



KAZAKHSTAN-CHINA PIPELINE LLP

Report on the execution of the approved investment program and tariff estimate, on compliance with quality and reliability indicators 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 2026

July 28, 2026

Goals of the hearing:

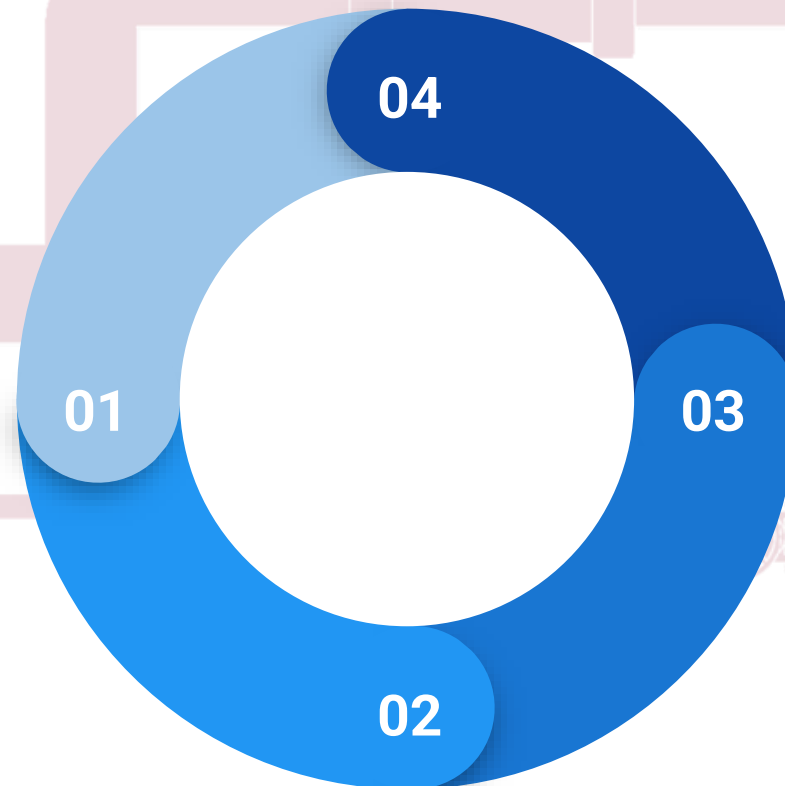
- publicity, awareness;
- observance of the balance of interests of consumers and natural monopolies;
- transparency of the activities of natural monopolies before consumers and other interested parties.

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

17.05.2004

17.05.2004

20.12.2006

09.01.2007

06.04.2013



Frame agreement between the Governments of the Republic of Kazakhstan and People's Republic of China on development of comprehensive cooperation in the field of oil and gas dated May 17, 2004

Agreement on the main principles of construction (AMPC) of Atasu-Alashankou pipeline dated May 17, 2004 signed between KazMunaiGas and China National Petroleum Corporation (CNPC)

AMPC of the second stage of Kazakhstan-China pipeline dated December 20, 2006 signed between KazMunayGas and CNPC to increase capacity of Atasu-Alashankou pipeline to 20 million tons a year

Order of the Chairman of the Agency of the Republic of Kazakhstan for Regulation of Natural Monopolies dated January 9, 2007 No12-OD on the inclusion of the Partnership in the republican section of the State Register of Natural Monopolies

AMPC for expansion and operation of Kazakhstan-China pipeline dated April 6, 2013 between KazMunayGas and CNPC to increase capacity of Kenkiyak-Kumkol pipeline to 20 million tons a year

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 2026 is 3,690.48 tenge / 1 ton per 1000 km, effective from January 1, 2026.



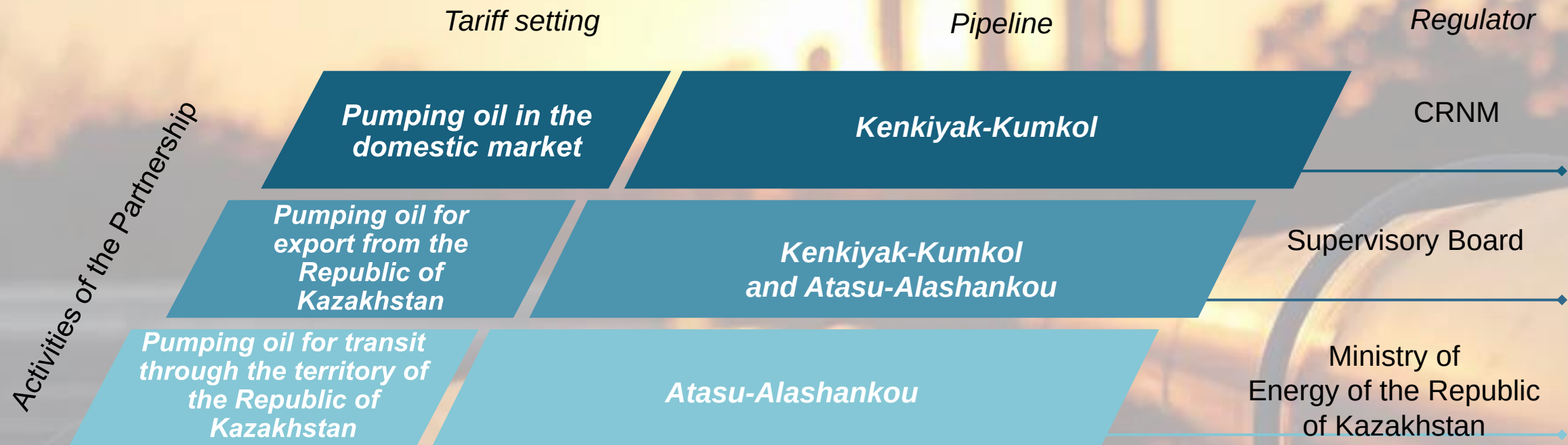
Схема магистральных трубопроводов
АО «КазТрансОйл» и ТОО «Казakhstanско-Китайский Трубопровод»



- УСЛОВНЫЕ ОБОЗНАЧЕНИЯ
- Административные центры
 - ГНПС (Головная нефтеперекачивающая станция)
 - НПС (Нефтеперекачивающая станция)
 - Сливно-наливные эстакады
 - ВНС (водонасосные станции)
 - ВОС (водоочистные сооружения)
 - ГОС (головные очистные сооружения)
 - Другие (СПН, ПСП и т.д.)
 - ОАВП (Объединенный аварийно-восстановительный пункт)

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



CREM –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 THE 1st HALF OF 2026

By the joint order of the Ministry of Energy of the Republic of Kazakhstan dated 8 October 20 24 , No. 360 and the AlmatyDepartment of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan dated 2 October 20 24 year No. 108-OD approved the investment program of the Partnership for 2025-2029 for a total of 26.4 billion tenge, including 13 activities planned by the approved investment program for a total of 5.3 billion tenge.

No.	Name of work/service	Units of measurement	Quantity	Plan, thousand tenge excluding VAT	Actual value, thousand tenge excluding VAT	Execution, %	Execution status
1	Installation of an overflow on sections of service roads in areas of washouts	Job	1	48,428.80	0	0%	Tender procedures are being conducted on the electronic procurement portal of JSC Samruk Kazyna.
2	Construction of crossings across the Kenkiyak-Kumkol main line	Job	2	23,395.55	0	0%	Following the tender process, a contract was signed with the service provider. Civil work is underway.
3	Major repairs to the CP system at Kenkiyak-Kumkol MP	Job	1	162,000.55	0	0%	Tender procedures are being conducted on the electronic procurement portal of JSC Samruk Kazyna.
4	Implementation of the PSS PTS "Aralsk" MP "Kenkiyak - Kumkol"	Job	1	1,128,827.71	0	0%	Following the tender process, a contract was signed with the service provider. Civil work has commenced.
5	Work on modernization of life support systems of telemechanics and communication shelters of the Kenkiyak-Kumkol main line (DS)	DS	1	40,000.00	0	0%	Following the tender procedures, an agreement was concluded with the service provider.
6	Modernization of the PLC MN Kenkiyak - Kumkol	Job	1	1,500,000.00	0	0%	Following the tender, the winner has been determined and the contract is being negotiated.
7	Equipment with motor transport and special machinery for the Kenkiyak-Kumkol MP	pcs.	9	746,766.66	0	0%	Following the tender procedures, contracts were concluded with service providers.
8	Provision of additional equipment and replacement at the Kenkiyak-Kumkol pipeline facilities	pcs.	54	187,094.70	40,782.89	22%	Tender procedures are being conducted on the electronic procurement portal of JSC Samruk Kazyna.
9	Reconstruction of electric actuators for AUMA valves at MP Kenkiyak-Kumkol for the installation of a dielectric insert between the valve gearbox and the electric actuator	Job	1	94,880.77	0	0%	Following the tender process, contracts were signed with service providers. Civil work is underway.
10	Modernization of equipment for the oil quantity and quality measuring system Kumkol at Kenkiyak-Kumkol MP	Job	1	816 124.70	0	0%	Tender procedures are being conducted on the electronic procurement portal of JSC Samruk Kazyna.
11	Repair work on previously mothballed illegal tap-ins at the Kenkiyak - Kumkol MP using composite material	Job	1	378,966.15	0	0%	Tender procedures are being conducted on the electronic procurement portal of JSC Samruk Kazyna.
12	Purchase of fixed assets	pcs.	140	232,433.20	2 103.60	1%	Tender procedures are being conducted on the electronic procurement portal of JSC Samruk Kazyna.
13	Modernization of the TRS at Kenkiyak-Kumkol MP	Job	1	8,616.79	8,319.66	97%	There was a partial postponement of this activitya from 2025 to 2026. The activity has been completed.
	TOTAL			5,367,535.58	51,206.15	1%	

By letter No. 29/570 from the Partnership dated June 17, 2026, a repeat application for adjusting the IP for 2026 was submitted, taking into account the comments. By letter No. 32-09-09/871--I from the DCRNM dated June 24, 2026, the application for adjusting the IP was accepted for review.

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.

№	Tariff estimate indicator	Unit	Provided for in the tariff estimate	Actual indicators of the tariff estimate	Deviation %
1.	Controlled costs	x1000 tenge	8 202 615	4 472 678	-45%
2.	Uncontrolled costs	x1000 tenge	1 084 226	643 474	-41%
3.	Depreciation, incl. :	x1000 tenge	5 358 919	3 736 983	-30%
4	Allowable profit (before performance bonus payment), including:	x1000 tenge	7 056 929	2 880 725	-59%
4.2	taking into account the efficiency bonus	x1000 tenge	7 056 929	2 880 725	-59%
5	Total revenues	x1000 tenge	21 702 689	11 733 947	-46%
6	Volume of services provided	x1000 tenge	7 622	4 063	-47%
6.1	Cargo turnover	x1000 t/km	5 881	3 180	-46%
7	Tariff (excl. VAT)	tenge/ton per 1000 km	3 690,48	3 690,48	0%

EXECUTION OF CONTROLLED COSTS FOR THE 1st HALF OF 2026



"KAZAKHSTAN-CHINA
PIPELINE"

8

No.	Name of indicators	Units of measurement	Plan	Actual	Deviation
I	Costs of production of goods and provision of services, total, including	thousand tenge	6,987,320	3,695,680	-47.1%
1	Material costs, total, including	thousand tenge	173,072	53,237	-69.2%
1.1	Raw materials and supplies	thousand tenge	109,469	6,446	-94.1%
1.2	Energy	thousand tenge	63,603	46,790	-26.4%
2	Total labor costs, including	thousand tenge	142 206	137,476	-3.3%
3	Repairs, total, including	thousand tenge	276 901	90 889	-67.2%
4	Other expenses	thousand tenge	6,395,142	3,414,078	-46.6%
4.1	Security and fire protection	thousand tenge	617 778	341 101	-44.8%
4.2	O&M services	thousand tenge	5 123 252	2,906,505	-43.3%
4.3	Metrology	thousand tenge	9,532	3,443	-63.9%
4.4	Maintenance of equipment and metering devices	thousand tenge	63,758	20,496	-67.9%
4.5	Maintenance of communication systems	thousand tenge	182,741	8,779	-95.2%
4.6	Environmental monitoring and protection	thousand tenge	13 152	7,941	-39.6%
4.7	Maintenance of hazardous production facilities in the oil and gas industry	thousand tenge	42,057	19,964	-52.5%
4.8	Costs of maintaining fire alarm systems	thousand tenge	23,422	0	-100.0%
4.9	Maintenance and repair of CCTV and perimeter security systems of the MP	thousand tenge	45,896	0	-100.0%
4.10	Transportation services using company vehicles	thousand tenge	63,683	30,800	-51.6%
4.11	Maintenance and repair of office equipment, software and climate control systems	thousand tenge	29,851	0	-100.0%
4.12	Current repair and maintenance of oil metering units	thousand tenge	29,788	12,856	-56.8%
4.13	Communication services	thousand tenge	29,543	14,070	-52.4%
4.14	Catering services to employees at the Kenkiyak and Kumkol AB	thousand tenge	12,729	20,591	61.8%
4.15	Training, retraining and advanced training	thousand tenge	1,938	0	-100.0%
4.16	Airline services	thousand tenge	38,041	0	-100.0%
4.17	Maintenance of anti-terrorism security systems	thousand tenge	30 228	2,969	-90.2%
4.18	Diagnostic work and inspection of underwater crossings (other works)	thousand tenge	1 219	150	-87.7%
4.19	Mandatory medical examination, according to the instructions of the RK Ministry of Health	thousand tenge	1,546	2 198	42.2%
4.20	Costs of outsourcing AB	thousand tenge	30,883	19,576	-36.6%
4.21	Maintenance of administrative buildings	thousand tenge	4 102	2,639	-35.7%
II	Expenses for the period, total	thousand tenge	1,215,295	777 088	-36.1%
6	General and administrative expenses	thousand tenge	1,215,295	777 088	-36.1%
	including:				
6.1	Salaries of administrative staff	thousand tenge	356 164	316 131	-11.2%
6.4	Third-party services	thousand tenge	859 131	460 957	-46.3%
	TOTAL CONTROLLED COSTS	thousand tenge	8 202 615	4,472,768	-46%

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	14 078	9 637	-32%
MSMI PP	x1000 tenge	4 266	4 124	-3%
MPCE PP	x1000 tenge	4 977	3 437	-31%
Taxes CC	x1000 tenge	979 741	560 082	-43%
Insurance CC	x1000 tenge	8 512	3 532	-59%
Social tax and AMP deductions	x1000 tenge	35 260	34 774	-1%
MSMI AUP	x1000 tenge	10 685	9 484	-11%
MPCE AUP	x1000 tenge	12 466	7 903	-37%
Taxes GAE	x1000 tenge	9 535	8 470	-11%
Insurance GAE	x1000 tenge	4 705	2 030	-57%
TOTAL UNCONTROLLED COSTS		1 084 226	643 474	-41%

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	5 358 919	3 736 983	-30%
3.1	taken into account in the investment program	x1000 tenge	5 358 919	51 206	-99%
4	Allowable profit (before performance bonus payment), including:	x1000 tenge	7 056 929	2 880 725	-59%
4.1	related to the investment program	x1000 tenge	0	0	
4.2	taking into account the efficiency bonus	x1000 tenge	7 056 929	2 880 725	-59%
5	Total income	x1000 tenge	21 702 689	11 733 947	-46%
6	Volume of services provided	x1000 tenge	7 622	4 063	-47%
6.1	Cargo turnover	thousand t/km	5 881	3 180	-46%
7	Tariff (excluding VAT)	tenge/ton per 1000 km	3 690,48	3 690,48	0%

Execution on Depreciation amounted to 3,736,983,000 tenge or 70% of the plan and is represented by accrued depreciation on production fixed assets for the 1 half of 2026.

The allowable profit for the reporting period as part of the tariff estimate amounted to 2,880,725,000 tenge or 41%. The indicator was adopted as an estimate, as the difference between income and controlled, uncontrolled expenses.

Revenues amounted to 11,773,947,000 tenge (54%), with actual oil turnover figures of 3,180 million tons/km (54%).

Item No.	Quality and reliability indicator	Unit of measurement	Plan	Actual	Score	Note
1	Timely execution of activities provided for by the investment program	%	100	1	100	Execution of the investment program is 51,206,000 tenge or 1%. 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	1	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	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	0.47	0.51	Actual indicators for specific power consumption for oil cargo turnover for the first half of 2026 amounted to 0.47 thousand kWh / million t/km.
5	Number of violations of legislation in the sphere of natural monopolies	units	0	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	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	100	
8	Time of emergency response	hour	72	0	0	No emergencies were recorded during the reporting period.
9	Compliance with the qualification requirements of the management staff	%	100	100	100	The Partnership complies with the internal requirements of the management team.
10	Reduction of depreciation of fixed assets	%	49.0	38.7	49.0	The accounting depreciation of fixed assets is presented.

Indicators	Actual of the first half of 2026, x1000 tenge
INCOME, total	41 107 389
Sales income	36 314 654
Transit revenues	19 135 614
Income from the domestic market	11 733 947
Export revenues	5 445 092
Other income	4 792 736
EXPENSES, total	25 211 846
Cost of sales	21 342 740
General and administrative expenses	2 487 737
Financial expenses	752 311
Expenses from non-core activities	629 059
Corporate Income Tax	3 147 270
NET PROFIT	12 748 273



The Partnership's profit for the first half of 2026 amounted to 12,748,273,000 tenge, including service revenue of 36,314,654,000 tenge; other income of 4,792,736,000 tenge, primarily represented by deposit interest of 4,623,306,000 tenge and other income of 169,430,000 tenge.

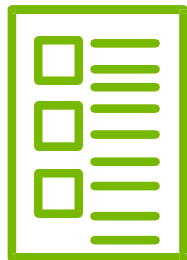
Total expenses amounted to 25,211,846,000 tenge, which consist of the cost of services sold in the amount of 21,342,740,000 tenge, general and administrative expenses in the amount of 2,487,737,000 tenge, financing expenses in the amount of 752,311,000 tenge and expenses from non-current assets amounted to 629,059,000 tenge, which are mainly represented by balanced expenses on exchange rate differences.

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	1 076,7	855,2	26,9%	22	Nobilis Corp	25,2	20,0	0,6%
2	CNPC-Aktobemunaigas	975,2	774,5	24,4%	23	Tasbulat Oil Corporation	21,4	17,0	0,5%
3	Embamunaygas	533,6	423,8	13,3%	24	Pricaspian Petroleum Company	18,5	14,7	0,5%
4	Kazakhoil Aktobe	180,3	143,2	4,5%	25	Meerbusch	17,5	13,9	0,4%
5	KAZAKHTURKMUNAI	155,8	123,7	3,9%	26	Potential Oil	17,3	13,8	0,4%
6	KMK Munai	120,9	96,1	3,0%	27	ANACO	14,9	11,9	0,4%
7	Kozhan	95,8	76,1	2,4%	28	North Karazhanbas Ltd	14,7	11,6	0,4%
8	Buzachi Oil	74,5	59,2	1,9%	29	Joint Venture Arman	11,3	9,0	0,3%
9	TENGE Oil & Gas	68,3	54,3	1,7%	30	Aral Petroleum Capital	10,8	8,6	0,3%
10	Maten Petroleum	66,9	53,2	1,7%	31	Urichtau Operating	9,0	7,2	0,2%
11	KEN-SARY	60,6	48,1	1,5%	32	Caspian Oil TME	7,5	6,0	0,2%
12	Aktobe branch of Altius Petroleum International B.V.	59,4	47,2	1,5%	33	Astana Expo Trade Ltd.	7,2	5,7	0,2%
13	SOUTH-OIL	58,2	4,3	0,1%	34	Jupiter Energy Pte. Ltd. Branch in the Republic of Kazakhstan	6,4	5,1	0,2%
14	Branch of "CNPC International (Buzachi) B.V." in Aktau	51,7	41,0	1,3%	35	Kumkol Oil	6,0	0,4	0,0%
15	Kazakhstan branch of "Nelson Petroleum Buzachi B.V."	51,7	41,0	1,3%	36	Eureka Oleum	6,0	4,8	0,2%
16	Branch of "Dunga Operating GmbH" in the Republic of Kazakhstan	48,7	38,7	1,2%	37	KhamAd Partners	5,0	4,0	0,1%
17	KOM-MUNAI	42,5	33,8	1,1%	38	KazMunayGas	4,3	3,4	0,1%
18	SK-PETROLEUM	38,6	30,6	1,0%	39	Zhalgiztobemunai	4,0	3,2	0,1%
19	Jasyl Energy	32,1	25,5	0,8%	40	Svetland-Oil	3,4	2,7	0,1%
20	Absolute Oil Ltd	28,8	22,8	0,7%	41	Kul-Bas	2,0	1,6	0,1%
21	Emir-Oil	25,4	20,2	0,6%	42	Nedra Kom	1,7	0,1	0,0%
					43	Oloreso Petroleum	1,2	1,0	0,0%
					44	Tobearal Oil	0,9	0,7	0,0%
					45	Aktau-Tranzit	0,8	0,6	0,0%
					TOTAL		4 062,8	3 179,5	100%

65 contracts with consumers were concluded in the reporting period for the Kenkiyak-Kumkol MP for the domestic market, of which 45 were transported by shippers. At the same time, oil cargo turnover in the domestic market for the first half of 2026 amounted to 3,179 million tons/km with the approved indicators of 5,881 million tons/km in the tariff estimate, which is 54%.



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 2026.



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 2026.



Achievement of quality and reliability indicators of regulated services for 2026



THANK YOU FOR
ATTENTION

*Sincerely,
Kazakhstan-China Pipeline LLP*