



PRODUCTION

Offsetting natural decline in production rates

KMG implements a range of measures across its operating assets to enhance operational efficiency and process discipline, release trapped reserves in order to maximise well productivity and improve the technology and economics of well interventions.

Oil and gas are produced at KMG’s operating assets, as well as from mega projects where KMG has non-operating interests.

KMG participates in all major oil and condensate production projects in Kazakhstan: it has interests of 20%, 10% and 8.44% in Tengiz, Karachaganak and Kashagan, respectively.

For oil production mega projects, KMG has partnered with a number of global majors: Chevron Corp, Exxon Mobil Corp, Royal Dutch Shell PLC, Eni SpA, TOTAL SA, Inpex Corp, China National Petroleum Corp (CNPC), and PJSC LUKOIL.

¹. Also includes KazGPZ LLP (condensate).

². KMG has a 50% interest in KMG Kashagan B.V., which in turn holds a 16.88% interest in the Kashagan mega project.

OPERATING ASSETS	KMG interest
JSC Ozenmunaigas ¹	100%
JSC Embamunaigas	100%
JSC Mangistaumunaigas	50%
JSC Karazhanbasmunai	50%
JV Kazgermunai LLP	50%
JSC PetroKazakhstan Inc.	33%
Kazakhturkmunay LLP	100%
Kazakhoil Aktobe LLP	50%
Amangeldy Gas LLP (condensate)	100%
MEGA PROJECTS (NON-OPERATED ASSETS)	KMG interest
Tengiz (Tengizchevroil LLP)	20%
Kashagan (North Caspian Operating Company N.V.) ²	8.44%
Karachaganak (Karachaganak Petroleum Operating B.V.)	10%

485 kbopd
oil and condensate production level



PRIORITY AREAS:

Enhancing the innovation and technology base of production, including smart field projects at assets under development

Removing onshore infrastructure constraints by addressing gas and water utilisation issues

Wider adoption of polymer flooding

Increasing oil recovery rates at producing assets

Enhancing waterflood management

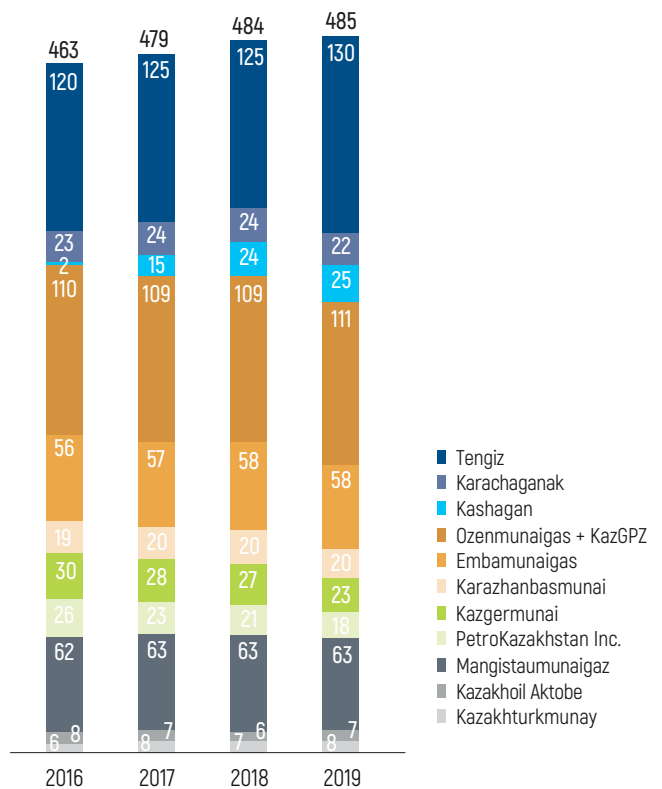
Commissioning further exploration facilities at KMG-operated producing assets

OIL PRODUCTION

In 2019, KMG's oil and condensate production remained stable at 23.6 mln tonnes, or 485 kbopd, almost flat year-on-year. We reaffirmed our status as the national oil and gas leader with our share of total oil and condensate production at 26% in 2019.

Our consistently high level of oil and condensate output is supported by increased production from mega projects and effective management of KMG-operated producing assets. KMG maintains a well-balanced asset portfolio with significant growth potential. The share of operating and mega projects in total oil and condensate production was 65.5% (15.5 mln tonnes) and 34.5% (8.1 mln tonnes), respectively.

OIL AND CONDENSATE PRODUCTION BY ASSET (NET TO KMG), KBOPD¹



¹ Assuming individual bbl/tonne conversion rates used for each asset.