

Report on the expected compliance with the tariff estimate (based on operational data)  
for the regulated service of oil transportation through Kenkiyak-Kumkol pipeline of  
Kazakhstan-China Pipeline LLP within the domestic market in 1 half year of 2019

Report on 2019 period  
Index ИТС-1

Periodicity: 6 month

Represent: natural monopoly entities, with the exception of the regional power grid company

Where the form is presented: Committee on regulation of natural monopolies, protection of competition and consumer rights of the Ministry of National Economy of the Republic of Kazakhstan

Deadline - before the 1 of August

| No. | Tariff estimate indicators                              | Unit of measure | Included in the approved tariff estimate | Expected indicators of the tariff estimate for 2019 year | Deviation % | Reasons of deviation   |
|-----|---|-----------------|--|--|-------------|--|
| 1   | 2   | 3               | 4  | 5  | 7           | 7  |
| I   | Costs for production of goods and provision of services | thousand tenge  | 9 470 899                                | 5 114 008  | -46%        |  |
| I   | including   |                 |  |  |             |  |
|     | Material costs, total                                   | -/-             | 191 728                                  | 60 490   | -68%        |  |
|     | including:  |                 |  |  |             |  |
| 1.1 | raw materials and inventory                             | -/-             | 2 010                                    | 39 418   | 1861%       |  |
| 1.2 | POL   | -/-             | 1 440                                    | 733  | -49%        |  |
| 1.3 | power   |                 | 188 279                                  | 20 338   | -89%        | Cost savings due to the reduction in the volume of regulated services provided for reasons beyond the control of the Partnership. According to the approved investment program of the Partnership for 2015-2019, in 2016 it was planned to complete the reconstruction of the Kenkiyak PS, Kumkol PS and the construction of Aralisk PS, in 2018, the completion of the construction of Shalkar PS, " PS 4 ", external power supply and reconstruction of Aralisk PS. However, the decision made by the Investment Committee of JSC NC "KazMunayGas" during the meeting dated April 23, 2015 №7-15 was taken suspend until the issue of the resource base is resolved, the further implementation of the project "The second stage of the second phase of the Kazakhstan-China oil pipeline construction. Performance increase up to 20 million tons / year. According to the approved tariff estimate, electricity consumption was 11 897 336 kW * hour, taking into account consumption of electricity at Aralisk PS 9 770 034 kW * hour. The expected power consumption will be 1 259 289 kWh. The average cost of electricity will be 16.15 tenge / kWh. " |
| 2   | Payroll costs, total                                    | -/-             | 124 199                                  | 56 449   | -55%        |  |
|     | including:  |                 |  |  |             |  |
| 2.1 | salary  | -/-             | 113 011                                  | 51 771   | -54%        |  |

| No.    | Tariff estimate indicators                                    | Unit of measure | Included in the approved tariff estimate | Expected indicators of the tariff estimate for 2019 year | Deviation % | Reasons of deviation  |
|--------|---|-----------------|--|--|-------------|---|
| 1      | 2   | 3               | 4  | 5  | 7           | 7   |
| 2.2    | social tax  | -/-             | 11 188                                   | 4 677  | -58%        |   |
| 3      | <i>Amortization</i>   |                 | 5 220 510                                | 2 409 528  | -54%        | According to the approved investment program of the Partnership for 2015-2019, in 2016 it was planned to complete the reconstruction of the Kenkiyak PS, Kumkol PS and the construction of the Aralisk PS, in 2018 the construction of the Shalkar PS, PS 4, external power supply and reconstruction of Aralisk PS. However, the decision of the meeting of the Investment Committee of JSC NC "KazMunayGas" dated April 23, 2015 No. 7-15 was decided to be suspended until the issue of the resource base was resolved, the further implementation of the project "The second stage of the second phase of the construction of the Kazakhstan-China pipeline. Increase productivity to 20 million tons / year. The planned annual indicators were foreseen taking into account the input of assets for the reconstruction of the Kenkiyak PS, the Kumkol PS, the Aralisk PS (replacement of impellers), the construction of the Aralisk PS, the Shalkar PS, and external power supply. |
| 4      | <i>Repair, total</i>  | -/-             | 78 316                                   | 121 813  | 56%         |   |
|        | including:  |                 |  |  |             |   |
| 4.1    | major overhaul without the increase of fixed assets value     | -/-             | 78 316                                   | 121 813  | 56%         |   |
| 5      | <i>Other costs, total</i>                                     | -/-             | 3 856 146                                | 2 465 729  | -36%        |   |
|        | including:  |                 |  |  |             |   |
| 5.1    | security and fire protection                                  | -/-             | 294 888                                  | 199 414  | -32%        |   |
| 5.2    | other costs, total  | -/-             | 3 561 258                                | 2 266 315  | -36%        |   |
|        | including:  |                 |  |  |             |   |
| 5.2.1  | air services  | -/-             | 75 724                                   | 0  | -100%       |   |
| 5.2.2  | O&M services  | -/-             | 1 807 902                                | 1 454 323  | -20%        |   |
| 5.2.3  | metrology   | -/-             | 3 889                                    | 5 296  | 36%         |   |
| 5.2.4  | diagnostics   | -/-             | 0  | 0  |             |   |
| 5.2.5  | technical maintenance of equipment and meters                 | -/-             | 21 130                                   | 13 410   | -37%        |   |
| 5.2.6  | maintenance of telecom systems                                | -/-             | 80 769                                   | 69 074   | -14%        |   |
| 5.2.7  | taxes and fees  |                 | 1 476 159                                | 643 550  | -56%        | Cost savings due to reduction in the volume of regulated services provided for reasons beyond the control of the Partnership. The planned annual figures for tax payments were provided for taking into account the input of assets in 2016 after the reconstruction of the Kenkiyak PS, the Kumkol PS and the construction of the Aralisk PS, in 2018 after the construction of the Shalkar PS power supply and reconstruction of Aralisk PS and, respectively, with the accrual from 2017 of property tax on newly commissioned assets.   |
| 5.2.8  | environmental monitoring and protection                       | -/-             | 4 287                                    | 2 892  | -33%        |   |
| 5.2.9  | costs for maintenance of security-fire alarm                  | -/-             | 33 789                                   | 24 423   | -28%        |   |
| 5.2.10 | repair and maintenance of cars                                | -/-             | 1 908                                    | 462  | -76%        |   |
| 5.2.11 | M&R of office equipment, software and climate control systems | -/-             | 11 291                                   | 11 356   | 1%          |   |

| No.       | Tariff estimate indicators                      | Unit of measure | Included in the approved tariff estimate | Expected indicators of the tariff estimate for 2019 year | Deviation % | Reasons of deviation  |
|-----------|---|-----------------|--|--|-------------|---|
| 1         | 2   | 3               | 4  | 5  | 7           | 7   |
| 5.2.12    | Repair and maintenance of oil metering stations | -/-             | 20 759                                   | 21 016   | 1%          |   |
| 5.2.13    | telecom services                                | -/-             | 19 391                                   | 10 175   | -48%        |   |
| 5.2.14    | accommodation, f&b for shift workers            | -/-             | 1 005                                    | 8 839  | 780%        |   |
| 5.2.15    | insurance                                       | -/-             | 2 009                                    | 1 499  | -25%        |   |
| 5.2.16    | training and advance training                   | -/-             | 1 246                                    | 0  | -100%       | Training of workers of production personnel of the Kenkiyak-Kumkol pipeline according to the approved training schedule is planned in July, in October, 2019. |
| <b>II</b> | <b>Period costs, total</b>                      | -/-             | <b>470 542</b>                           | <b>4 386 707</b>   | <b>832%</b> |   |
|           | including:                                      |                 |  |  |             |   |
| <b>6</b>  | <b>General and administrative costs</b>         | -/-             | <b>470 542</b>                           | <b>289 777</b>   | <b>-38%</b> |   |
|           | including:                                      | -/-             |  |  |             |   |
| 6.1       | salary of administrative personnel              | -/-             | 213 665                                  | 109 452  | -49%        |   |
| 6.2       | social tax                                      | -/-             | 21 153                                   | 14 455   | -32%        |   |
| 6.3       | bank services                                   | -/-             | 2 100                                    | 511  | -76%        | Savings as a result of measures taken in connection with a reduction in the money transfer rate from 0.5% to 0.08%.   |
| 6.4       | amortization                                    | -/-             | 14 352                                   | 21 950   | 53%         |   |
| 6.5       | external services, total                        | -/-             | 3 154                                    | 1 550  | -51%        |   |
|           | including:                                      |                 |  |  |             |   |
| 6.5.1     | procurement of POL                              | -/-             | 1 422                                    | 973  | -32%        |   |
| 6.5.2     | transportation services                         | -/-             | 1 731                                    | 577  | -67%        |   |
| 6.6       | travelling services                             | -/-             | 25 420                                   | 16 491   | -35%        |   |
| 6.7       | telecom services                                | -/-             | 3 097                                    | 1 393  | -55%        |   |
| 6.8       | taxes   | -/-             | 34 790                                   | 3 930  | -89%        |   |
| 6.9       | other expenses, total                           | -/-             | 152 812                                  | 120 025  | -21%        |   |
|           | including:                                      |                 |  |  |             |   |
| 6.9.1     | audit services                                  | -/-             | 3 865                                    | 4 072  | 5%          |   |
| 6.9.2     | legal services                                  | -/-             | 933                                      | 1 147  | 23%         |   |
| 6.9.3     | notary services                                 | -/-             | 364                                      | 297  | -19%        |   |
| 6.9.4     | consulting services                             | -/-             | 2 153                                    | 3 080  | 43%         |   |
| 6.9.5     | maintenance of office equipment and software    | -/-             | 2 355                                    | 5 122  | 118%        |   |
| 6.9.6     | insurance                                       | -/-             | 530                                      | 358  | -32%        |   |
| 6.9.7     | courier services, mail                          | -/-             | 590                                      | 178  | -70%        |   |
| 6.9.8     | maintenance of administrative services          | -/-             | 4 938                                    | 6 515  | 32%         |   |
| 6.9.9     | financing expenses                              | -/-             | 137 084                                  | 99 255   | -28%        |   |
| <b>7</b>  | <b>Expenses for payment of interest</b>         | -/-             | <b>0</b>                                 | <b>4 096 930</b>   |             |   |

