

**SHARE ISSUE PROSPECTUS**  
**The Closed Joint Stock Company**  
**“National Oil Transportation Company “KazTransOil”**  
**(CJSC “NOTC “KazTransOil”)**

The state registration of issue of the declared stocks by authorized body doesn't mean providing any recommendations to investors concerning acquisition of the actions described in the prospectus. The authorized body which has carried out the state registration of issue of declared stocks, doesn't bear responsibility for reliability of information containing in this document. The prospectus of a share issue was considered only on compliance to requirements of the legislation of the Republic of Kazakhstan. Officials of joint-stock company bear responsibility for reliability of information containing in the present prospectus, and confirm that all information presented in it, is authentic and not misleading investors concerning society and its placed actions.

## 1. General information about joint-stock company

1. The Joint-Stock Company “KazTransOil” (further - Society) is the legal entity by the legislation of the Republic of Kazakhstan and carries out the activity according to the Civil code of the Republic of Kazakhstan, Laws of the Republic of Kazakhstan «About joint-stock companies» and «About natural monopolies» and also other regulatory legal acts of the Republic of Kazakhstan.

Society is the subject of natural monopoly in the sphere of transportation of oil on the main pipelines.

The financial and production activity of Society is carried out on the basis of economic independence.

Society has independent balance, bank accounts, the press with the indication of a full company name in the state and Russian languages.

Society can have the trademark and symbolics, samples which affirm Board of Society and stamps in the state, Russian languages, letterheads and other requisites are registered in accordance with the established procedure, and also.

### 2. Society name:

full name in a state language «КазТрансОйл» Акционерлік қоғамы, reduced - "KazTransOil" АҚ;

full name in Russian - акционерное общество «КазТрансОйл», reduced - АО «КазТрансОйл»;

full name in English - «KazTransOil» Joint Stock Company, reduced - «KazTransOil» JSC.

Previous full and Society abbreviated names:

full name in a state language – «КазТрансОйл» жабық акционерлік қоғамы, reduced - «КазТрансОйл» ЖАҚ;

full name in Russian - закрытое акционерное общество «КазТрансОйл», reduced - ЗАО «КазТрансОйл»;

full name in English - «KazTransOil» Closed Type Joint Stock Company, reduced - «KazTransOil» CTJSC.

Date of change of the name – on May 31, 2004.

full name in a state language - «КазТрансОйл» Ұлттық мұнай тасымалдау компаниясы» жабық акционерлік қоғамы, reduced - «КазТрансОйл» ҰМТК» ЖАҚ;

full name in Russian - закрытое акционерное общество «Национальная компания по транспортировке нефти «КазТрансОйл», reduced - ЗАО «НКТН «КазТрансОйл»;

full name in English - KazTransOil National Oil Transportation Company, reduced - KazTransOil NOTC.

Date of change of the name - on July 04, 2001.

### 3. Data on the state registration (re-registration) of Society

The Certificate on the state re-registration of the legal entity from May 31, 2004 of No. 6636-1901-АО. The state re-registration is made by Department of justice of the city of Astana of the Ministry of Justice of the Republic of Kazakhstan.

4. Registration number of the taxpayer - 600700151343.

5. Information on the location of Society, numbers of contact phones and fax, e-mail address.

Legal address: 473000, Republic of Kazakhstan, Astana, Kabanbay batyr avenue, building 20.

Actual address: 473000, Republic of Kazakhstan, Astana, Kabanbay batyr avenue, building 20.

Contact phones: 8 (3172) 555-145, 555-144; fax: 8 (3172) 216-767.

E-mail address: [office@kaztransoil.kz](mailto:office@kaztransoil.kz)

### 6. Banking details of Society:

in US dollars:

Beneficiary's Bank: Halyk Bank of Kazakstan, Astana Regional branch

SWIFT BIC: HSBKZZKX CHIPS UID: 350811

BIC 195 301 603 Account. # 300070548

Beneficiary's Bank: Halyk Bank of Kazakstan, Almaty

SWIFT BIC: HSBKKZKX CHIPS UID: 350811  
BIC 190 501 601 Account. # 615 070 006  
Correspondent Bank: Deutsche Bank Trust Company Americas, New York  
CHIPS ABA: 0103 SWIFT BIC: BKTRUS 33  
Corr. account: 04400300

Beneficiary's Bank Almaty Merchant Bank, Astana Branch  
SWIFT: ALMN KZ KA. Almaty, Kazakstan  
BIC 195 301 730 Account # 000070627  
Beneficiary's Bank Almaty Merchant Bank Almaty  
SWIFT: ALMN KZ KA. Almaty, Kazakstan  
BIC 190 501 956 Account # 014 070 567  
Correspondent Bank: American Express Bank, New York USA  
SWIFT: AEIBUS33  
Corr. account: 736405

Beneficiary's Bank Kazkommerts bank, Almaty, Kazakstan  
Account 31070255 BIC 190 501 724 SWIFT: KZKOKZKX  
Correspondent Bank: Bank of New York, NY, USA  
SWIFT: IRTY US 3N CHIPS: 0001  
Corr. account: 890-0223-057

Beneficiary's Bank CJSC Citibank Kazakhstan  
Account 250015701 BIC 190 501 832 SWIFT: CITIKZKA  
Correspondent Bank: CITIBANK New York  
SWIFT: CITIUS33  
Corr. acc: 36025525

Beneficiary's Bank ABN AMRO Bank Kazakhstan  
Account 016070557 BIC 190 501 832 SWIFT: ABNAKZKX  
Correspondent Bank: ABN AMRO Bank New York  
SWIFT: ABNAUS33  
Corr. acc: 661001113441

in roubles:

Recipient's bank:

JSC ATF bank, Astana branch IIC 058160848

BIK code 195 301 730

JSC ATF bank, Almaty

IIC 358 160 579 БИК 190 501 956

Bank correspondent

correspondent account (K) 30 122 810 700 000 000 214

correspondent account (N) 30 123 810 000 000 000 214

Sberbank of the Russian Federation, Moscow, Russia

BIK code 044 525 225 fps 30 101 810 400 000 000 225

TIN 7707083893

SWIFT: SABR RU OF MM 012

Astana regional branch of JSC "Halyk Bank of Kazakhstan", Astana

BIK code 195301603 IIC 400160905

JSC "Halyk Bank of Kazakhstan", Almaty

BIK code 190 501 601 IIC 614 160 768

Bank correspondent

correspondent account (K) 30 122 810 300 000 000 067

correspondent account (N) 30 123 810 600 000 000 067

Sberbank of the Russian Federation, Moscow, Russia  
 BIK code 044 525 225 correspondent acc. 30 101 810 400 000 000 225  
 TIN 7707083893  
 SWIFT: SABR RU MM 012

in Tenge:

JSC Kazkommertsbank, Almaty	050467292	190501724
JSC "Halyk Bank of Kazakhstan", Almaty	016467917	190501601
JSC "ATF bank", Almaty	007467925	190501956
CJSC Citibank Kazakhstan, Almaty	250015400	190501832
CJSC "ABN AMRO bank Kazakhstan", Almaty	009467203	190501922
Astana regional branch of JSC "Halyk Bank of Kazakhstan", Astana	022467316	195301603
JSC "ATF bank", Astana branch	002467924	195301730

7. Core activities of Society:

- 1) serving in transportation of oil and oil products in the main pipelines, storage, pouring off and filling, transfer on other means of transport or transfer to other adjacent pipeline systems and also services in supply of water;
- 2) defining of an order of access of legal entities and individuals to system of pipelines of Society;
- 3) development and introduction of new technologies;
- 4) carrying out market researches of sales markets of hydrocarbonic raw materials and products of its processing;
- 5) participation in development and implementation of the state and national programs of development of oil and gas sector;
- 6) support and participation in the programs of training, retraining and professional development of domestic personnel;
- 7) negotiation and conclusion of contracts on oil and other operations;
- 8) oil realization in the external and internal markets;
- 9) implementation of design, financing, construction, possession and operation of pipeline system in the territory of the Republic of Kazakhstan and beyond its borders, including objects on storage, loading and transfer on other means of transport on which transportation of liquid hydrocarbonic raw materials is carried out;
- 10) activities on operation, maintenance and servicing of the main pipelines belonging to other legal entities;
- 11) arranging transportation and transit of the Kazakhstani oil on pipeline systems of other states, including services of transport expedition;
- 12) implementation of scientific and technical, production and economic and foreign economic activity;
- 13) rendering of consulting and technical services in preparation and development of projects of oil transportation infrastructure;
- 14) other activities which has not been forbidden by the Legislation.

8. Data on existence of the ratings appropriated to Society or its securities by the international rating agencies and (or) rating agencies of the Republic of Kazakhstan:

Society has ratings from three international rating agencies - Moody's, Standard and Poor's, FitchRatings. Besides, Society has the Kazakhstan rating from the joint rating project Kazkommerts Securities and Interfax Kazakhstan.

The history of long-term credit ratings (in foreign currency) of Society looks today as follows:

Rating year	Standard & Poor s		FitchRatings		Moody's		Kazkommerts Securities	
	Rating	Forecast	Rating	Forecast	Rating	Forecast	Rating	Forecast
2001	BB	Stable	BB-	Stable	Ba2	Stable	-	-
2002	BB	Stable	BB	Stable	Ba2	Stable	-	-

2003	BB	Positive	BB	Positive	Bal	Stable	A	Stable
------	----	----------	----	----------	-----	--------	---	--------

9. Names, dates of registration, location and postal addresses of all branches and Society representative offices.

1) Western branch of JSC "KazTransOil":

registration date - on June 12, 1997;

location and postal address: 94, Goslovskaya Street, 465027, Atyrau, Republic of Kazakhstan.

2) East branch of JSC "KazTransOil":

registration date - on July 21, 1997;

location and postal address: 2, Sovetov Street, Pavlodar, Republic of Kazakhstan, 637002.

3) Branch "Computing Center for Corporate Usage of JSC "KazTransOil":

registration date - on December 25, 2002;

location and postal address: 010, Gabdullin Street, 473000, Astana, Republic of Kazakhstan.

4) Representative office of CJSC "KazTransOil" in Moscow:

registration date - on August 30, 1999;

location and postal address: 2, 5, Vspolnyi LN, Moscow, Russia, 123001

5) Representative office of CJSC "KazTransOil" in Kiev:

registration date- on December 16, 2003;

location and postal address: 405, 60, Artem Str., Kiev, Ukraine, 04050.

6) Representative office of CJSC "KazTransOil" in Orsk:

registration date - on April 11, 2001;

location and postal address: 20, Pecherskaya street, Orsk, Orenburg region, Russia.

7) Representative office of CJSC "KazTransOil" in Samara:

registration date - on June 11, 2004;

location and postal address: 37, E liter, 33, Molodogvardeiskaya Str., Samara, Samara region, Russia.

The full official name of the auditing organization (surname, name and patronymic (if available) of the auditor) which carried out the audit of the financial statements of Society.

The auditing organization which was carrying out audit of financial statements of Society is "Ernst & Young Kazakhstan" LLP in the person of managing partner David Wilkes.

## 2. The bodies of Society and founders (shareholders)

11. Board of Directors of Society:

1) surname, name and patronymic (if available), year of birth of the chairman and members of the Board of Directors of Society;

2) the positions occupied by persons, specified in subparagraph 1) of the current point, for the last three years and now, in a chronological order, including part-time positions;

(Data according to subparagraphs 1) and 2) of the current point are reflected in the below mentioned table)

Full name	Year of birth	The positions occupied for the last three years and now, in a chronological order, including part-time positions
<b>Chair of the Board of Directors Timur Asqaruly Qulybaev</b>	10.09.1966	2001-2002 - Director general (chairman of the board) of JSC "Transport Nefti i Gaza" Oil Company", including till 2002 in combination the director general (chairman of the board) of JSC "KazTransOil"; 2002 - to the present time - the first vice-president of JSC "Oil Company "KazMunayGas".
<b>Members of the Board of Directors Kairgeldy Kabyldin</b>	01.01.1953	2001-2002 - first deputy director general of JSC "Transport Nefti i Gaza" Oil Company; 2002 - to the present time - the managing director of JSC Oil Company "KazMunayGas".

Kanatbek Safinov	24.03.1962	2000-2002 – Chief of legal department of office of the Prime minister of the Republic of Kazakhstan; 2002 - to the present time - the managing director of JSC Oil Company "KazMunayGas".
Aidan Karibzhanov	10.10.1971	2001-2004 - managing director of Visor Investment Solutions; 2004 - to the present time - the managing director of JSC Oil Company "KazMunayGas".
Kairat Krymov	23.03.1969	1999-2001 - the vice-president of CJSC “NKTN KazTransOil” and CJSC “KazTransOil” for economy and finance; 2001-2004 - the director general (chairman of the board) of CJSC “NMSC Kazmortransflot”; 06.01.2004 - to the present time - the director general (chairman of the board) of JSC “KazTransOil”.

3) a percentage ratio of the shares belonging to board members, to total of the shares issued by Society: members of the Board of Directors have no shares. A percentage ratio - 0 %;

4) a percentage ratio of shares (shares in authorized capital), belonging to board members in the affiliated and dependent organizations, to total of the shares (shares in authorized capital) issued by these organizations:

members of the Board of Directors of Society have no shares (a share in authorized capital) in the affiliated and dependent organizations. A percentage ratio - 0 %;

5) changes in structure of Board of Directors of Society within the previous two years:

According to JSC “KazMunayGas” Oil Company order from January 28, 2004 of No. 43, being decision of the unique shareholder of Society, stopped powers of the following board members of Society: Askar Smankulov, Dzhambulat Sarsenov, Akylbay Saparov. The elected board members of Society – Aidan Karibzhanov, Kairat Krymov.

Board of directors of JSC “KazTransOil” as of May 31, 2004:  
the Chairman of Board of directors – Timur Kulibayev;

Board members:

Kanatbek Safinov;

Kairgeldy Kabyldin;

Aydan Karibzhanov;

Kayrat Krymov.

According to JSC “KazMunayGas” Oil Company order from September 03, 2002 No. 179 being the decision of the unique shareholder of Society, powers of earlier elected board members are stopped and the Society board of directors in the following structure is elected:

Chairman of Board of directors – Timur Kulibayev;

Board members:

Kanatbek Safinov;

Kairgeldy Kabyldin;

Dzhambulat Sarsenov;

Akylbay Saparov;

Askar Smankulov.

According to JSC “Transport Nefti i Gaza” Oil Company order from February 11, 2002 No. 25 being the decision of the unique shareholder of Society, power of the board member of Society Daniyar Berlibayev are early terminated and Abay Sadykov is elected the board member.

According to JSC “Transport Nefti i Gaza” Oil Company order from September 5, 2001 No. 17 being the decision of the unique shareholder of Society, powers of board members of Society Uzakbay Karabalin, Kanatbek Safinov, Alexander Andryushchenko, Maksutbek Rakhanov, Timur Kulibayev are early terminated and is chosen Society Board of directors in the following structure:

Chairman of Board of directors - Timur Kulibayev;

Board members:  
 Daniyar Berlibayev;  
 Kaigeldy Kabyldin;  
 Zhakyp Marabayev;  
 Bolat Palymbetov.

12. The Board is a collegiate executive body in Society.

1) surname, name and patronymic (if available), year of birth of each of board members, including the chairman of the board;

2) the positions occupied by persons, specified in subparagraph 1) of the current point for the last three years and now, in a chronological order, including part-time positions, with the indication of powers.

(Data according to subparagraphs 1) and 2) of the current point are reflected in the below mentioned table)

Full name	Year of birth	The positions occupied for the last three years and now, in a chronological order, including part-time positions
Chairman of the Board Kairat Krymov	23.03.1969	1999-2001 - the vice-president of CJSC "NKTN KazTransOil" and CJSC "KazTransOil" for economy and finance; 2001-2004 - the director general (chairman of the board) of CJSC "NMSC Kazmortransflot"; 06.01.2004 - to the present time - the director general (chairman of the board) of JSC "KazTransOil".
Board members: Talgat Taubaldiyev	20.12.1962	11.1999-07.2002 - Main engineer - first deputy director of the Western branch JSC "KazTransOil"; 07.2002 - 01.06.2004 - Chief of Mangystau pipeline transportation Department of JSC "KazTransOil"; 01.06.2004 - until the present time - the first deputy director general of JSC "KazTransOil".
Berik Tolubayev	08.08.1962	20.09.1999 - 25.04.2001 - assistant to the President of JSC "NKTN KazTransOil"; 25.04.2001 - 05.09.2001 - the executive director of JSC "KazTransOil" on commodity and transport operations; 05.09.2001 - 08.08.2003 - the deputy director general of JSC "KazTransOil" on commodity and transport operations; 08.08.2003 - to the present time - the deputy director general on commodity and transport operations - the chief representative of JSC KazTransOil in Moscow.
Serikbek Yelshibekov	12.09.1960	1999 - 09.2002 - the director of the department of work with the personnel of the Ministry of state revenues of the Republic of Kazakhstan; 09.2002 - 19.01.2004 - vice-chairman of Tax committee of the Ministry of Finance of the Republic of Kazakhstan; 19.01.2004 - to the present - the deputy director general of JSC KazTransOil on economy and finance.
Berik Sayahov	24.12.1959	06.10.1997 - 09.09.2002 - the director of the department of operation of JSC KazTransOil; 09.09.2002 - 01.07.2003 - technical director of JSC KazTransOil; 01.07.2003 - 23.09.2003 - executive director of JSC KazMunaiGas Oil Company; 23.09.2003 - to the present - deputy director general of JSC "KazTransOil" on production.
Nurbol Sultan	30.04.1976	09.1997 - 06.2001 - the head of the department of

		management of JSC NKTN KazTransOil assets; 06.2001 - 12.03.2002 - the director of the department of corporate financing of JSC "Transport Nefti i Gaza" Oil Company; 12.03.2002 - 23.09.2003 - the director of the department of corporate financing of JSC "KazMunayGas" Oil Company; 23.09.2003 - to the present - the deputy director general of JSC "KazTransOil" on development.
Dariya Seilhan	16.12.1956	15.12.1999-31.07.2001- deputy director of Department of economic policy of the Ministry of Economics of the Republic of Kazakhstan; 01.08.2001 - 04.02.2004 - the director of the department of the economic analysis of CJSC "NMSC Kazmortransflot"; 04.02.2004 - to the present - the advisor to director general of JSC "KazTransOil" for economy.
Zhanna Sultangaziyeva	08.02.1959	24.08.1998 - to the present - the chief accountant of the central accounting department of JSC KazTransOil.
Zhaidarman Isakov	29.10.1965	12.2000 - 07.2001 - the deputy director of legal department of JSC "KazTransGas"; 18.06.2001 - 18.03.2002 - main legal adviser of legal department of JSC "Transport Nefti i Gaza" Oil Company; 18.03.2002 - 01.10.2002 - the main lawyer of legal support department of JSC "KazMunayGas" Oil Company; 01.10.2002 - to the present - the director of legal department of JSC KazTransOil;

3) a percentage ratio of shares (shares in authorized capital), belonging to board members of Society, to total of the issued shares (shares in authorized capital) of Society:

Board members of Society have no shares. A percentage ratio - 0 %.

13. Total amount of compensation and a salary, paid to officials of Society for the last fiscal year.

The Board member - the director general of Society, obtains reward and a salary according to the staffing table of Society, as the director general.

Compensation and salary isn't paid to other board members, so they aren't employees of Society.

Compensation and salary are paid to members of executive body (Board) and other executives as workers of Society, according to the staffing table.

Total amount of compensation and salary paid by Society to members of executive body (Board) for the last fiscal year made 192 781 385 (one hundred ninety two million seven hundred eighty one thousand three hundred eighty five) tenge 31 tiyn.

14. Organizational structure of Society.

1) structural divisions of Society;

2) total number of employees of Society, including employees of branches and Society representative offices - 6918 people;

3) total number of employees of the Society who own shares of Society and their total share from total of placed stocks as a percentage:

employees of Society don't own Society shares.

4) data on heads of divisions of Society (surname, name, patronymic (if available), year of birth);

5) data on heads of branches and representative offices (surname, name, patronymic (if available), year of birth).

(Data according to subparagraphs 1), 4) and 5) of the current point are reflected in the below mentioned table)



N	Name of structural divisions of Society, including branches and Society representative offices	Full name of heads of structural divisions, including branches and Society representative offices	Date and year of birth
1.	Human resources management service	vacancy	
2.	Press service	Raisa Samakova	14.01.1955
3.	Administrative office	Shapagat Akayeva	16.10.1954
4.	Legal department	Zhaydarman Isakov	29.10.1965
5.	Transportation department	Oteu Ismurzin	22.11.1965
6.	Service of internal control and audit	Gaziza Zhumanova	03.07.1965
7.	Operation department	Kadyrbek Latifov	30.08.1966
8.	Department of labor protection and fire safety	Konstantin Malygin	29.04.1962
9.	Department of capital construction and major maintenance	Serikkali Rayev	08.03.1955
10.	Department of telecommunications	Askar Kaipov	29.01.1963
11.	Department of an automated control system for technological process and metrological support	Timur Hamzin	08.01.1962
12.	Head dispatching department	Konilimshat Kuserbayev	10.05.1966
13.	Department of transport logistics	Bulat Zakirov	16.07.1976
14.	Department of logistics	Nurtay Salimov	25.04.1965
15.	Department of contracts	Ruslan Mestoyev	21.08.1973
16.	Treasury	Altynay Konysbayeva	22.06.1971
17.	Central accounting department	Zhanna Sultangaliyeva	08.02.1959
18.	Department of the economic analysis	vacancy	
19.	Department of project management	Ziyash Kiyakbayev	14.03.1967
20.	Department of engineering	Rasima Zakirova	05.07.1951
21.	Department of corporate financing	acting director Abdoul Kusayev	27.10.1974
22.	Administrative department	Batrgali Tapalov	17.02.1958
23.	ISO standards introduction Department	Chief manager Erikzhan Isengaliyev	25.10.1980
24.	Eastern branch of Society	Baykadam Dzhumagaliyev	10.01.1941
25.	Western branch of Society	Ferdinant Mamonov	09.11.1947
26.	Branch «Computing Center for Collective Use of KazTransOil JSC»	Vladimir Tzai	26.08.1947
27.	Representative office of Society in Moscow	Berik Tolumbayev	08.08.1962
28.	Representative office of Society in Orsk	Shalkar Alpiyev	06.10.1973
29.	Representative office of Society in Kiev	Berik Tolumbayev	08.08.1962

15. Founders (shareholders) of Society.

The unique shareholder of Society owning 100% of its block of shares is the JSC «KazMunayGas» National Company. Location: 22, Kabanbay Batyr avenue, Astana, Republic of Kazakhstan, 473000.

The concluded options for purchase of voting shares of Society, term of realization of the rights on which doesn't exceed 60 days from the date of submission of documents on the state registration of issue of the declared stocks isn't available.

16. Data on the organizations in which Society is the major shareholder - owns ten and more (in national joint-stock company - five and more) percent of the placed shares (shares in authorized capital).

Full name of the legal entity	Location of the legal entity	Percentage ratio of shares (shares in authorized capital), belonging to Society to total of the placed shares	Types of activities of the legal entity	Data on the head of the legal entity
JSC "Holiday house Zeren"	Zerenda village, Akmola region	100%	rendering of sanatorium services	Tulebayev T.
JSC "Komakinvest" ЗАО «КОМАКИНВЕСТ»	80, Bogenbay batyr str., Almaty	10%		Karamanov U.
JSC "KazTransOil – Service"	010, Gabdullin str., Astana	100%	rendering of medical services, services in the sphere of preschool education and training	Karikbolova A.

17. Information on industrial, bank, financial groups, holdings, concerns, associations, consortia in which Society participates.

Society doesn't participate in industrial, bank, financial groups, holdings, concerns, associations and consortia.

18. Data on other affiliates of Society (legal entities, which together with Society are under control of the JSC "KazMunayGas" Oil Company)

Full name of the legal entity	Location of the legal entity	Types of activity	Head
JSC "Kazakh Institute of Oil and Gas"	20, Imanov str., Astana, Republic of Kazakhstan, 473000	design and prospecting works	Burkitbayev S.
CJSC "Regional gas transportation systems"	59, Tolebi str., Almaty, Republic of Kazakhstan, 480000	maintenance and repair of gas pipelines, gas distribution	Kaseev E.
Joint Stock Offshore Oil Company «KazMunay Teniz»	62, Kosmonavtov str., Astana, Republic of Kazakhstan, 473000	investigation and oil and gas production	Khasanov B.
CJSC "KazStroyService"	248B, Dostyk avenue, Almaty, Republic of Kazakhstan, 480000	construction	Upushev E.
CJSC "KazTransGas"	22, Kabanbay batyr avenue, Astana, Republic of Kazakhstan, 473000	gas transportation	Sadykov A.
JSC "KazMunayGas Consulting"	66, Auezov str., Astana, Republic of Kazakhstan, 473000	consulting services	Baizhanov A.
CJSC "KazMunayGas Trade House"	62, Kosmonavtov str., Chubary microdistrict, Astana, Republic of Kazakhstan, 473000	sale and marketing of oil and oil products	Argingazin A.
JSC "Euro-Asia Air"	12, Smagulov str., Atyrau, Republic of Kazakhstan, 465000	air transportation	Bekmukhambetov A.
JSC "International	Airport, Atyrau, Republic	maintenance and operation of	Bekmukhambetov A.

airport Atyrau”	of Kazakhstan, 465000	the airport of Atyrau	
LLP “Zhambay”	402 office, 42, Azattyk ave., Atyrau, Republic of Kazakhstan, 465000	development and oil production on a field of Zhambay	Takhanov B.
LLP “Kazakhoil Petrol”	22, Kabanbay batyr str., Astana, Republic of Kazakhstan, 473000	retail of oil products	Amanturlin G.
LLP “Kazakhoilkurylys”	22, Kabanbay batyr str., Astana, Republic of Kazakhstan, 473000	construction	Esimbekov S.
LLP “Kazakhoil products”	22, Kabanbay batyr str., Astana, Republic of Kazakhstan, 473000	sale and marketing of oil and oil products	Keshubayev G.
CJSC “Kazakh Britain Technical University”	59, Tolebi str., Almaty, Republic of Kazakhstan, 480091	training	Akhmetov A.
LLC «Munai-Impex Holding GesMBH»	30/22, Chimistrabe, Vienna, Austria, A-1190	sale and marketing of oil and oil products	Tsafal F.
LLC «Kazakoil Finance B.V.»	Blaak16., P.O. Box 548, 3000 AM Rotterdam, The Netherland	attraction of financial resources for JSC "KazMunaiGas" Oil Company	Abulgazin D.
JSC “Kazakhstankaspishelf”	1A, Roza Luxembourg str., Astana, Republic of Kazakhstan, 473000	geophysical researches of oil and gas fields on a shelf of the Caspian Sea	Kuanyshev A.
JSC “KazMunayGasPromgeophysica”	Industrial area, Zhanaozen, Mangystau region, Republic of Kazakhstan, 466207	geophysical researches of oil and gas fields	Batyrbayeva T.
JSC “KazMunayGas Exploration Production”	20, Kabanbay batyr str., Astana, Republic of Kazakhstan, 473000	development and oil and gas production	Marabayev Zh.
JSC “Atyrau refinery”	1, Govorov str., Atyrau, Republic of Kazakhstan, 465000	oil processing	Shishlov S.
JSC “Aksaygasservice”	Industrial area, Aksay, Bourlin district, West Kazakhstan region, Republic of Kazakhstan, 418440	repair of the field equipment	Utebaliyev Zh.
LLP “KazMunayGas-Telf”	Sera settlement, Kulsary, Zhylyoy district, Atyrau region, Republic of Kazakhstan, 466030	development and oil and gas production	Baymukhanov I.
LLP “Joint Venture “Tenge”	6, micro district 3, Zhanaozen, Mangystau region, Republic of Kazakhstan, 466207	development and oil and gas production	Kenzhaliyev A.
LLP “Special drilling enterprise “KazMunayGas-Drilling”	Industrial area, Birlik settlement, Mangystau region, Republic of Kazakhstan, 466200	well-drilling	Nurzhanov A.
LLP “Embavedoil”	4, Khakimov passage, Atyrau, Republic of Kazakhstan, 465002	development and oil and gas production	Cherdabayev M.
LLP “KazMunayGas-Servi”	66, Auezov str., Astana, Republic of Kazakhstan,	services on maintenance of buildings, feeding,	Khairov K.

ce”	473000	autotransportation	
LLP “KazakhTurkMunay Ltd.”	6 floor, 113, Abay avenue, Astana, Republic of Kazakhstan, 473000	development and oil and gas production	Nogayev N.
CJSC “North-West pipeline company “MunayTas”	29D, Satpayev str., Almaty, Republic of Kazakhstan	oil transportation	Dzhumadillayev T.
Private entity «Unique center of personnel development»	20, Kabanbay batyr str., Astana, Republic of Kazakhstan, 473000	training and retraining of experts in the sphere of the oil and gas industry	Aldasbayev E.

#### 18-1. Transactions with affiliates of Society.

Society concluded transactions for 2004 with an interested parties JSC Embamunaygas, JSC Uzenmunaygas, JSC KazMunayGas Trading House, Embavedyoil LLP, Kazakhturkmunay LLP, KazMunayGas-Telf LLP on the performance of a complex of services in transport expedition of oil.

Society concluded the transaction for 2004 with an interested party JSC KazMunayGas Trading House on rendering of services in oil transportation.

Society concluded transactions for 2004 with an interested parties JSC Embamunaygas, JSC Uzenmunaygas, KazMunayGas-Telf LLP on water issue from a conduit Astrakhan-Mangyshlak.

Society signed additional agreements with an interested parties KazMunaiGas-Telf LLP, JV Tenge LLP, about extension for 2004 of contracts on rendering of services in oil transportation.

Society concluded transactions with an interested party JSC “Kazakh Institute of Oil and Gas” on development of scientific-technical documentation on the following subjects:

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station Inder. Reconstruction of filling station»;

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station Makat. Reconstruction of filling station »;

«Performance of design and exploration works on construction of object of the Western branch JSC KazTransOil - «ANU. Boxes on 20 automobile cars on 1 site»;

«Performance of design and exploration works on construction of object of the Western branch JSC KazTransOil - «ANU. Boxes on 20 units of a special equipment of AVP»;

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station Inder. Reconstruction of foaming pump»;

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station of 663 km. Reconstruction of foaming pump»;

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station Karamanovo. Reconstruction of foaming pump»;

«Performance of design and exploration works on construction of object of the Western branch JSC KazTransOil - «Oil pumping station Karaton. Main pump»;

«Performance of design and exploration works on construction of object of the Western branch JSC KazTransOil - «Oil heating station Sakharny. Warm wash of cars»;

«Performance of design and exploration works on construction of object of the Western branch JSC KazTransOil - «Industrial base UNU. Warm wash of cars»;

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station Big Chagan. Reconstruction of a firefighting car wash»;

«Performance of design and exploration works on construction of object of the Western branch JSC KazTransOil - «Oil pumping station Big Chagan. Garage for special equipment of the emergency and regenerative point for 20 places»;

«Performance of design and exploration works on object of the Western branch JSC KazTransOil - «Oil pumping station Karazhanbas. Reconstruction of fire extinguishing system »;

«Performance of design and exploration works on construction of object of Eastern branch JSC KazTransOil - «The Building of administrative and household case of the main oil pumping station Chulak-Kurgan».

### 3. Description of activity of Society

19. The short description of main types of activity of Society, data on the organizations being competitors of Society.

Main types of activity of Society are:

services in transportation of oil and oil products in the main pipelines, storage, pouring off and filling, transfer on other means of transport or transfer to other adjacent pipeline systems, and also services in water supply;

activity implementation on operation, maintenance and servicing of the main pipelines belonging to other legal entities;

the organization of transportation and transit of the Kazakhstani oil on pipeline systems of other states, including services of transport expedition.

Due to a continental location of Kazakhstan and geographical isolation of the Caspian Sea the Society competition from railway and tanker transport is limited. The only strong contender of Society in Kazakhstan is the Caspian Pipeline Consortium intended for providing guaranteed possibilities of oil export for shareholders of a consortium - the large oil and gas companies working in the Near-Caspian region. A linkup of pipelines of Society and Caspian Pipeline Consortium is in the area of the city of Atyrau. The Caspian Pipeline Consortium oil pipeline "Tengiz-Novorossiysk" with the length of 1.58 thousand km connects deposits of the Western Kazakhstan to the Russian coast of the Black Sea. At the first stage the capacity of the oil pipeline will make 28.2 million tons of oil per year, gradually the capacity of Caspian Pipeline Consortium should increase to the designed one - 67 million tons per year.

Now the Caspian Pipeline Consortium transports 1.6 million tons of oil per month. With Karachaganak's connection within the next several months it's planned to reach a pumping level of about 2 million tons a month or 24 million tons per year (over 500 thousand barrels per day).

Since the beginning of work of Caspian Pipeline Consortium in October, 2001 more than 33 million tons of oil was pumped over, since the beginning of this year nearly 7 million tons of raw materials are shipped.

20. Factors that positively and negatively influence profitability of sales (works, services) on main types of activity of Society.

Positive factors:

rise in prices for oil;

existence of stability of the tax legislation of the Republic of Kazakhstan.

Negative factors:

reduction of prices of oil;

the risks connected with environmental pollution, and also expenses on elimination of consequences.

21. Volumes of realized production (the executed works, services) in the last two years or during the actual existence of Society.

The analysis of changes in volumes of realized production (the executed works, services) by Society in the last two years or during the actual existence of Society.

Volume of realized production and the rendered services	Unit of measure	Year 2002	Year 2003
Totally realized:			
including:			
oil transportation	thousand tons	30 317	34 192
water supply	thousand m <sup>3</sup>	14 378	14 839

In a whole, in 2003 the increase in oil and water transportation was observed due to the growth of volumes of oil production in Kazakhstan and also water consumption growth.

22. Activities of Society for the organization of sales of the production (works, services).

1) Data on consumers that consume five and more percent from a total cost of the consumed goods.

Full name of the legal entity	Location of the legal entity
CJSC "KazStroyService"	248B, Dostyk avenue, Almaty, Republic of Kazakhstan, 480000
LLP "Temir Pipe"	89G, Dostyk avenue, Almaty, Republic of Kazakhstan, 480100
LLP "Corporation Aysel-Kazakhstan"	170, Tchaikovsky str., Almaty, Republic of Kazakhstan, 480091
JSC "Kazstroypromtechmontazh"	60, Tazhibaeva str., Almaty, Republic of Kazakhstan, 480060

2) Data on consumers that consume five and more percent from a total cost of the produced goods.

Full name of the legal entity	Location of the legal entity
JSC "Mangistaumunaigaz"	1, micro district 6, Aktau, Republic of Kazakhstan, 466200
JSC "KazMunayGas Exploration Production"	20, Kabanbay batyr str., Astana, Republic of Kazakhstan, 473000
JSC "CNPC-International Aktobe Petroleum"	158, Nekrasov str., Aktobe, Republic of Kazakhstan, 463022
CJSC "Turgai Petroleum"	1A, Isenova str., Kyzylorda, Republic of Kazakhstan, 467008
JSC "PetroKazakhstan Kumkol Resources"	204, Karasay batyr, Almaty, Republic of Kazakhstan, 480009

23. The factors influencing activity of Society.

1) types of activity which have seasonal nature, their share in total income of Society:

Society doesn't carry out types of activity which have seasonal nature.

2) the share of an import in raw materials (works, services) delivered (rendered) to Society and production share (works, services), realized by Society for export, in total amount of realized production - isn't present;

3) data on participation of Society in trials. It is necessary to present the description of an essence of trials with its participation by results of which there can be a termination or change of activity of Society, collecting from it monetary and other obligations:

Society during the activity didn't participate in trials by results of which there could be a termination or change of activity of Society.

4) data on all official penalties imposed on Society and its officials by authorized state authorities and (or) court within the last year:

in 2003 no facts of attraction to administrative responsibility of Society and/or its officials were available.

5) risk factors. It is necessary to present detailed analysis of risks:

influencing the price of stocks on the organized securities market or the off-exchange market, and also on change of cost of production in the market, influencing the Society stock value;

caused by inflation, devaluation and rates of bank interest;

connected with competitive capacity of production;

connected with change of a political situation in the country and legislation change;

connected with social factors, etc.

Stocks of Society aren't exposed at the auction therefore their cost won't be quoted in stock market and respectively the influence of market risks on a share cost can't be considered as direct factors of pricing.

Society is subject to influence of such risks as:

Macroeconomic environment.

The economy of the Republic of Kazakhstan being now in the course of formation, is highly subject to influence of such external factors, as the world prices for export production, volume and structure of investments.

State regulation.

Because tariffs for services in oil transportation on the main pipelines affirm Agency of the Republic of Kazakhstan for regulation of natural monopolies and protection of the competition, there is a risk of change of state regulation of tariffs from the Government of the Republic of Kazakhstan.

Competition influence.

The existing oil pipeline of Caspian Pipeline Consortium provides to the oil-extracting companies an alternative way of oil transportation, that is creates the competition to existing pipeline system of Society.

However as access to system of Caspian Pipeline Consortium is provided first of all to its shareholders while the export oil pipeline Atyrau-Samara is the pipeline of the general usage, the competition from Caspian Pipeline Consortium is limited. Besides, oil production growth in Kazakhstan and reduction of free capacities in the oil pipeline of Caspian Pipeline Consortium are good base for preservation and increase in volumes of transportation of oil on the Atyrau-Samara pipeline.

Social risks.

Society pursues the policy directed on reduction of possible negative impacts of social character.

Technical risks.

Major factor of technical risk for Society is high wear of the equipment on the separate directions that can negatively affect efficiency and quality of provided services.

Ecological risks.

Ecological risks at construction of Society facilities are generally connected with withdrawal above permitted standard and mechanical violation of lands, and also with impact on water resources during the crossing of water currents and construction of coastal terminals.

Risks at operation of oil pipelines: probability of emergency situations at operation of oil pipelines, such as explosions inside the equipment; explosions and fires in rooms, on the open areas and oil pipelines at leakage of production; emissions of oil and oil products in water and the atmosphere at emergency depressurization of the equipment, oil pipelines and capacities.

#### 4. Financial condition of the non-financial organizations

##### 24. Investments

thousands tenge

Type of investments	Total of investments
Investments into the JSC "Savings pension fund of the Halyk bank of Kazakhstan"	94 871
Stocks of CJSC "Komakinvest"	640
Investments in subsidiary companies	
JSC "KazTransOil-Service"	2 954 456
Other investments	
Total investments	3 049 967

##### 25. Receivables.

There are no organizations having receivables before Society at a rate of five and more percent from balance cost of assets of Society.

##### 25-1. Assets

thousands tenge

№	Assets as of 01.07.04	Amount
<b>Fixed assets</b>		
1	Buildings, facilities	22 119 474
2	Machinery, equipment, transfer units	39 090 354
3	Transport means including:	38 850 863

	<i>Oil pipelines</i>	35 433 020
<b>Short-term receivables</b>		12 543 020
<b>Money</b>		42 931 930

26. Authorized capital of Society.

The paid authorized capital of Society makes 32 916 055 000 (thirty two billion nine hundred sixteen million fifty five thousand) tenge.

27. Loans

thousands tenge

The credit name on a loan	Currency of a loan	Average rate (% per year)	Repayment date
NordKap Bank (former ABB Export Bank)	USD	3,75% + Libor	April 2006
Eurobonds	USD	8,5%	July 2006

dollars USA

The credit name on a loan	Payments (a principal debt +%) on years					
	2004				2005	2006
	1 quarter	2 quarter	3 quarter	4 quarter		
NordKap Bank (former ABB Export Bank)	1 645 789	1 657 51	1 635 577	1 612 464	6 236 176	2 989 079
Eurobonds	6 375 000		6 375 000		12 750 000	162 750 000

28. Accounts payable.

Society has no accounts payable for the organizations at a rate of five and more percent from balance cost of assets of Society

**5. Data on issues of securities**

29. Concerning all registered issues of securities it is specified:

1) total, a look, category and par value of securities of each release, a release form, and also the body which has carried out the state registration of issue of securities, the state registration number and date of the state registration of issue of securities:

2) dates of beginning and completion of placement of securities. If placement of securities isn't complete, it is necessary to point the actual expiry date of placement of securities according to the data containing in documents, presented by Society to the state registration of issue of securities:

The national Bank of the Republic of Kazakhstan appropriated:

to shares of the first issue of Society par value of 1000 tenge, issued in quantity of 19 202 862 (nineteen million two hundred two thousand eight hundred sixty two) common registered stocks, the national identification number **KZ1C29951414** (The certificate of the state registration of issue of securities from December 26, 2001 №A2995). As of December 30, 1997 the stocks of this issue are placed and paid completely (the notice from December 26, 2001 of No. A2995). Placement start date - December 30, 1997. Placement expiry date - December 30, 1997. The report on results of placement of shares of the first issue of Society is approved by the National commission on securities of the Republic of Kazakhstan on June 01, 1998;

to shares of the second issue of Society par value of 1000 tenge, issued in quantity of 140 352 (one hundred forty thousand three hundred and fifty two) common registered stocks, the national identification number **KZ1C29951406** (The certificate of assignment of national identification number (national identification numbers) to shares from December 26, 2001 of No. A2995-1). As of September 30, 1998 the stocks of this issue are placed and paid completely (the notice from December 26, 2001 of No. A2995-1). Placement start date - on July 24, 1998. A placement expiry date — on September 30, 1998. The report on



results of placement of shares of the first issue of Society is approved by the National commission on securities of the Republic of Kazakhstan on March 25, 1999;

to shares of the third issue of Society par value of 1000 tenge, issued in quantity of 62 857 (sixty two thousand eight hundred fifty seven) common registered stocks, the national identification number **KZ1C29951406** (The certificate on assignment of national identification number (national identification numbers) to shares from December 26, 2001 of No. A2995-2). As of September 30, 1999 the stocks of this issue are placed and paid completely (the notice from December 26, 2001 of No. A2995 - 2). Placement start date - on September 30, 1999. A placement expiry date — on September 30, 1999. The report on results of placement of shares of the first issue of Society is approved by the National commission on securities of the Republic of Kazakhstan on December 20, 1999;

to shares of the fourth issue of Society par value of 1000 tenge, issued in quantity of 19 138 (nineteen thousand one hundred thirty eight) common registered stocks, the national identification number **KZ1C29951406** at the moment of the approval of the report of the stock of the fourth issue are placed and paid completely. Placement start date - on November 14, 2000. A placement expiry date - on December 01, 2000. The report on results of placement of shares of the first issue of Society is approved by the National commission on securities of the Republic of Kazakhstan on January 26, 2001. The national commission on securities of the Republic of Kazakhstan cancelled on June 05, 2001 the fourth issue of Society in connection with reduction of the issued (paid) authorized capital (The certificate on cancellation of issue of shares from June 05, 2001 of No. A2995-3);

to shares of the fifth issue of Society par value of 1000 tenge, issued in quantity of 13 478 504 (thirteen million four hundred seventy eight thousand five hundred four) common registered stocks, the national identification number **KZ1C29950009** (The certificate on assignment of national identification number (national identification numbers) to shares from November 28, 2001 of No. A2995-4). As of April 01, 2001 the stocks of this issue are placed and paid completely (the notice from December 26, 2001 of No. A2995-4). Placement start date - on March 12, 2001. A placement expiry date - on April 01, 2001. The report on results of placement of shares of the first issue of Society is approved by the National commission on securities of the Republic of Kazakhstan on June 26, 2001.

3) data on the facts of default by Society of the obligations to holders of securities, nonpayment (a delay in payment) compensations on bonds, nonpayment (to a delay in payment) dividends on common and preference shares, including information on the sizes of not executed obligations and date of delay of their execution. In cases of existence of debt on charge and payment of dividends to specify the reasons:

Those facts of default by Society of the obligations aren't present.

4) in case placement or the circulation of securities was suspended or issue of securities was recognized cancelled, it is necessary to specify the state authority, made this decision, date and the decision-making basis:

Those facts aren't present.

5) dates of repayment and the general amount of payments on bonds:

Data according to this subparagraph are reflected in the below mentioned table.

6) On the basis of JSC KazMunayGas Oil Company order from March 21, 2003 of No. 92 on one common share following the results of Society activity for 2001 it is paid 14.31 tenge, total sum of dividends for 2001, paid by Society, makes 470 589 000 tenges (four hundred seventy million five hundred eighty nine thousand) tenge, including a tax in the budget of 70 588 350 tenges. The total quantity of shares at the moment of payment made 32 884 575 pieces.

On the basis of JSC KazMunayGas Oil Company order from August 21, 2003 of No. 328 on one common share following the results of Society activity for 2002 41.80 tenges are paid, total amount of dividends for 2002, paid by Society, makes 1 373 759 500 tenge (one billion three hundred seventy three million seven hundred fifty nine thousand five hundred) tenges, including a tax in the budget of 206 063 925 tenges. The total quantity of shares at the moment of payment made 32 884 575 pieces.

7) the main markets on which trade on Society securities, including names of organizers of the auction is carried out:

Data according to this subparagraph are reflected in the below mentioned table.

	Eurobonds	Internal bonds
Quantity:	No	300 000 pieces
Type:	medium-term bonds	medium-term bonds
Category	global bonds	registered, coupon bonds

Par value	150 000 000 dollars USA	100 dollars USA
Release form:	paperless	paperless
State registration	National Bank of the Republic of Kazakhstan (№53.01.043.И from 06.07.2001)	The certificate on the state registration of issue of the securities, given out by the National commission on securities of the Republic of Kazakhstan from 13.10 2000 No. A24
Placement start date:	July 6, 2001	October 23, 2000
Placement expiry date:	July 6, 2001	June 30, 2001
Repayment date:	July 6, 2006	October 23, 2003
Total выплат:	213 750 000 dollars USA (including dividends and repayment of a principal debt)	The total percent paid – 8.1 million US dollars, repayment of a principal debt of 30000000 US dollars
Main markets:	Luxembourg stock exchange, Kazakhstan stock exchange	Kazakhstan stock exchange
Name of organizers of the auction:	IP Morgan Securities Ltd.	JSC “Kazkommertz Securities”

## 6. Data on issue of the declared stocks

30. Data on shares:

1) quantity, types of shares:

According to the Society charter the number of the declared stocks makes 32 916 055 common shares.

2) quantity, types of the shares placed among founders:

To the unique shareholder 32 884 575 common shares are placed.

The number of the stocks which are subject to placement to the shareholder, according to the Society charter, makes 32 916 055 common shares.

3) par value of one share paid by founders:

Par value of one share paid by the unique shareholder is equal 1000 (one thousand) tenge.

4) the guaranteed amount of the dividend on preference shares:

Society doesn't issue preference shares.

31. Convertible securities of Society.

In case of issue of convertible stocks the order and conditions of such converting is specified.

Society doesn't issue convertible securities.

32. Data on the payment agent.

Society has no payment agent.

33. Data on the Society registrar.

To specify full and abbreviated name of the registrar, its location, contact phones and also data on the license (number, date of issue, the body which has granted the license) on implementation of activity on maintaining the register of holders of securities.

Full name of the registrar - Closed Joint Stock Company «Fund Center», reduced - CJSC “Fund Centre”.

Location: Republic of Kazakhstan, 480012, Almaty, Maulenov St., house 92, contact phones (3272) 676 344, 676 345.

The license for activity implementation on maintaining the register of holders of securities No. 0406200253 from the May 16, 2003, given out by National Bank of the Republic of Kazakhstan.

The contract on rendering of services in maintaining the register from August 02, 1999 of No. US349/99.

## 7. Additional provisions

34. Sum of expenses for a share issue:

Society by drawing up of the prospectus of a share issue didn't use auditors, experts and financial advisers. Costs of a share issue aren't present.

35. Information for investors.

Information on places where investors can familiarize with a copy of the charter of Society and the share issue prospectus, and also other information which Society considers necessary is specified to extend among investors.

Astana, Kabanbay Batyr Avenue, 20, office 0429, Department of Corporate Finance.

**Deputy of General Director  
(Chairman of board)**

**T. Taubaldiev**

**Chief accountant**

**Zh. Sultangalieva**