

OPERATING REVIEW



Reserves

According to the reserves audit report prepared by the international independent firm DeGolyer and MacNaughton in line with the PRMS international standard, KMG's proved and probable hydrocarbon reserves (2P) were 733 mln toe (5,680 mln boe) as of 31 December 2023. 2P reserves increased by 3.7% year-on-year. The increase was due to our efforts to ramp up well interventions, drilling of wells and changes in development plans aimed at replenishing production at operating assets, as well as the refinement of development plans for the Kashagan and Karachaganak fields.

The annual assessment of reserves under the PRMS shows that the planned and actual measures to maintain the Company's (KMG's) reserve levels are monitored on a continuous basis. The proved reserves (1P) life is 16 years, exceeding the average for global oil majors (about 11 years). The reserves life in the 2P category (proved + probable) is 25 years.

92%

1P reserve replacement ratio

110%

2P reserve replacement ratio

Net reserves¹ under PRMS (as of 31 December 2023)

Reserves	Hydrocarbon reserves, mln boe			Hydrocarbon reserves, mln toe		
	2021	2022	2023	2021	2022	2023
Proved (1P)	3,694	3,775	3,943	477	486	507
Proved plus Probable (2P)	4,983	5,478	5,680	645	708	733
Proved plus Probable plus Possible (3P)	5,869	6,294	6,502	761	816	842

Exploration

KMG pursues its Development Strategy until 2031 approved in 2021. The Development Strategy provides for the strategic goal of the Resource base sufficient to support the Company's growth that envisages exploration at seven offshore and seven onshore projects, as well as further exploration at the key existing fields. The exploration is expected to increase the Company's recoverable ABC1 reserves by 253 mln tonnes by 2031. It is planned to keep a reserve replacement ratio of 105% through organic growth by 2031.

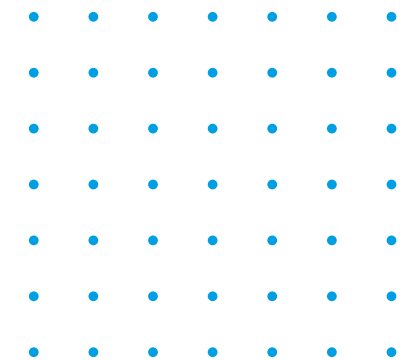
In the medium term, KMG will continue to ramp up its investments in exploration reaching more than USD 426 mln between 2024 and 2028. The planned exploration programme includes 2D and 3D seismic surveys of about 5,000 linear km and more than 1,300 km², respectively.

During this period, we expect 30 exploration and appraisal wells to be drilled, including first prospecting wells at the Karaton Subsalt, Turgai Palaeozoic, Taisoigan, and Abay exploration blocks with further drilling of related appraisal wells. Also, there are plans continued further exploration and reserve replenishment at existing fields, with more than 20 appraisal wells to be drilled.

We expect to secure two contracts (Bolashak and Karazhar) and potentially four new contracts based on the results of subsoil exploration.

253 mln tonnes

expected recoverable reserves by 2031 through organic growth (ABC1)



¹ Net Reserves are defined as the portion of gross reserves attributable to (1) the interest held by KMG after deducting all interests held by others, and (2) interests that are not held, but controlled by KMG.