



KAZAKHSTAN-CHINA PIPELINE LLP

Report on the execution of the approved investment program and tariff estimate for the regulated services of oil pumping through the Kenkiyak-Kumkol pipeline in the domestic market before consumers and other interested parties for the 1st half of 2025

July 29, 2025

Goals of the hearing:

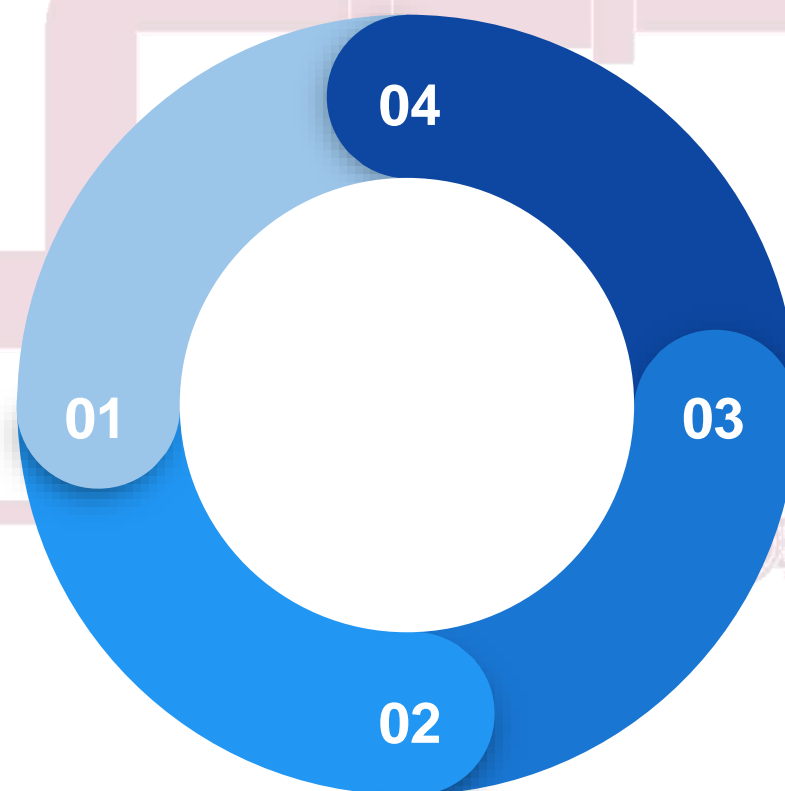
- publicity, awareness;
- observance of the balance of interests of consumers and natural monopolies;
- transparency of the activities of natural monopolies before consumers and other interested parties.

Appointment

of the Report secretary from the employees to take minutes

A speech

of the first director in accordance with the annual report procedure



Summarization

and closing of the Hearing

Questions and opinions

of the Hearing participants with attachment of a written speech to the protocol

Kazakhstan-China Pipeline LLP (hereinafter - the Partnership) was established on July 6, 2004 and operates within the framework of:

Mission:

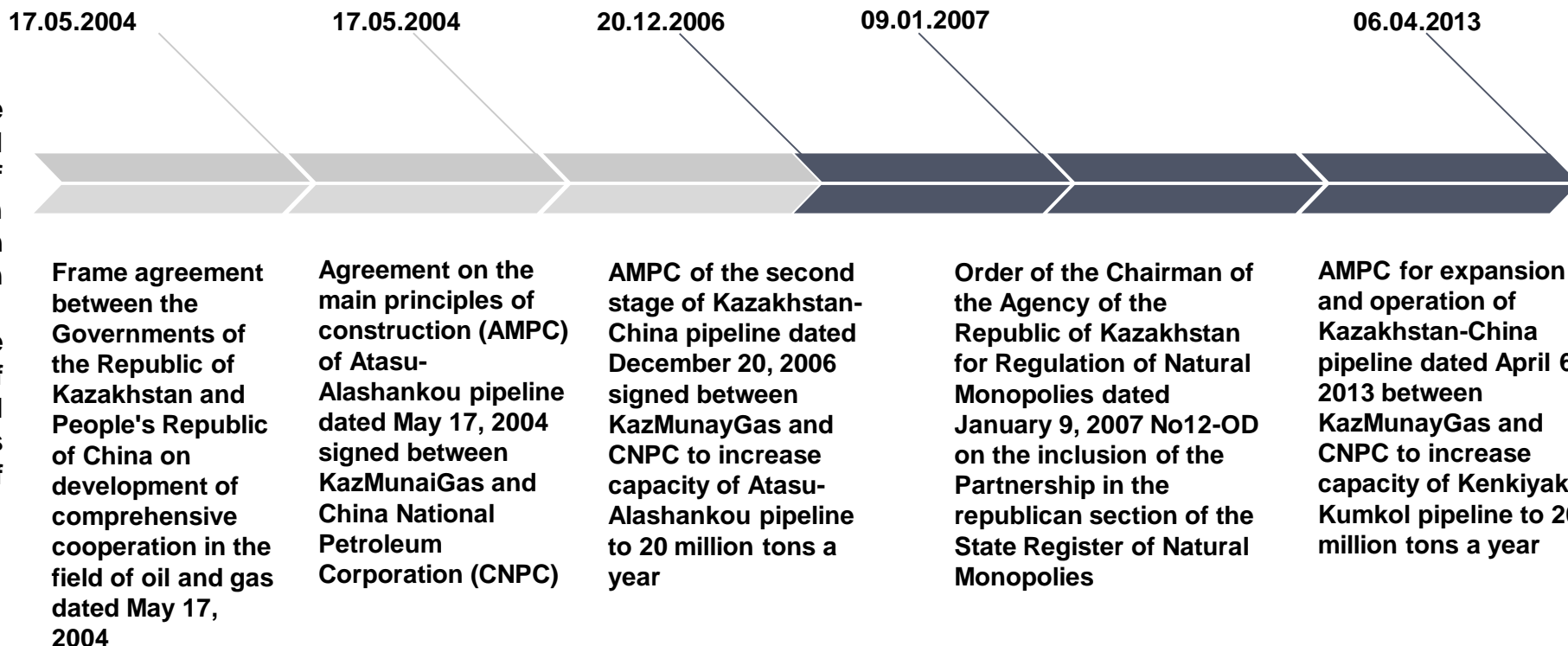
We provide safe and uninterrupted transportation of oil through main oil pipelines in order to obtain maximum benefits for the Republic of Kazakhstan and the People's Republic of China.

50%

KazTransOil

50%

China National Oil and Gas Exploration and Development Corporation



In accordance with amendments to the RK Law on Natural Monopolies, the authorized body approved tariffs the regulated service of oil pumping the Kenkiyak-Kumkol MP system in the domestic market for a period of 2025-2029 using the incentive method of tariff regulation.

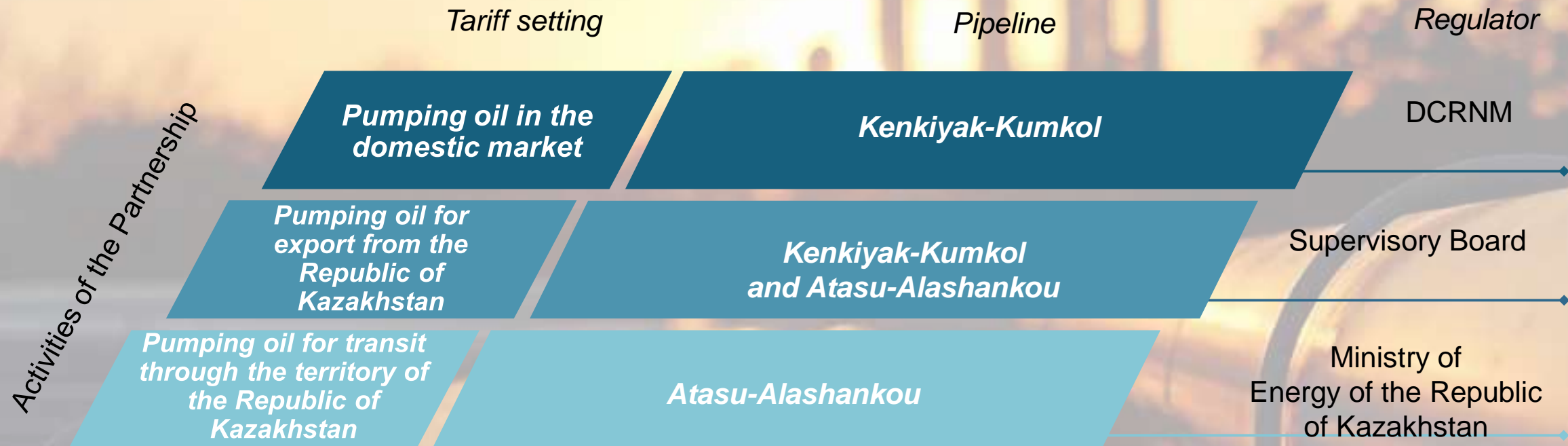
The approved tariff for 2025 is 3,338.49 tenge / 1 ton per 1000 km, effective from January 1, 2025.

Схема магистральных трубопроводов
АО «КазТрансОйл» и ТОО «Казахстанско-Китайский Трубопровод»



Kenkiyak-Kumkol pipeline		
Date of commissioning		October 2009
Nominal Diameter (Diameter)		800 мм (813 мм)
Wall thickness		9,5-11,9 мм
Operating pressure		6,4 Мпа (64 kgf/cm2)
length	Total	794,263 km
	On the territory of the Republic of Kazakhstan	794,263 km
Production	with full development (project)	20 million tons/year
	at the second stage (project)	10 million tons/year
	First phase of construction	
Number of PTS		5
Number of BVS		30
Number of cathodic protection stations (CPS)		17
Length of along-route and radial overhead lines, km		808 / 92

Atasu-Alashankou pipeline		
Date of commissioning		July 2006
Nominal Diameter (Diameter)		800 мм (813 мм)
Wall thickness		7,9-11,9 мм
Operating pressure		6,4 Мпа (64 kgf/cm2)
Length	Total	965,1 km
	On the territory of the Republic of Kazakhstan	962,9 km
	On the territory of the PRC	2,2 km
Production		20 million tons per year
Number of PTS		6
Number of BVS		40
Number of cathodic protection stations (CPS)		22+10 (installed on PS)
Length of along-route and radial overhead lines, km		1012 / 469,5



DCREM – Almaty Department of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan

The main processes of tariff formation of the Partnership



IMPLEMENTATION OF THE INVESTMENT PROGRAM FOR 2024

The joint order of the RK Ministry of Energy dated October 8, 2024 No.360 and the Almaty Department of the Committee for Regulation of Natural Monopolies of the RK MNE dated October 2, 2024 No,108-OD approved the investment program of the Partnership for 2025-2029 for a total of 26.4 billion tenge, including 16 activities planned by the approved investment program for a total of 3.5 billion tenge.

No.	Name of work/service	Unit	Quantity	Plan	Fact	Exec. %	Note
1	Design survey for the development of a working project "Major repairs/reconstruction of 10 kV overhead power lines"	DS	1	73 150	0	0%	Based on the results of the procurement procedures, an agreement was concluded on 26.05.2025 with Alliancegenproekt LLP for 65,835.000 tenge, the savings amounted to 7,315,000 tenge.
2	Design survey for the development of a detailed design "Major repairs of a 10 kV radial overhead power line with a total length of 108.5 km"	DS	1	32 500	0	0%	Based on the results of the procurement procedures, an agreement was concluded on 14.05.2025 with Alliancegenproekt LLC for 29,250,120 tenge, the savings amounted to 3,250,000 tenge.
3	Design survey for the development of DED for the reconstruction of facilities of the Kenkiyak-Kumkol MP	DS	1	94 694	0	0%	Based on the results of the procurement procedures, an agreement was concluded on 25.04.2025 with KAZHADA PROJEC TS LLP for 85,225,000 tenge, the savings amounted to 9,469,000 tenge.
4	Installation of overflow on sections of service roads in areas of washouts	work	1	46 791	0	0%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna.
5	Construction of crossings across the Kenkiyak-Kumkol main line	work	2	22 604	0	0%	Based on the results of the procurement procedures, an agreement was concluded on 16.05.2025 with Zhoba Tabys LLP for 22,000,000 tenge, savings amounted to 604,000 tenge.
6	Implementation of the PSS PTS "Kenkiyak"	work	1	1 235 305	0	0%	Preparation of materials for tender procedures.
7	Modernization of the TRS Kenkiyak-Kumkol MP	work	1	898 804	0	0%	Preparation of materials for tender procedures.
8	Design survey for the development of DED for modernization of SCADA of the Kenkiyak-Kumkol MP	DS	1	30,000	0	0%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna .
9	Design survey for the development of DED for PLC modernization	work	1	30,000	0	0%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna .
10	Major repairs of the boiler room, heating systems, hot water supply at ERC Aralsk	Work package	1	80 576	0	0%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna .
11	Provision of vehicles and special machinery	pcs	8	643 780	0	0%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna .
12	Outfitting and replacement of equipment and devices at facilities	pcs	13	86 172	70 065	81%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna .
13	Design survey for the development of DED for connecting a distribution substation	DS	1	25,000	0	0%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna.
14	Design survey for the project "Reconstruction of buildings and structures of the ERC Aralsk	DS	1	40 320	0	0%	Based on the results of the tender procedures, an agreement was concluded with Meken K LLP for 36,288,000 tenge, resulting in savings of 4,032,000 tenge.
15	Modernization of the equipment of the OQMS Kumkol of Kenkiyak-Kumkol MP (DS)	DS	1	38 600	0	0%	Based on the results of the tender procedures, an agreement was concluded on June 16, 2025 with a consortium consisting of AllianceGenProekt LLP and GeoTechProekt LLP for 34,740,000 tenge, resulting in savings of 3,860,000 tenge.
16	Purchase of fixed assets	pcs	216	133 904	28 290	21%	Procurement procedures are being conducted on the electronic procurement portal of Samruk-Kazyna.
	TOTAL in tenge excl. VAT			3 512 201	98 355	3%	

Order No. 156-OD of the Almaty Department of the Committee for Regulation of Natural Monopolies of the RK Ministry of National Economy dated November 29, 2024 approved tariff levels for the regulated service of oil pumping through the Kenkiyak-Kumkol MP system in the domestic market for 2025-2029 using the incentive method of tariff regulation, effective from 01.01.2025.

No	Tariff estimate indicator	Unit	Provided for in the tariff estimate	Actual indicators of the tariff estimate	Deviation %
1.	Controlled costs	x1000 tenge	7 850 050	4 283 662	-45%
2.	Uncontrolled costs	x1000 tenge	1 146 866	592 354	-48%
3.	Depreciation, incl. :	x1000 tenge	3 512 201	3 059 242	-13%
3.1	taken into account in the investment program	x1000 tenge	3 512 201	0	-100%
4	Allowable profit (before performance bonus payment), including:	x1000 tenge	7 123 603	2 838 367	-60%
4.2	taking into account the efficiency bonus	x1000 tenge	7 123 603	2 838 367	-60%
5	Total revenues	x1000 tenge	19 632 720	10 773 626	-45%
6	Volume of services provided	x1000 tenge	7 622	4 150	-46%
6.1	Cargo turnover	x1000 t/km	5 881	3 227,095	-45%
7	Tariff (excl. VAT)	tenge/ton per 1000 km	3 338,49	3 338,49	0%

CONTROLLED COSTS FOR THE 1 HALF OF 2025

Item No.	Tariff estimate indicators	Unit of measurement	Plan for the year	Actual of 1st half of the year	Deviation, in %
I	Costs of production of goods and provision of services, total, including	x1000 tenge	6 692 626	3 687 727	-45%
1	Material costs (R&M, electricity)		164 830	57 811	-65%
2	Payroll of production personnel	x1000 tenge	135 434	69 622	-49%
3	Repair	x1000 tenge	263 715	102 498	-61%
4	Other expenses	x1000 tenge	6 128 647	3 457 796	-44%
4.1	Security and fire protection	x1000 tenge	588 360	335 907	-43%
4.2	O&M services	x1000 tenge	4 879 287	2 841 788	-42%
4.3	Metrology	x1000 tenge	9 078	3 045	-66%
4.4	Maintenance of equipment and metering devices	x1000 tenge	60 722	19,963	-67%
4.5	Maintenance of the information and analytical system for the MP integrity management	x1000 tenge	38 035	0	-100%
4.6	Maintenance of communication systems	x1000 tenge	174 039	70 196	-60%
4.7	Environmental monitoring and protection	x1000 tenge	12 526	10 450	-17%
4.8	Maintenance of hazardous production facilities in the oil and gas industry	x1000 tenge	40 055	19 664	-51%
4.9	Costs of maintaining security and fire alarm systems	x1000 tenge	22 307	8 106	-64%
4.10	Maintenance, repair of oil pipeline security systems and maintenance, repair of CCTV	x1000 tenge	43 710	15 004	-66%
4.11	Transport services with company cars	x1000 tenge	60 650	30 322	-50%
4.12	Maintenance and repair of office equipment, software and climate control systems	x1000 tenge	28 430	6 314	-78%
4.13	Current repair and maintenance of oil metering units	x1000 tenge	28 370	12 522	-56%
4.14	Communication services	x1000 tenge	28 136	13 887	-51%
4.15	Catering for employees in the Kenkiyak and Kumkol AB	x1000 tenge	12 123	18 710	54%
4.17	Training, retraining and advanced training	x1000 tenge	1 846	0	-100%
4.18	Air services	x1000 tenge	36 229	16 656	-54%
4.19	Maintenance of anti-terrorist protection security systems	x1000 tenge	28 789	12 166	-58%
4.20	Diagnostics and inspection of underwater crossings	x1000 tenge	1 161	681	-41%
4.22	Mandatory medical examination, according to the instruction of the RK Ministry of Health	x1000 tenge	1,473	1,475	0%
4.23	Costs of outsourcing the AB	x1000 tenge	29 413	18 849	-36%
4.24	Maintenance of administrative buildings	x1000 tenge	3 907	2 089	-47%
II	Expenses for the period, total	x1000 tenge	1 157 423	595 935	-49%
6	General and administrative expenses	x1000 tenge	1 157 423	595 935	-49%
6.1	Salaries of administrative staff	x1000 tenge	339 204	170 561	-50%
6.4	Third party services, total	x1000 tenge	818 220	425 374	-48%
6.4.1	Raw materials and supplies	x1000 tenge	2 604	1 228	-53%
6.4.2	Costs of outsourcing transport services	x1000 tenge	149 430	89 253	-40%
6.4.3	Training and advanced training	x1000 tenge	5 788	248	-96%
6.4.4	Expenses for publication in the media	x1000 tenge	2 059	805	-61%
6.4.5	Travel expenses of the AMP	x1000 tenge	51 506	26 145	-49%
6.4.6	Communication services	x1000 tenge	2 846	2 169	-24%
6.4.7	Bank services	x1000 tenge	1 835	1,055	-42%
6.4.8	Other expenses	x1000 tenge	602 152	304 470	-49%
III	Total controllable costs	x1000 tenge	7 850 050	4 283 662	-45%

Tariff estimate indicators	Unit of measurement	Provided for in the approved tariff estimate	Actual indicators of the tariff estimate	Deviation, %
Social tax and PP deductions	x1000 tenge	13 408	6 893	-49%
MSMI PP	x1000 tenge	4 063	2 089	-49%
MPCE PP	x1000 tenge	3 386	1 741	-49%
Taxes CC	x1000 tenge	1 051 353	543 718	-48%
Insurance CC	x1000 tenge	8 107	2 263	-72%
Social tax and AMP deductions	x1000 tenge	33 581	18 762	-44%
MSMI AUP	x1000 tenge	10 176	5 117	-50%
MPCE AUP	x1000 tenge	8 480	4 264	-50%
Taxes GAE	x1000 tenge	9 830	5 387	-45%
Insurance GAE	x1000 tenge	4 481	2 122	-53%
TOTAL UNCONTROLLED COSTS		1 146 866	592 354	-48%

Item No.	Tariff estimate indicators	Unit of measurement	Provided for in the approved tariff estimate	Actual indicators of the tariff estimate	Deviation, %
3.	Depreciation, including:	x1000 tenge	3 512 201	3 059 242	-13%
3.1	taken into account in the investment program	x1000 tenge	3 512 201	0	-100%
4	Allowable profit (before performance bonus payment), including:	x1000 tenge	7 123 603	2 838 367	-60%
4.1	related to the investment program	x1000 tenge	0		
4.2	taking into account the efficiency bonus	x1000 tenge	7 123 603	2 838 367	-60%
5	Total income	x1000 tenge	19 632 720	10 773 626	-45%
6	Volume of services provided	x1000 tenge	7 622	4 150	-46%
6.1	Cargo turnover	thousand t/km	5 881	3 227,095	-45%
7	Tariff (excluding VAT)	tenge/ton per 1000 km	3 338,49	3 338,49	0%

Execution on Depreciation amounted to 3,059,242,000 tenge or 87% of the plan and is represented by accrued depreciation on production fixed assets for the 1 half of 2025.

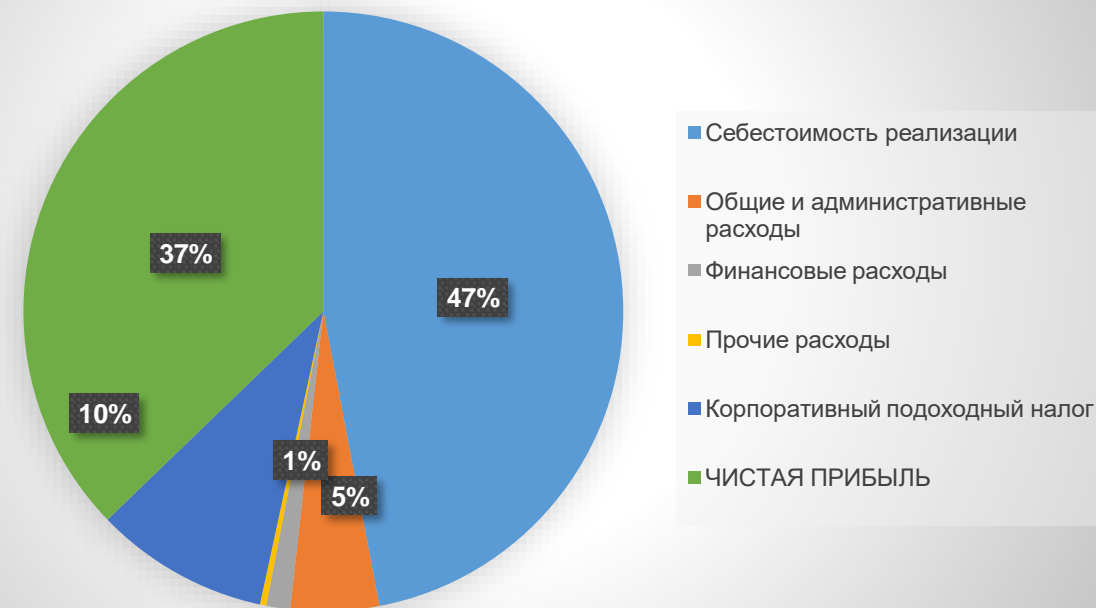
The allowable profit for the reporting period as part of the tariff estimate amounted to 2,838,367,000 tenge or 40%. The indicator was adopted as an estimate, as the difference between income and controlled, uncontrolled expenses.

Revenues amounted to 10,773,626,000 tenge (55%), with actual oil turnover figures of 3,227 million tons/km (55%).

Item No.	Quality and reliability indicator	Unit of measurement	Plan for 2025	Actual of the first half of 2025	Note
1	Timely execution of activities provided for by the investment program	%	100	3	Execution of the investment program is 98,355,000 tenge or 3%. Full execution is expected at the end of this year.
2	Implementation of innovative technology in the enterprise for a regulated service	activity	1	0	As part of the execution of the investment program, this indicator is expected to be achieved by the end of this year.
3	Maintaining the quality, reliability and other consumer properties of goods during their transportation	%	100	100	According to the oil passport, the quality of the transported oil meets the standards.
4	Reduction or maintenance at the accepted level of specific power consumption for oil cargo turnover through main pipelines	x1000 kWh /million t/km	0.51	0.44	Actual indicators for specific power consumption for oil cargo turnover for the first half of 2025 amounted to 0.44 thousand kWh / million t/km.
5	Number of violations of legislation in the sphere of natural monopolies	units	0	0	During the reporting period, the authorized body did not find any violations of the legislation of the Republic of Kazakhstan on natural monopolies.
6	Ensuring long-term trouble-free operation of the oil pipeline	%	100	100	According to monthly reports on the key performance indicators, no emergencies, incidents, accidents, or illegal actions that led to the suspension of oil transportation were recorded at the facilities of the main oil pipelines.
7	Compliance with schedules of the approved method statement in order to prevent emergency situations	%	100	100	
8	Time of emergency response	hour	72	72	No emergencies were recorded during the reporting period.
9	Compliance with the qualification requirements of the management staff	%	100	100	The Partnership complies with the internal requirements of the management team.
10	Reduction of depreciation of fixed assets	%	49.5	42.07	The accounting depreciation of fixed assets is presented.

Indicators	Actual of the first half of 2025, x1000 tenge
INCOME, total	43 130 825
Sales income	39 390 298
Transit revenues	24 863 694
Income from the domestic market	10 773 626
Export revenues	3 752 978
Other income	3 740 527
EXPENSES, total	23 029 446
Cost of sales	20 271 953
General and administrative expenses	2 054 932
Financial expenses	554 931
Expenses from non-core activities	147 631
Corporate Income Tax	4 048 215
NET PROFIT	16 053 164

Share of expenses and profits for 1ST HALF OF 2025



Net profit for the first half of 2025 amounted to 16,053,164,000 tenge

Item No.	Shippers	Pumping volume, x1000 tons	Cargo turnover, million tons /km	Share, %	Item No.	Shippers	Pumping volume, x1000 tons	Cargo turnover, million tons /km	Share, %
1	Mangistaumunaigas	1 093 663	868 656	26.9%	22	KazMunayGas	19,990	15 877	0.5%
2	CNPC-Aktobemunaigas	993 070	788 759	24.4%	23	Emir –Oil	19 435	15 437	0.5%
3	Embamunaygas	552 179	438 575	13.6%	24	SK PETROLEUM	19 034	15 118	0.5%
4	Kazakhoil Aktobe	170 629	135 524	4.2%	25	POTENTIAL OIL	18 033	14 323	0.4%
5	KAZAKHTURKMUNAI	151 970	120 704	3.7%	26	CHK Absolute Oil Ltd.	15 232	12 098	0.4%
6	KMK Munai	119 768	95 127	2.9%	27	ANACO	14 824	11 774	0.4%
7	Kozhan	83 644	66 435	2.1%	28	BNG Ltd	12 766	10 140	0.3%
8	Buzachi Oil	70 628	56 097	1.7%	29	Prikaspian Petroleum Company LLP	12 018	9 545	0.3%
9	Aktobe branch of "Alties Petroleum International B.V."	69 195	54 959	1.7%	30	Meerbusch	10 818	8 592	0.3%
10	Kazakhstan branch of "Nelson Petroleum Buzachi B.V."	65 140	51 738	1.6%	31	Joint Venture Arman	10 519	8 355	0.3%
11	Branch of "CNPC International (Buzachi) B.V." in Aktau	65 140	51 738	1.6%	32	Phystech II	9 622	7 642	0.2%
12	KEN-SARY	61 922	49 182	1.5%	33	Eureka Oleum LLP	9 310	7 395	0.2%
13	TENGE Oil & Gas	59 609	47 345	1.5%	34	SOUTH-OIL	91 176	6 806	0.2%
14	Branch of "Dunga Operating GmbH" in the Republic of Kazakhstan	47 703	37 889	1.2%	35	Urikhtau Operating	7 408	5 884	0.2%
15	Maten Petroleum	46 583	36 999	1.1%	36	Caspian Oil TME	6 918	5 495	0.2%
16	KOM-MUNAY	45 492	36 133	1.1%	37	Aral Petroleum Capital	4 086	3 245	0.1%
17	Karakudukmunai	42 670	33 891	1.1%	38	Branch of "Jupiter Energy Pte. Ltd." (Jupiter Energy Pte. Ltd.) in the Republic of Kazakhstan	3 903	3 100	0.1%
18	Sagiz Petroleum Company	33 665	26 739	0.8%	39	Aktau-Transit	3 606	2 864	0.1%
19	Jasyl Energy	31 894	25 332	0.8%	40	Kumkol Oil	4 806	359	0.0%
20	Nobilis Corp	29 762	23 639	0.7%	41	IPC - Munai	350	278	0.0%
21	Tasbulat Oil Corporation LLP	21 748	17 274	0.5%	42	Nedra Com	402	30	0.0%
					22	KazMunayGas	19,990	15 877	0.5%
					23	Emir-Oil	19 435	15 437	0.5%
					TOTAL		4 150 330	3 227 095	100%

5 contracts with consumers were concluded for the Kenkiyak-Kumkol MP for the domestic market. At the same time, oil cargo turnover in the domestic market for the first half of 2025 amounted to 3,227 million tons/km with the approved indicators of 5,881 million tons/km in the tariff estimate, which is 55%.



Daily data on oil pumping are processed, a daily oil balance is maintained, on the basis of which the accounting of commercial oil operations is controlled, and the interaction of the shipping and receiving parties is coordinated.



Control over the quality and quantity of oil is carried out by the Partnership together with KazTransOil .



Ensuring uninterrupted oil transportation, reliable and safe operation of oil pipeline facilities.



Ensuring timely adjustment of the investment program and tariff estimate for regulated services of oil pumping through Kenkiyak-Kumkol MP system in the domestic market of the Republic of Kazakhstan for 2025.



Execution of the investment program and tariff estimate for regulated services of oil pumping through Kenkiyak-Kumkol MP system in the domestic market of the Republic of Kazakhstan for 2025.



Achievement of quality and reliability indicators of regulated services for 2025



THANK YOU FOR
ATTENTION

*Sincerely,
Kazakhstan-China Pipeline LLP*