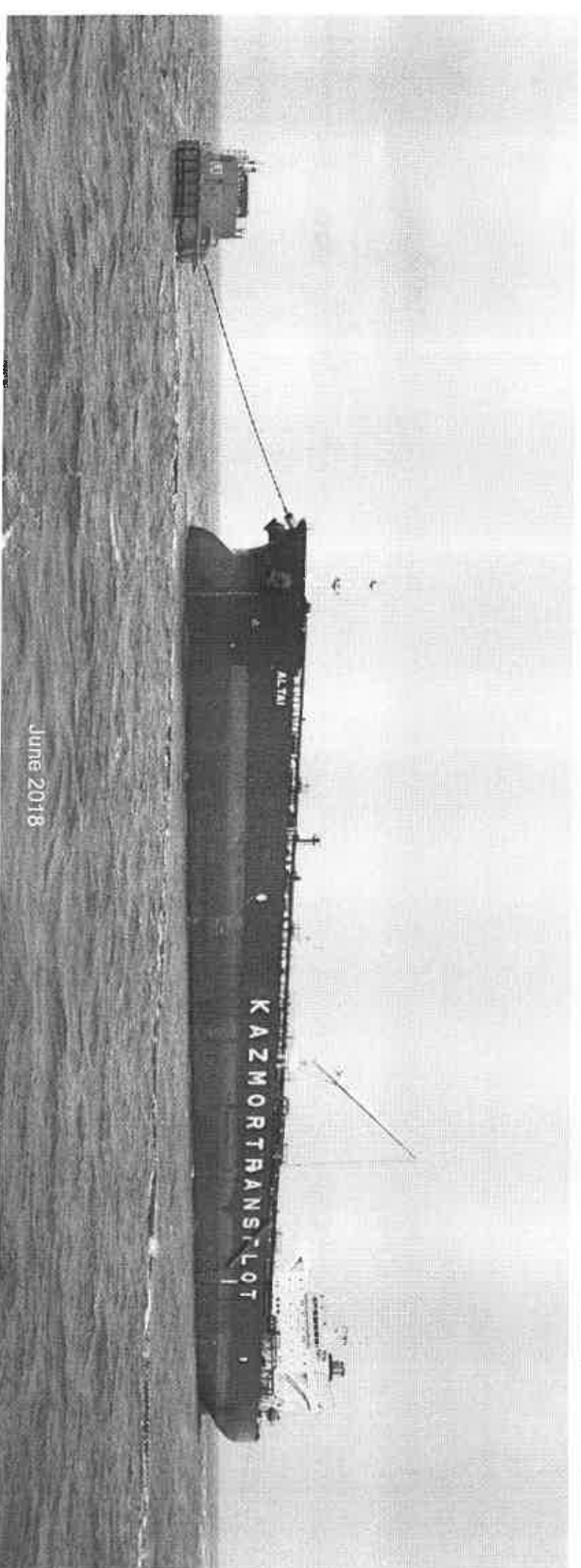


«MSC «Kazmortransfлот» LLP

Information about the company



June 2018

Company overview

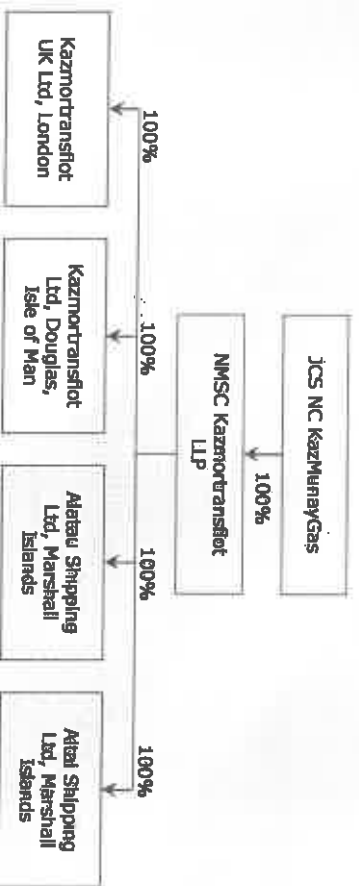


Key facts

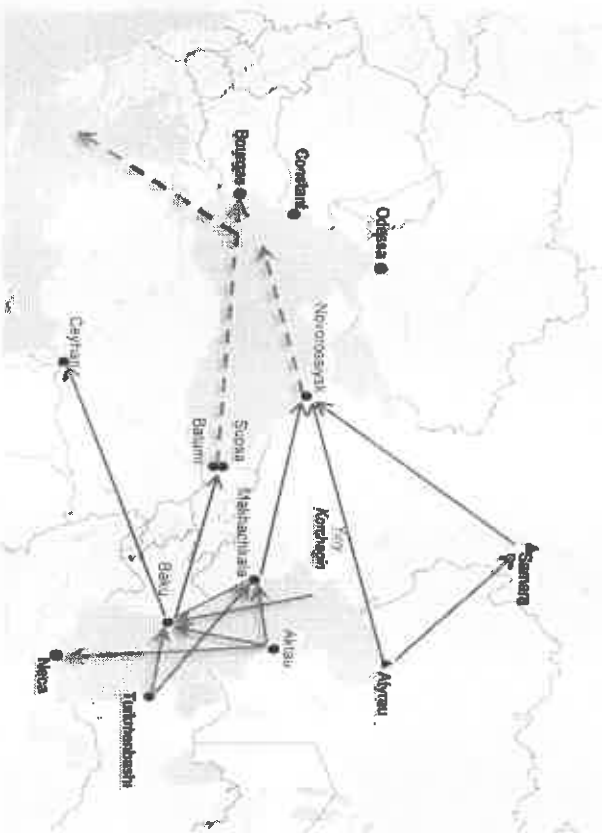
- Established – 4 December, 1998;
- Company is the National maritime operator;
- Solely owned by JCS NC KazMunayGas;
- Company owns and operates 27 different type's of ships.



Structure



Business geography



Activity types

- Transportation of oil on the Caspian and Open seas (Black and Mediterranean Seas);
- Fleet services for offshore oil projects.

Investment highlights



Oil transportation share on the Caspian sea is more than 60%

More than 320 thousand tons in fleet tonnage

All ship fleet not older than 12 years

All tankers are certified and approved for oil transportation by Chevron and NCOC (Eni, Shell, ExxonMobil, Total etc.)



Highly experienced management team in strong sector of industry

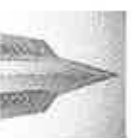
KIMTF plays an active role in the "Belt and road" initiative

Participant in the Future Growth Project of Tengizchevroil (estimated to cost \$36.8 billion)

4 year full payment contract for the construction of MCV and tugboats (leasing) with guaranteed work period

Structure of fixed assets

Tanker AKTAU	2006	6 161	3 390	10,15	-	-	-	-
Tanker ASTANA	2006	2 381	1 050	3,14	-	-	-	-
Tanker ALMATY	2006	2 286	1 079	3,23	-	-	-	-
Tanker ORAL	2010	3 569	2 569	7,69	-	-	-	-
Tanker ATYRAU	2009	3 580	2 777	8,32	-	-	-	-
Tanker AKTOBE	2010	3 628	2 629	7,87	-	-	-	-
Tanker ALTAI	2011	18 209	13 923	41,69	-	-	-	-
Tanker ALATAU	2011	16 848	12 786	38,28	-	-	-	-
Tugboat ESIL	2006	487	173	0,52	-	-	-	-
Tugboat TOBOL	2006	487	171	0,51	-	-	-	-
Tugboat KMTT-1	2006	194	0	0,00	-	-	-	-
Tugboat IRTYSH	2008	740	264	0,79	-	-	-	-
Tugboat URAL	2008	734	264	0,79	-	-	-	-
Barge KMG - 101	2004	202	79	0,24	-	-	-	-
Barge KMG - 102	2004	230	64	0,19	-	-	-	-
Barge KMG - 103	2005	311	63	0,19	-	-	-	-
Barge KMG - 104	2005	314	64	0,19	-	-	-	-
Barge KMG - 105	2006	316	81	0,24	-	-	-	-
Barge KMG - 106	2006	252	76	0,23	-	-	-	-
Barge KMG - 107	2006	253	72	0,21	-	-	-	-
Barge KMG - 108	2006	236	74	0,22	-	-	-	-
MCV BARYS	2017	8 353	8 353	25,01	-	-	-	-
MCV BERKUT	2017	8 353	8 353	25,01	-	-	-	-
MCV SUNKAR	2018	8 235	8 235	24,66	-	-	-	-
TALAS	2016	2 093	2 093	6,27	-	-	-	-
EMBA	2017	2 093	2 093	6,27	-	-	-	-
IRGIZ	2018	2 093	2 093	6,27	-	-	-	-
Motor yacht "NURTAU"	2007	428	205	0,61	-	-	-	-
Administrative offices (office) in 14 districts of Aktau	2015	2 863	2 726	8,16	-	-	-	-



Total: 2015 2 863 2 726 8,16

Financial and operational indicators



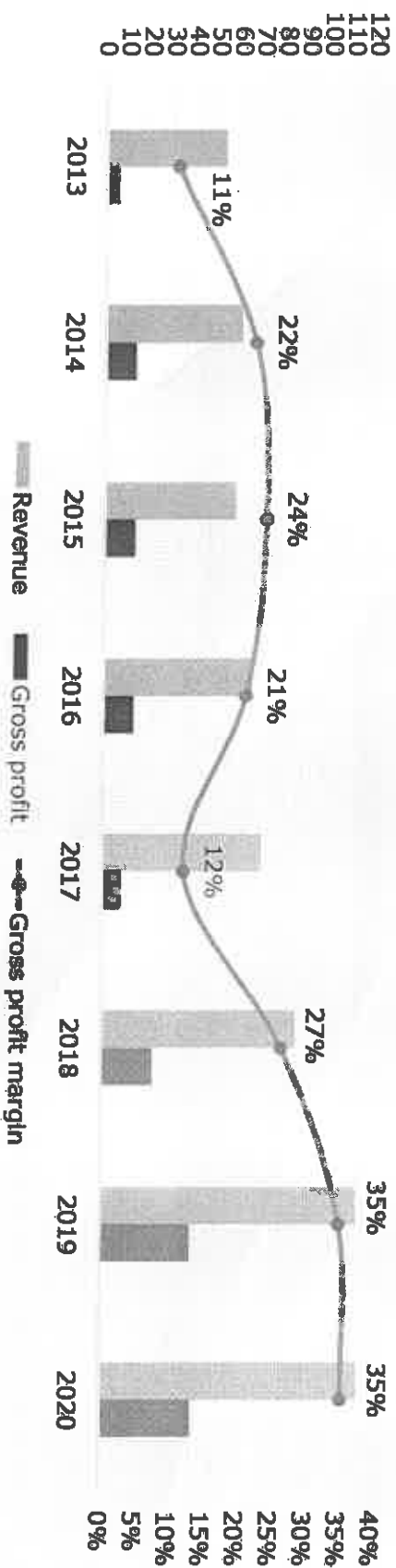
Volumes of oil transportation, th. tons

Volumes of oil transportation	Fact					Expect		Project	
	2013	2014	2015	2016	2016	2017	2018	2019	2020
Caspian Sea	5 114	4 667	2 724	2 875	2 875	2 480	1 620	1 620	1 620
Open Seas	3 765	4 940	4 308	4 206	4 206	4 471	4 320	4 320	4 320
Total	8 878	9 606	7 033	7 082	7 082	6 951	5 940	5 940	5 940

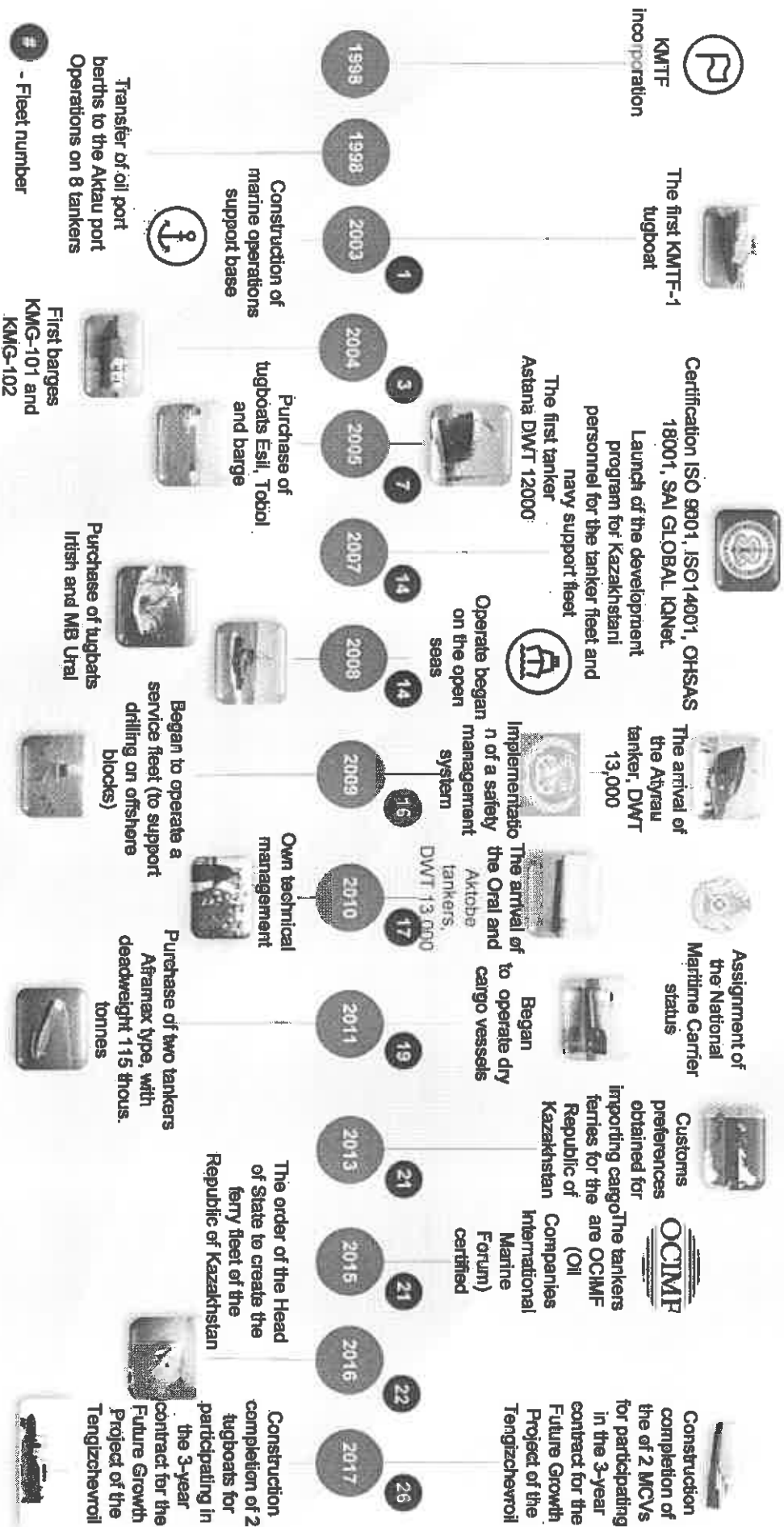


Financial indicators, mln. \$ (recalculation is made at the rate of 340 tenge/\$)

Financial indicators	Fact					Expect		Project	
	2013	2014	2015	2016	2016	2017	2018	2019	2020
Revenue	53	61	58	66	66	70	86	114	114
Gross profit	6	13	14	14	14	8	23	40	40
Gross profit margin, %	11%	22%	24%	21%	21%	12%	27%	35%	35%
EBITDA	7	18	17	16	16	13	30	49	50
EBITDA margin, %	15%	25%	27%	25%	25%	19%	35%	43%	43%



NMSC Kazmortransflot LLP history



KMTF: today



2 Aframax tankers, 6 oil tankers (Caspimax 12 000 – 13 000 DWT*)

- Compliance with international safety standards
- No accidents
- Recognition and compliance with the requirements of world oil and gas companies
- Own crew team and dispatch service 24/7
- Positive image reputation, recognizable brand
- Availability of licenses and permits

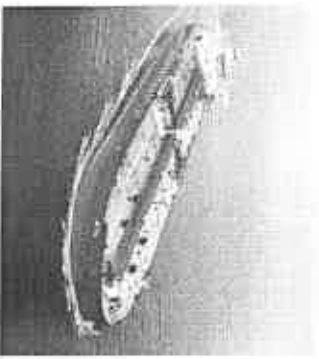
Oil transportation in the Caspian Sea is provided by own tankers with deadweight of 12K and 13K.

Main routes in the Caspian region:

- Aktau-Makhachkala / Baku;
- Turkmenistan - Makhachkala / Baku;
- Yu. Korchagin - Baku.
- KMTF share: more than 90% of oil volume from the port of Aktau.



	2013	2014	2015	2016	2017
Income, th. US \$	63 521	57 267	32 697	23 469	23 881



Oil transportation is provided by own Aframax type tankers with a deadweight of 115K.

Areas of operation:

- Black Sea;
- Mediterranean Sea.

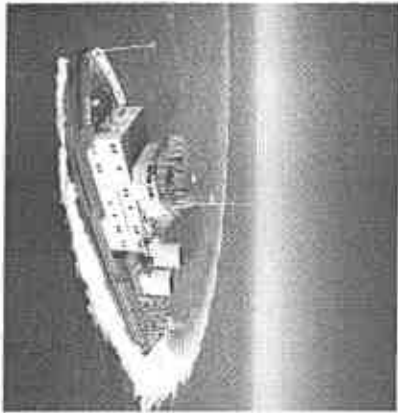
	2013	2014	2015	2016	2017
Income, th. US \$	30 210	44 186	41 941	31 129	29 608

* DWT – Deadweight, or gross tonnage

KMTF: today



Marine Support Fleet



5 tugboats, 8 barges

- On the market for more than 14 years
- Own fleet - 7 tugs, 8 barges with carrying capacity of 3600 tons, 2 MCV
- Practical experience in servicing oil offshore projects
- Awareness and understanding of market requirements in the KSCS

"Service link" of KMG within the framework of development of KSCS fields

In the case of realization of the Phase 2 of Kashagan, it will be necessary to transport more than 30 million tons of stone material (up to 2011, KMTF transported 6 million tons of stone material)

- Kashagan fields (c 2005 r.)
- Kurmangazy Petroleum (2009)
- CMOC (2009-2013)
- H Operating Company (2010-2015)
- Zhambyl Petroleum (2013-2014)
- Petronas Turkmenistan (2013)
- Satpayev Operating (2015)
- Gap Insaat (2015-2016)
- Satpayev Operating (2017)

- Rock transportation for artificial islands
- Auxiliary fleet services (PSV)
- Auxiliary fleet services (PSV, ERV)
- Auxiliary fleet services (PSV, ERV)
- Auxiliary fleet services (PSV, Tugboats, Barges)
- Auxiliary fleet services (Tugboats, Barges)
- Auxiliary fleet services (PSV)
- Modernization of port Turkmenbashi
- Auxiliary fleet services (PSV, OSR)

	2013	2014	2015	2016	2017
Income, th. US \$	14 643	8 327	6 687	2 287	9 008



KMTF: today



KMTF participation in TCO projects

- **transportation of large modules in the Caspian Sea: 3 MCV type self-propelled barges ***
 - Carrying capacity up to 3 thousand tons
 - Dimensions of vessels: length 110m * width 25m * draft 3m
 - Operation starts 04.2018
 - After completion of the Project, the self-propelled barges will remain on the balance sheet of KMTF
 - The functionality of these vessels makes it possible to use them as supply vessels and container carriers



Rate, US \$/day 4 277 3 979 8 256
 Validity 3+1+1 years

Project	Tech. management Compensation of CIT						TOTAL
	2018	2019	2020	2021	2022	NTOTO	
Total income, th. US \$	46 885	62 229	35 803	22 078	12 703	179 698	
Income excluding construction and third-party technical management, th. US \$	6 811	9 040	5 201	9 040	5 201	35 294	

- **provision of ship pilotage, berthing and maneuvering in the port of Caspian Sea and on the navigation channel in Prorva:**

- Fleet: 3 tugboats with a small draft, traction on a hook 40 tons.
- Dimensions of vessels : length 30 m * width 12 m * draft 2,8 m
- Operation starts 04.2018
- After completion of the Project, the tugboats barges will remain on the balance sheet of KMTF



	In stand by work	by
Rate, US \$/day	6 750	5 750
Validity	3+1+1 net	

Project	Income, th. US \$					TOTAL
	2018	2019	2020	2021	2022	
	5 828	7 121	6 863	7 121	6 863	33 795

* MCV - Module Carrying Vessel

KMTF: today



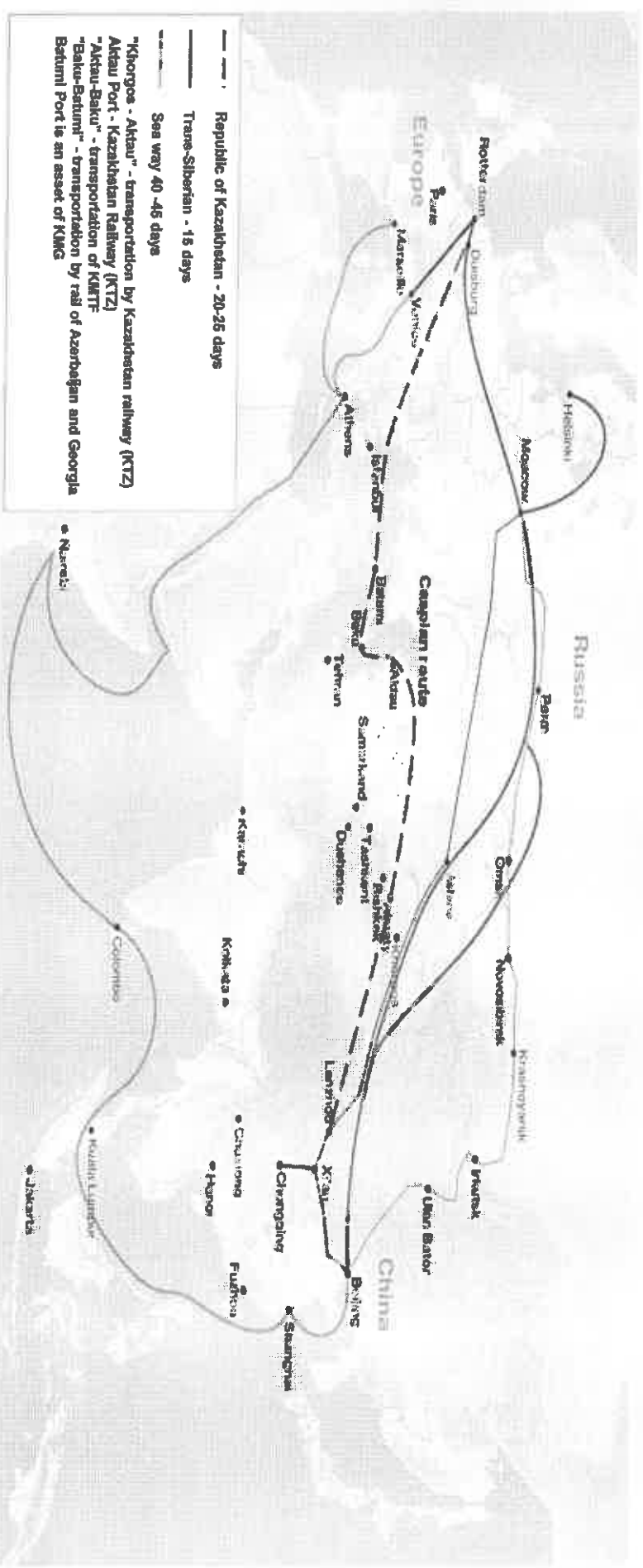
Administrative office



- One of the newest offices in Aktäu, built using of modern technologies;
- It is located on the main street of Aktäu;
- Highly accessible from anywhere in Aktäu;
- Number of floors - 12;
- Construction year - 2015;
- 61 underground parking lots (places);
- Well equipped conference hall with 104 places on 1 floor ready to carry out sessions, conferences;
- Wall material - monolithic blocks;
- Interior: natural stone, artificial stone, glass;
- Exterior: natural stone, artificial plates;
- Glazing: aluminum stained-glass windows and heat-resistant glass;
- Passenger elevators - two glass panoramic lifts;
- Freight elevators - two freight elevators.
- The total area of the land plot is 0.542 hectares;
- The total building area is 11 597.8 sq. M.;
- Area - 8 315 square meters;
- Number of rooms - 342;
- The area occupied by KMTF is 2,378 square meters;
- The average monthly rental rate is \$14 per 1 square meter;
- The main tenants: KazMunayTenz LLP, AktäuNefteService LLP, KMG Systems & Services LLP, N-Operating LLP and others.

KMTF: strategy

- ❖ To increase oil transportation services in the Open Seas in order to strengthen the positions of the national sea carrier in the markets of the Black and Mediterranean Seas;
- ❖ To provide a specialized and servicing fleet (technological, supply, dry cargo, oil spill response, evacuation, firefighting, accommodation, diving support vessels, etc.) for the development of new offshore fields in the Caspian Sea;
- ❖ The KMTF is an active participant in the One Belt, One Road initiative and the development of all types of general cargo ships, including ferry boats.



KMTF: strategy

Construction of 2 supply vessels for offshore oil and gas operations



Project purpose: Provision of auxiliary service fleet services for offshore operators oil projects of the Kazakhstan sector on the Caspian Sea at the stages of exploratory drilling and production production of oil and gas
Cost of Project – 62.5 mln. US \$

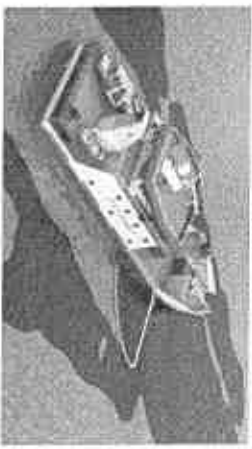
Performance Indicators

NPV, mln.\$	13,4
IRR, %	13,3
Payback Period, Year	15

	2018	2019	2020	2021	2022
Expected Income, th. US \$	-	11 900	11 900	11 900	11 900



Construction/purchase and operation of 2 OSR vessels



There is a State license of the 1st class for the implementation of activities for the provision of OSR services;
Project purpose: Creation of own service fleet, liquidation of emergency oil spills at the stages of exploratory drilling and production oil production
Cost of Project – 20 mln. US \$

Performance Indicators

NPV, mln.\$	11,35
IRR, %	15,5
Payback period, Year	7

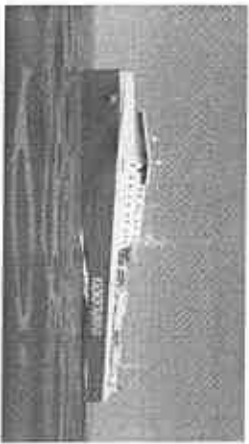
	2018	2019	2020	2021	2022
Expected Income, th. US \$	-	5 000	5 000	5 000	5 000

KMTF: strategy



Construction of 2 universal ferries

- Capacity: 58 cars + 12 trailers (maximum capacity of a ferry in the Caspian 52 cars);
- Possibility of transportation of all kinds of cargo;
- Engine running on LNG (50% saving fuel costs);
- Absence of emissions into the environment (CO₂, Nox (nitrogen oxide), Sox (sulfur oxide));
- Compliance with all IMO emission limitation requirements *;
- Integration into the project "One Belt, One Road";



At present, KMTF has a fully developed project for the construction of two ferries (there is a feasibility study and design documentation of vessels, the import customs rate has been reduced to 0%, introduced by the Ministry of Transport of the Republic of Kazakhstan (0% CIT rate)). The i

Cost of Project – 72 mln. US \$

Performance indicators	
NPV, mln.\$	22,3
IRR, %	17
Payback period, years	13

	2018	2019	2020	2021	2022
Expected income, th. US \$	-	17 212	17 212	17 212	17 212



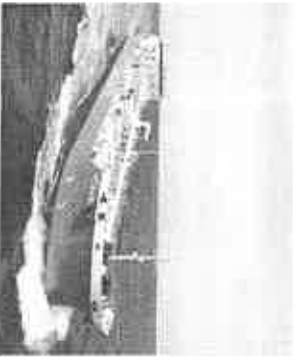
Upgrading of 3 MCVs for the transportation of containers (after the completion of the TCO project (FGP))



Project purpose: taking into account the development of the Kuryk ferry complex and discussions with RZD Logistics it is possible to transport containers in various directions

	2021	2022	2023	2024	2025
Expected income, th. US \$	4 550	4 550	4 550	4 550	4 550

KMTF: strategy



Tankers bareboat-charter
 At the moment, KMTF has received a proposal to lease tankers (Caspimax), the rental rate will be \$ 3,750 per day. It is assumed that this will be bareboat charter, that is, technical management of vessels, hiring a crew, buying fuel, payment of port dues will be carried out by the lessee. In total, this lease can bring in \$ 6.8 million per year, or \$ 34 million for 5 years.

- **Rate:** 3 750 US \$ per day
- **Validity:** 3+1+1 years

	2018	2019	2020	2021	2022
Expected income, th. US \$	6 844	6 844	6 844	6 844	6 844



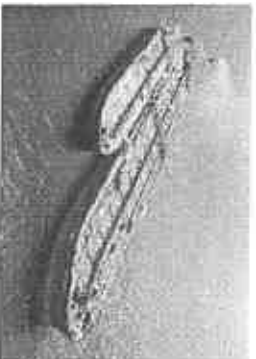
- Saving oil transport route: Aktau Makhachkala until 2022
 - Annual export volume: 2 million m³
 - Validity: 5 years
 - Rate 9.25 US \$/ton
- Route: Aktau – Makhachkala**

	2018	2019	2020	2021	2022
Expected income, th. US \$	18 500	18 500	18 500	18 500	18 500

Perspective:

Oil transportation to Iran

- Oil transportation from Kazakhstan to Iran: according to the SWAP scheme, i.e. on the oil exchange system between countries;
- Route of transportation: Aktau - Neka;
- Exported oil volume: 2.0 million tons / year;
- Tanker unloading: "Ship To Ship" (from the vessel to the ship) at the raid of the Iranian port of Neka.



	20XX	20XX	20XX	20XX	20XX
Expected income, th. US \$	38 000	38 000	38 000	38 000	38 000

THANK YOU FOR ATTENTION!



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