Industry ("OPSPI"), representing the Romanian State and The Rompetrol Group. The Constitutional Court rejected the challenge of unconstitutional matter submitted by a numbers of MPs (the decision has been issued within the Official Gazette dated July 31, 2013). Therefore the law has been submitted to the President for promulgation. The President exercised his constitutional right and asked the Parliament to review again the law. Further technical interpretations are expected to be clarified in the next period. As a result, Management of the Group believes that the matter will be resolved on the basis as outlined in the Memorandum of Understanding.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. CONTINGENT LIABILITIES AND COMMITMENTS (continued)*Litigations related to TRG*

As at September 30, 2013 TRG was engaged in litigations against the Competition Council of the European Union and SC Bioromoil SRL in the amount of 7.6 billion Tenge and 4.7 billion Tenge, respectively. On February 12, 2013 a court hearing was held, where SC Bioromoil SRL was did not provide substantive evidence to support its position. On February 14, 2013, the London Court of International Arbitration (LCIA) granted a 2-week period for further evidence presentation regarding the origin of the biodiesel. A final hearing is expected to be scheduled in April/May 2013 to take into consideration any new evidence that might be submitted. Per representation obtained from lawyers of TRG, Management of the Group believes that it has a strong ground to win the mentioned litigations and assessed the risks relating to these issues as possible, and thus, no provision has been recognized in these interim condensed consolidated financial statements.

Cost recovery audit (KMG Kashagan)

Under the base principles of the North Caspian Production Sharing Agreement («NCPSA»), the state transferred to the contractors exclusive rights to conduct activity involving a subsoil area, but did not transfer rights to such subsoil area into either ownership or lease. Therefore, all extracted and processed hydrocarbons (i.e. production) are the property of the state. The work is carried out on a compensation basis, with the state paying the contractors not in cash, but with a portion of the oil production, thus allowing the contractors to recover their costs and earn profits. This is so-called production sharing, i.e., the sharing of the results of the work carried out by the investor.

Under the NCPSA not all the costs incurred by the contractors may be recovered. All expenditures need to be approved by the Management Committee («ManCom») for recovery.

The Group considers that all recoverable expenditures of the Operator are appropriately classified in accordance with the NCPSA and that those identified as recoverable expenditures are eligible for recovery as at September, 30 2013.

However, certain expenditures have not been approved by the ManCom in accordance with Sections 13 and 14 of the NCPSA. These expenditures are deemed to be non-recoverable costs for KMG Kashagan until the ManCom approves them. Negotiations continue with the Competent Authority to resolve these issues.

As a result of cost recovery audits performed for the period from 2001 to 2008 expenditures in the amount of 7,974,680 thousand US Dollars were disallowed from cost recovery. KMG Kashagan's share in the expenditures was 1,340,336 thousand US Dollars. As a result of the work performed by the Contractors to resolve the comments, on 28 November 2011 the Competent Authority (PSA LLP) and the Contractors signed the resolution, according to which the disallowed for recovery costs were reduced to 2,958,634 thousand US Dollars with KMG Kashagan's share amounting to 497,249 thousand US Dollars. Within the framework of the Settlement Agreement further negotiations with the Competent Authority were concluded and resulted in the downward revision of the costs disallowed for recovery to 229,900 thousand US Dollars with the KMG Kashagan's share amounting to 38,639 thousand US Dollars.

Cost recovery audit for 2009 was completed in 2012. As a result of the audit performed costs in the amount of US Dollars 875,000 thousand were disallowed for recovery, with KMG Kashagan's share amounting to 147,060 thousand US Dollars. As a result of the cost recovery audit for 2010 costs in the amount 1,335,537 thousand US Dollars were disallowed for recovery, with KMG Kashagan's share amounting to 224,460 thousand US Dollars.

Further negotiations are conducted to resolve the issue in favour of the contractors.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. SEGMENT REPORTING

The following represents information about operating segments of the Group as at March 31, 2013 and for the three months then ended:

<i>In thousands of Tenge</i>	Exploration and production of oil and gas	Transportation of oil	Transportation of gas	Refining and trading of crude oil and refined products	Other	Elimination	Total
Revenues from sales to external customers	6,293,360	43,282,669	88,957,718	567,135,669	19,604,178	–	725,273,594
Revenues from sales to other segments	224,476,801	8,088,361	654,355	775,289	4,323,247	(238,318,053)	–
Total revenue	230,770,161	51,371,030	89,612,073	567,910,958	23,927,425	(238,318,053)	725,273,594
Gross profit	146,149,540	25,495,998	19,981,167	30,064,577	1,007,632	(11,703,467)	210,995,447
Finance income	6,035,738	1,106,515	311,978	482,198	5,536,800	(5,112,201)	8,361,028
Finance costs	(5,613,398)	(622,700)	(1,783,482)	(2,739,258)	(35,571,474)	4,148,599	(42,181,713)
Depreciation, depletion and amortization	(18,903,504)	(5,799,570)	(5,836,076)	(14,637,090)	(2,602,493)	–	(47,778,733)
Impairment of property, plant and equipment, exploration and evaluation assets and intangible assets other than goodwill	(56,983,877)	1,237	220,876	–	271,338	–	(56,490,426)
Share of profit of joint ventures and associates, net	127,549,485	3,168,520	17,783,856	(464,863)	(81,281)	–	147,955,717
Income tax expenses	(15,480,997)	(4,682,929)	(2,849,622)	(983,942)	(10,018,499)	–	(34,015,989)
Net profit for the year	50,559,101	22,508,760	29,597,290	509,020	22,333,958	(701,539)	124,806,590
Other segment information							
Investments in joint ventures and associates	729,016,666	39,958,083	155,101,420	26,151,354	22,249,752	–	972,477,275
Capital expenditures	42,461,258	2,141,033	14,870,174	17,636,710	5,401,390	–	82,510,565
Allowances for obsolete inventories, doubtful accounts receivable, advances paid, and other assets	(3,943,791)	(694,676)	(3,211,659)	(31,422,844)	(7,599,254)	–	(46,872,224)
Assets of the segment	4,102,822,592	490,667,873	699,404,503	1,985,783,099	304,543,958	(604,080,180)	6,979,141,845
Liabilities of the segment	785,080,612	111,648,892	212,516,284	683,386,858	2,061,834,627	(594,457,135)	3,260,010,138

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. SEGMENT REPORTING (continued)

The following represents information about operating segments of the Group as at December 31, 2012 and for the three months ended March 31, 2012:

<i>In thousands of Tenge</i>	Exploration and production of oil and gas	Transportation of oil	Transportation of gas	Refining and trading of crude oil and refined products	Other	Elimination	Total
Revenues from sales to external customers	850,535	34,206,371	82,029,865	609,981,530	16,063,942	–	743,132,243
Revenues from sales to other segments	206,013,293	6,112,311	90,666	114,991,512	3,276,802	(330,484,584)	–
Total revenue	206,863,828	40,318,682	82,120,531	724,973,042	19,340,744	(330,484,584)	743,132,243
Gross profit	152,730,450	14,314,683	24,171,933	52,407,281	(846,330)	(7,777,323)	235,000,694
Finance income	5,534,299	991,907	304,532	1,072,839	8,302,428	(7,893,201)	8,312,804
Finance costs	(4,807,982)	(367,372)	(1,636,300)	(8,079,593)	(34,418,643)	2,438,326	(46,871,564)
Depreciation, depletion and amortization	(12,612,651)	(5,288,169)	(4,987,377)	(15,179,557)	(2,130,124)	–	(40,197,878)
Impairment of property, plant and equipment, exploration and evaluation assets, intangible assets other than goodwill	(53,924)	(887)	–	(9,229)	(82,078)	–	(146,118)
Share of profit of joint ventures and associates	123,229,224	3,054,539	8,519,775	133,329	71,087	–	135,007,954
Income tax expenses	(18,999,741)	(2,635,737)	(2,901,966)	(1,108,477)	(9,675,032)	–	(35,320,953)
Net profit for the period	99,594,879	13,022,519	(77,857,038)	943,347	132,073,264	(1,625,061)	166,151,910
Other segment information							
Investments in joint ventures and associates	680,488,873	36,791,618	137,288,807	29,018,388	10,509,353	–	894,097,039
Capital expenditures	42,498,075	1,799,468	8,759,582	10,614,063	29,422,108	–	93,093,296
Allowances for obsolete inventories, doubtful accounts receivable, advances paid, and other assets	(3,994,547)	(689,908)	(3,361,481)	(39,800,288)	(607,062)	–	(48,453,286)
Assets of the segment	3,988,886,267	461,461,754	661,797,622	1,955,948,005	312,408,275	(546,780,500)	6,833,721,423
Liabilities of the segment	756,643,626	113,117,992	209,237,824	654,257,515	2,047,865,873	(540,937,175)	3,240,185,655

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. SUBSEQUENT EVENTS*Export customs duty*

On April 2, 2013 the Government of Kazakhstan announced an increase in export customs duty on crude oil from 40 US Dollars per ton to 60 US Dollars per ton. The Decree came into force on April 12, 2013.

Company issued bonds

On April 30, 2013 the Company issued bonds on the London Stock Exchange in the amount of 3 billion US Dollars (equivalent of 453,720,000 thousand Tenge at exchange rate as at the issue date) within the current program of global medium-term notes issuance up to 10.5 billion US Dollars on the following terms:

- 2 billion US Dollars with the interest rate 5.75% maturing in 2043 and an offering price 99.293% from nominal amount;
- 1 billion US Dollars with the interest rate 4.4% maturing in 2023 and an offering price 99.6% from nominal amount.

The coupon on bonds issued in 2013 will be paid on semiannual basis starting from October 30, 2013.

The North Caspian Production Sharing Agreement

In accordance with the Second Supplemental Agreement to the NCPSA requirements, on November 26, 2012 ConocoPhillips North Caspian Ltd. notified the NCPSA Contractors on its intention to dispose its interest in the NCPSA of 8.40% to ONGC Videsh Limited. The Republic of Kazakhstan as represented by the Company exercised its preemptive right under the NCPSA to acquire this interest with further transfer to KMG Kashagan B.V. In its turn, the KMG Kashagan B.V. intends to sell its existing interest of 8.33% to CNPC Kazakhstan B.V.

On July 11, 2013 a purchase-sale agreement for 8.40% interest in the NCPSA between the Company (as buyer) and ConocoPhillips North Caspian Ltd. (as seller) was signed. At the same date a purchase-sale agreement for 8.40% interest in the NCPSA between the Company (as seller) and KMG Kashagan B. V. (as buyer) was signed. At the same time a purchase-sale agreement for 8.33% interest in the NCPSA between the KMG Kashagan B. V. (as seller) and CNPC Kazakhstan B. V. (as buyer) was signed.

At the October 31, 2013 all transactions were closed. The purchase prices of these transactions were:

- 5,370 million US Dollars related to the purchase-sale agreement for 8.40% interest in the NCPSA between the Company (as buyer) and ConocoPhillips North Caspian Ltd. (as seller)
- 5,141 million US Dollars related to the purchase-sale agreement for 8.40% interest in the NCPSA between the Company (as seller) and KMG Kashagan B. V. (as buyer)
- 5,141 million US Dollars related to the purchase-sale agreement for 8.33% interest in the NCPSA between the KMG Kashagan B. V. (as seller) and CNPC Kazakhstan B. V. (as buyer).

Furthermore, on October 31, 2013 was signed Supplemental Agreement to the NCPSA. According to these Agreement the interest of KMG Kashagan B. V. in NCPSA is 16.88%.

Dividends paid and received

On July 30, 2013 the Company paid out dividends to the Shareholder in the amount of 38,961,364 thousand Tenge.

On August 8, 2013 KazRosGaz JSC paid out dividends to the Company in the amount of 40,891,107 thousand Tenge.

In July and August 2013 Tengizchevroil LLP paid out dividends to the Company in the total amount of 19,826,145 thousand Tenge.

On October 1, 2013 Tengizchevroil LLP paid out dividends to the Company in the total amount of 7,690,562 thousand Tenge.