

**The Report on the
Extractive Industries
Transparency Initiative of
the Republic of Kazakhstan**

Independent Accountants' Report
For the year ended 31 December 2005

THE REPORT ON THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE OF THE REPUBLIC OF KAZAKHSTAN

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INDEPENDENT ACCOUNTANTS' REPORT

To the Members of the National Board of Interested Parties on realization of the Extractive Industries Transparency Initiative (“EITI”) of the Republic of Kazakhstan:

We have examined the accompanying Assertion of the National Board of Interested Parties on realization of the EITI of the Republic of Kazakhstan (the “National Board”) shown in Appendix 4 that the schedule of payments/allocations received during the year ended 31 December 2005 by the Government of the Republic of Kazakhstan (the “Government”) from the extractive industries Companies (the “Companies”) is prepared in accordance with the Memorandum of Understanding (the “MOU”) dated October 5, 2005 signed by the deputies of the Parliament of the Republic of Kazakhstan, companies operating in the extractive industries of the Republic of Kazakhstan, non-governmental organizations and the Minister of Energy and Mineral Resources of the Republic of Kazakhstan, V. Shkolnik. The National Board is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Except as described in the following paragraph, our examination was conducted in accordance with the International Standard on Assurance Engagements and, accordingly, included examining, on a test basis, evidence supporting the assertion of the National Board and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The information available to test the Assertion of the National Board was submissions by the Companies party to the MOU and the supporting details of payments/allocations received by the Government that were provided by the Companies and the Government. Our work did not extend to reviewing all payments/allocations received by the Government nor all payments/allocations made by the Companies. If payments/allocations were made by the Companies but omitted from both the Companies’ and Government’s submissions, our work was insufficient to detect them.

Summary of Work Performed

To examine the Assertion of the National Board (Appendix 4), we have compared the schedule of payments/allocations received during the year ended 31 December 2005 by the Government prepared by the Government (the “Government’s schedule”) and the schedules prepared by the Companies (parties to the MOU) (the “Companies’ schedule”) specified in Appendix 1. We have carried out procedures as considered necessary under the circumstances to determine the reasons for the differences between the above schedules. Our findings are presented below.

Section I - Taxes

Companies' schedule	205,079.53 mln tenge
<u>Government's schedule</u>	<u>233,725.64 mln tenge</u>
Difference	-28,646.11 mln tenge

The difference of 24,367.06 million tenge in lines 1.1-1.7 occurred because four Companies did not include an offset between Corporate Income Tax ("CIT") and other taxes as well as Royalty and Value Added Tax ("VAT") into their schedules. Another reason for the difference was the reporting of penalties related to CIT by one of the Companies in Section VII which is to be used for administrative penalties only. We confirmed this difference by inspecting details of the Companies' Tax Account Statements provided by the Government. Also, two Companies included payments of CIT in US dollars into their schedules while the Government showed all payments received in tenge only. We confirmed this difference by obtaining confirmation letters from the Companies concerned and inspecting details of the Companies' Tax Account Statements provided by the Government.

The main reason for the difference in line 2.1 "Excise tax on goods produced in the RK" of 1.3 million tenge occurred because one of the Companies did not include fine related to this tax in its schedule whereas the Government included the fine in its schedule. We confirmed this difference by receiving the payment order from that Company and inspecting details of the Company's Tax Account Statement provided by the Government.

The difference of 4,906.93 million tenge in line 3 "Social tax" occurred because of the following reason: line 3 of Section I "Taxes" and Section V "Payments to the State" relate to the same Code of Budget Classification 103101. The Government does not differentiate payments received on Code of Budget Classification 103101 separately by "Social tax" and by "Payments to the state". Therefore, the Government includes all such payments received into line 3 of Section I. The Companies show the payments in both line 3 of Section I and Section V in their schedules depending on the types of payment. We confirmed this difference by receiving a confirmation from the Government and the Companies concerned.

The difference of 0.32 million tenge in line 4 "Land tax" occurred because one of the Companies did not include penalties related to this tax in its schedule whereas the Government included the penalties in its schedule. We confirmed this difference by inspecting details of the Company's Tax Account Statement provided by the Government.

Three Companies did not account for repayments of Personal Income Tax made by the Government which caused the difference in line 5 "Personal income tax withheld at the source of payment" of 641.8 million tenge. We confirmed this difference by inspecting details of the Companies' Tax Account Statements provided by the Government.

The difference in amount of 2.4 million tenge in line 6 "Vehicle tax" occurred due to the fact that one of the Companies did not include repayments of Vehicle Tax made by the Government in its schedule whereas the Government included such repayments in its schedule. We confirmed this difference by inspecting details of the Company's Tax Account Statements provided by the Government.

One of the Companies reported penalties related to Property Tax in Section VII which is to be used for administrative penalties only. This caused the difference in line 7 "Property tax" of 14.7 million tenge. We confirmed this difference by inspecting details of the Company's Tax Account Statement provided by the Government.

Section II - Special payments of subsurface users

Companies' schedule	60,158.44 mln tenge
<u>Government's schedule</u>	<u>96,652.64 mln tenge</u>
Difference	-36,494.20 mln tenge

The difference of 5,794.29 million tenge in line 1 "Excess Profit Tax" ("EPT") occurred because one of the Companies did not include an offset between EPT and other taxes, including CIT as well as VAT and Social Tax made by the Government upon request by this Company. We confirmed this difference by inspecting details of the Company's Tax Account Statement provided by the Government.

The difference of 0.004 million tenge in line 2.1 "Subscription bonus" is due to the rounding error.

Two Companies made payments of royalty in US dollars and, accordingly, showed those payments in aggregated line 3 "Royalty, including" in US dollars. The Government showed all payments received in tenge only. Also, three Companies did not include amounts from line 3.1 "Compensation of historical cost" into aggregated line 3. In accordance with the instruction developed to assist the Companies in completing the schedule, the Companies are required to sum up amounts from line 3.1 into line 3. As a result, the difference of 1,679.9 million tenge occurred in line 3. We confirmed this difference by obtaining confirmation letters from the Companies concerned.

The Government did not include payments on compensation of historical cost from three Companies in line 3.1 "Compensation of historical cost" of its schedule. As a result, the difference in line 3.1 of 122 million tenge occurred. We confirmed this difference by obtaining confirmation letter from the Government on the payments.

The difference of 29,020 million tenge in line 5 "Share of the Republic of Kazakhstan in the oil profit" occurred because two Companies did not convert payments made in US dollars into tenge and reflected those payments in US dollars in their schedules. The Government reflected all payments received in tenge only. Also one of these Companies omitted the payment on the Share of the Republic of Kazakhstan in the oil profit in the amount of 21.4 million tenge in its schedule. We confirmed this difference by obtaining confirmation letters from the Companies concerned and inspecting details of the Companies' Tax Account Statements provided by the Government.

Section III - Fees

Companies' schedule	12,155.02 mln tenge
<u>Government's schedule</u>	<u>11,814.87 mln tenge</u>
Difference	340.15 mln tenge

Differences in line 1 "Land use fee" and in line 2 "Environmental protection fee" of 10 million tenge and 30.3 million tenge, respectively, arose mostly because two Companies did not report penalties related to these fees and did not account for offset between these fees and VAT. We confirmed these differences by inspecting details of the Companies' Tax Account Statements provided by the Government.

The difference of 71.4 million tenge in line 5 "Radio spectrum fee" occurred because one of the Companies did not report penalties related to this fee in its schedule. We confirmed the overall payments made by the Company by inspecting the Company's Tax Account Statement provided by the Government.

The difference of 431.8 million tenge refers to line 6 "Miscellaneous duties and other budgetary duties". This line does not have the Code of Budget Classification and the instruction on completion of the schedule does not specify which payments should be included in this line. Therefore, four Companies recorded payments of duties differently from the Government. We confirmed this difference by inspecting payment orders and accounting records of the Companies.

Section IV - Customs payments

Companies' schedule	3,643.65 mln tenge
<u>Government's schedule</u>	<u>2,946.33 mln tenge</u>
Difference	697.32 mln tenge

The difference in line 1 "Customs Tariffs" of 2,535.72 million tenge occurred mainly due to the fact that one of the Companies included custom charges payments in this line whereas such payments should be included in line 2 "Custom charges" in accordance with the instruction on completion of the schedule. Another reason for this difference is that another Company included VAT payments in this line. We confirmed those differences by obtaining the confirmation letters from the Government and the Companies concerned and inspecting details of the Companies' Account Statements and the acts of reconciliation provided by the Government.

The difference in line 2 "Custom charges" of 1,838.4 million tenge occurred because seventeen Companies omitted customs charges paid from their schedules. We confirmed this difference by obtaining the confirmation letters the Government and from the Companies concerned and inspecting details of the Companies' Account Statements and the acts of reconciliation provided by the Government.

Section V - Payments to the state

Companies' schedule	6,545.14 mln tenge
<u>Government's schedule</u>	<u>0 mln tenge</u>
Difference	6,545.14 mln tenge

The reason for the difference in the amount of 6,545.14 million tenge in Section V is because the Government reflected related payments in line 3 of Section I whereas some Companies recorded the payments to the state in appropriate lines of Section V. We confirmed this difference by receiving a confirmation from the Government and the Companies concerned.

Section VI - Dividends paid to the state

Companies' schedule	0 mln tenge
<u>Government's schedule</u>	<u>4.55 mln tenge</u>
Difference	-4.55 mln tenge

Payments made by two Companies in 2003 were cleared by the Tax Committee of Republic of Kazakhstan in 2005 only. Consequently, the Government showed the amount of 4.55 million tenge in its schedule, while the Companies showed zero amounts in their schedules. As a result, the difference of 4.55 million tenge occurred. We confirmed this difference by obtaining payment orders and explanation letters provided by the Companies and by inspecting details of the Companies' Tax Account Statements provided by the Government.

Section VII - Fines and penalties paid to the state

Companies' schedule	214.49 mln tenge
<u>Government's schedule</u>	<u>42.36 mln tenge</u>
Difference	172.13 mln tenge

The total difference of 172.13 million tenge in Section VII "Fines and penalties paid to the state" occurred mainly due to the fact that one of the Companies included all penalties and fines related to different taxes in this Section whereas such penalties and fines should be reported along with the taxes to which they relate in accordance with the instruction on completion of schedule. Only administrative fines and penalties are to be included in this Section. The Government included administrative fines and penalties in this Section in accordance with the instruction. We confirmed the difference occurred by inspecting details of the Company's Tax Account Statements provided by the Government.

Payments specified in a foreign currency (US dollars)

Companies' schedule	423.48 mln US dollars
<u>Government's schedule</u>	<u>0 mln US dollars</u>
Difference	423.48 mln US dollars

The difference in payments in foreign currency (US dollars) was because three Companies keep accounting records in US dollars and report the payments in the same currency in their schedules while the Government shows all payments received in tenge only. As a consequence, the difference on payments in foreign currency (US dollars) of 423.48 million US dollars occurred. We confirmed this difference by obtaining confirmation letters from the Companies concerned.

General reasons for the differences between the schedules of payments/allocations prepared by the Companies and the Government

Below are the general reasons for the differences between the schedules of payments/allocations prepared by the Companies and the Government with the exception of Section VI «Dividends paid to the state».

Some Companies have branches which are located in different regions of the Republic of Kazakhstan and registered at the different Regional Tax Committees. Some of those branches have their own Tax Registration Numbers (TRN) which differs from the TRNs of their parent Companies that provided the schedule. While preparing the schedule, the Companies included payments that were paid by both the parent Company and its branches. The Tax Committee did not include some payments made by branches of several Companies in its schedule. We confirmed the differences by inspecting payment orders provided by the Companies and details of the Companies' Tax Account Statements provided by the Government.

Seventeen Companies did not include all amounts of fines and penalties paid, repayments of taxes, fines and penalties in their schedules. As a result, the differences between the Companies' schedules and the Government' schedule arose. We confirmed the differences by inspecting details of the Companies' Tax Account Statements provided by the Government.

Also, two Companies reflected payments in 2005, but these payments were received by the Government in 2004 and 2006, and, as a consequence, such payments resulted in differences in the schedules. We confirmed the differences appeared by inspecting payment orders provided by the Companies and details of the Companies' Tax Account Statements provided by the Government.

Payment made by one of the Companies was not accepted by the Government and the proceedings between both parties are still ongoing. The Company has reflected this payment in its schedule. We confirmed amount of payments by inspecting payment order provided by the Company.

During our examining of the schedules twenty four Companies provided us with revised schedules with corrections on payments/allocations made. The Government also submitted revised schedule with corrections on payments/allocations.

Basis for Qualified Opinion

One of the Companies stated in Appendix 1 did not provide the Government with the permission to provide the Company's data to Deloitte LLP and, therefore, we were not able to examine the schedule of payments/allocations in relation to this Company.

Qualified Opinion

In our opinion, based on our work described in this report, except the matter described in the paragraph stated above, and for any adjustment, if any, which may have been required if we had tested all payments/allocations made by the Companies and all payments/allocations received by the Government, the accompanying Assertion of the National Board of Interested Parties on realization of EITI of the Republic of Kazakhstan, that the schedule of payments/allocations received during the year ended 31 December 2005 is prepared in accordance with the aforementioned requirements, is fairly stated in all material respects.

Limitation of use

This report is intended for the use of the signatory parties to the MOU and should not be used by other parties or for uses other than as prescribed by the MOU.

Deloitte LLP
December 24, 2007.

A circular blue ink stamp for Deloitte LLP. The outer ring contains the text "Қазақстан Республикасы, Алматы" (Republic of Kazakhstan, Almaty) at the bottom and "Қазақстан Республикасының Ішкі Аудандық Ішкі Бақылау Комитеті" (Internal Audit Committee of the Internal Revenue Agency of the Republic of Kazakhstan) at the top. The inner ring contains "Deloitte, LLP". The center of the stamp features the word "Deloitte." in a bold, sans-serif font.

Appendix 1. List of oil-producing Companies party to the Memorandum of Understanding on realization of Extractive Industries Transparency Initiative of the Republic of Kazakhstan for which the examination of schedule has been conducted

№	Company Name
1	«ExxonMobil Kazakhstan» *
2	JSC «Karazhanbasmunai»
3	Branch of «Nelson Petroleum Buzachi B.V.»
4	«Kazakhoil Aktobe» LLP
5	«Karakudukmunai» LLP
6	«JV«Arman» LLP
7	Branch of «Maersk oil Kazakhstan GmbH»
8	«ChevronTexaco International Petroleum Co.»
9	«BN Munai» LLP
10	«BG Karachaganak Limited»
11	JSC «Lancaster Petroleum» (former. JSC «KKM Operating Company»)
12	«Aral Petroleum Capital.» LLP
13	«Ravninnoe oil» Ltd
14	JSC «Petro Kazakhstan Kumkol Resources»
15	JSC «CNPC-Aktobemunaigas» / Branch of corporation «CNPC-International (Buzachi) Inc.»
16	«Agip Caspian Sea» * / «Agip Karachaganak B. V.»
17	«Lukoil Overseas Karachaganak B.V.»
18	«KhazarMunai» LLP
19	«Kazakturkmunai» LLP
20	«Kazneftehim-Kopa» LLP
21	«South-oil» LLP
22	«Gural» LLP
23	«Zhaikmunai» LLP
24	«Kumkol trans service» LLP *
25	«MONTAZHMALIKMUNAI» LLP
26	JSC «Kaspiyneft»
27	«Embavedoil» LLP
28	Affiliate of «Buzachi Operating Ltd»
29	JV «KazGerMunai» LLP
30	JSC «Mangistaumunaygas» **
31	«Tobearal-oil» LLP
32	«Adai Petroleum» LLP
33	«Altius Petroleum International B.V.»
34	«Zhalgiztobemunay» LLP *
35	«Korporatsiya Modulnaya Tekhnologiya» LLP
36	«Svetland-Oil» LLP
37	«ANAKO» LLP
38	«Tasbulat Oil Corporation» LLP
39	«Shinzhir» LLP
40	Affiliate of JSC «Kaspiyneft TME»
41	JSC «Exploration and Production «KazMunaiGas» ***
42	Kazakhstan branch of «Karachaganak Petroleum Operating B.V.» ****

* - The Company was not producing oil in 2005. Therefore, examining of schedule of payments/allocations on this Company has not been conducted.

** - The Company did not provide the Government with permission on Company's data disclosure to Deloitte LLP. Therefore, examination of schedule of payments/allocations on this Company has not been conducted.

*** - The Company became the party to the MOU on November, 22, 2007. Examining of schedule of payments/allocations on this Company has been conducted.

**** - The Company, which is not party to the MOU, is the operating Company of the Consortium of the contracting Companies (ChevronTexaco International Petroleum Co., BG Karachaganak Limited, Lukoil Overseas Karachaganak B.V., Agip Karachaganak B. V.) which are the parties to the MOU. All payments/allocations made by operating company have been reflected in the schedules submitted by contracting companies according to share of their participation in the operating company. Examining of schedule of payments/allocations on this operating company has been conducted.

APPENDIX 2. Schedule of payments/allocations from the oil and gas sector of the Republic of Kazakhstan for the year ended 31 December 2005

Flows of Financial Receipts from the Oil & Gas Sector in the Republic of Kazakhstan for the year 2005
Поступления от Нефтегазового Сектора Республики Казахстан по состоянию за 2005 год

No.	Indicator / Индикатор			Payments/allocations made by the the companies operating in the extractive industries of the Republic of Kazakhstan / Платежи/поступления произведенные компаниями, работающими в добывающих отраслях Республики Казахстан				Payments/allocations received by the Government of the Republic of Kazakhstan from the companies operating in the extractive industries of the Republic of Kazakhstan / Платежи/поступления, полученные Правительством Республики Казахстан от компаний, работающих в добывающих отраслях Республики Казахстан				Differences / Разницы			
				Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица	
				In cash / В денежном выражении		In kind, where aplicable / В натуральном выражении, где применимо		In cash / В денежном выражении		In kind, where aplicable / В натуральном выражении, где применимо		In cash / В денежном выражении		In kind, where aplicable / В натуральном выражении, где применимо	
				thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа	thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа	thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
I.	Налоги	КБК**/СВС**	Taxes	205,079,533	199,680	-	-	233,725,647	-	-	-	(28,646,114)	199,680	-	-
1.	Корпоративный подоходный налог всего, в т.ч.		Corporate income tax, including	180,989,637	198,680	-	-	205,356,696	-	-	-	(24,367,059)	198,680	-	-
	Корпоративный подоходный налог у источника выплаты (п.1.3 и 1.4 или 1.6 и 1.7)		Corporate income tax at source (p. 1.3 and 1.4 or 1.6 and 1.7)	1,519,329	2,075	-	-	1,601,783	-	-	-	(82,454)	2,075	-	-
1.1	Корпоративный подоходный налог с юридических лиц-резидентов	101101	Corporate income tax (residents)	45,814,189	11,887	-	-	33,146,426	-	-	-	12,667,763	11,887	-	-
1.2	Корпоративный подоходный налог с юридических лиц-нерезидентов	101102	Corporate income tax (nonresidents)	1,031,404	184,718	-	-	28,410,496	-	-	-	(27,379,092)	184,718	-	-
1.3	Корпоративный подоходный налог с юридических лиц-резидентов, удерживаемый у источника выплаты	101103	Corporate income tax withheld from payments to residents	2,807	1,058	-	-	148,970	-	-	-	(146,163)	1,058	-	-
1.4	Корпоративный подоходный налог с юридических лиц-нерезидентов, удерживаемый у источника выплаты	101104	Corporate income tax withheld from payments to nonresidents	1,516,522	1,017	-	-	1,452,813	-	-	-	63,709	1,017	-	-
1.5	Корпоративный подоходный налог с юридических лиц-организаций сырьевого сектора по перечню, устанавливаемому Правительством Республики Казахстан (для перечисления в Национальный Фонд)	101105	Corporate income tax (residents) on subsurface users included in the official list of companies contributing to the National Fund	123,500,845	-	-	-	132,879,464	-	-	-	(9,378,619)	-	-	-
1.6	Корпоративный подоходный налог с юридических лиц-резидентов, удерживаемый у источника выплаты организациями сырьевого сектора по перечню, устанавливаемому Правительством Республики Казахстан (для перечисления в Национальный Фонд)	101106	Corporate income tax withheld from payments to residents by subsurface users included in the official list of companies contributing to the National Fund	3,625,689	-	-	-	2,209,191	-	-	-	1,416,498	-	-	-
1.7	Корпоративный подоходный налог с юридических лиц-нерезидентов, удерживаемый у источника выплаты организациями сырьевого сектора по перечню, устанавливаемому Правительством Республики Казахстан	101107	Corporate income tax withheld from payments to nonresidents by subsurface users included in the official list of companies contributing to the National Fund	5,498,181	-	-	-	7,109,336	-	-	-	(1,611,155)	-	-	-
2	Акцизы		Excise tax	450,560	-	-	-	451,950	-	-	-	(1,390)	-	-	-
2.1	Акцизы на товары, произведенные на территории РК	105201-105237; 105290-105297	Excise tax on goods produced in the RK	450,560	-	-	-	451,950	-	-	-	(1,390)	-	-	-
2.2	Акцизы на товары, импортируемые на территорию РК	105241-105270	Excise tax on goods imported in the RK	-	-	-	-	-	-	-	-	-	-	-	-
3	Социальный налог	103101	Social tax	10,487,813	550	-	-	15,394,751	-	-	-	(4,906,938)	550	-	-
4	Земельный налог	105307, 105308	Land tax	400,948	-	-	-	401,272	-	-	-	(324)	-	-	-
5	Индивидуальный подоходный налог с доходов, облагаемых у источника выплаты	101201	Personal income tax withheld at the source of payment	7,877,799	428	-	-	7,235,924	-	-	-	641,875	428	-	-
6	Налог на транспортные средства	104401	Vehicle tax	91,755	1	-	-	89,272	-	-	-	2,483	1	-	-
7	Налог на имущество	104101	Property tax	4,781,021	21	-	-	4,795,782	-	-	-	(14,761)	21	-	-

No.	Indicator / Индикатор			Payments/allocations made by the the companies operating in the extractive industries of the Republic of Kazakhstan / Платежи/поступления произведенные компаниями, работающими в добывающих отраслях Республики Казахстан				Payments/allocations received by the Government of the Republic of Kazakhstan from the companies operating in the extractive industries of the Republic of Kazakhstan / Платежи/поступления, полученные Правительством Республики Казахстан от компаний, работающих в добывающих отраслях Республики Казахстан				Differences / Разницы			
				Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица	
				In cash / В денежном выражении		In kind, where applicable / В натуральном выражении, где применимо		In cash / В денежном выражении		In kind, where applicable / В натуральном выражении, где применимо		In cash / В денежном выражении		In kind, where applicable / В натуральном выражении, где применимо	
				thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа	thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа	thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
II.	Специальные платежи недропользователей		Special payments of subsurface users	60,158,440	223,288	-	-	96,652,638	-	-	-	(36,494,198)	223,288	-	-
1	Налог на сверхприбыль	105302 или 105322***	Excess profit tax	15,524,740	5,484	-	-	21,319,031	-	-	-	(5,794,291)	5,484	-	-
2	Бонусы, в т.ч. (сумма п. 2.1, 2.2 и 2.3)	105305 или 105325***	Bonuses, including (sum of p. 2.1, 2.2 and 2.3)	247,388	-	-	-	247,392	-	-	-	(4)	-	-	-
2.1	Подписной бонус		Subscribtion bonus	68,563	-	-	-	68,567	-	-	-	(4)	-	-	-
2.2	Бонус коммерческого обнаружения		Commercial discovery bonus	24,734	-	-	-	24,734	-	-	-	-	-	-	-
2.3	Бонус добычи		Extraction bonus	154,091	-	-	-	154,091	-	-	-	-	-	-	-
3	Роялти, в т.ч. (включая п. 3.1)	105306 или 105326***	Royalty (including p. 3.1)	43,701,291	12,001	-	-	45,381,250	-	-	-	(1,679,959)	12,001	-	-
3.1	Возмещение исторических затрат	105306 или 105326***	Compensation of historical cost	331,207	628	-	-	209,153	-	-	-	122,054	628	-	-
4	Рентный налог	105307	Rent tax	614,212	-	-	-	614,212	-	-	-	-	-	-	-
5	Доля Республики Казахстан по разделу продукции	105308 или 105328***	Share of the Republic of Kazakhstan in the Profit oil	70,809	205,803	-	-	29,090,753	-	-	-	(29,019,944)	205,803	-	-
6	Дополнительный платеж недропользователя, осуществляющего деятельность по контракту о разделе продукции	105329	Additional payment under a production sharing agreement	-	-	-	-	-	-	-	-	-	-	-	-
III.	Другие обязательные платежи		Fees	12,155,021	505	-	-	11,814,873	-	-	-	340,148	505	-	-
1	Плата за пользование земельными участками	105315	Land use fee	263,102	281	-	-	253,093	-	-	-	10,009	281	-	-
2	Платежи за загрязнение окружающей среды	105316	Environmental protection fee	11,291,645	124	-	-	11,321,928	-	-	-	(30,283)	124	-	-
3	Плата за пользование водными ресурсами	105303	Water use fee	3,612	-	-	-	3,612	-	-	-	-	-	-	-
4	Плата за лесные пользования	105304	Forest use fee	-	-	-	-	-	-	-	-	-	-	-	-
5	Плата за использование радиочастотного спектра	105309	Radio spectrum fee	5,927	-	-	-	77,324	-	-	-	(71,397)	-	-	-
6	Другие сборы и платежи в бюджет, всего		Miscellaneous duties and other budgetary duties	590,735	100	-	-	158,916	-	-	-	431,819	100	-	-
IV.	Таможенные платежи		Customs payments	3,643,657	10	-	-	2,946,333	-	-	-	697,324	10	-	-
1	Таможенные пошлины	106101-106105	Customs tariffs	3,157,321	-	-	-	621,597	-	-	-	2,535,724	-	-	-
2	Таможенные сборы	106201-106204	Customs duties	486,336	10	-	-	2,324,736	-	-	-	(1,838,400)	10	-	-
V.	Отчисления в бюджет		Payments to the state	6,545,145	-	-	-	-	-	-	-	6,545,145	-	-	-
1	Отчисления в дорожный фонд	103101	Payments to the Road fund	4,000,702	-	-	-	-	-	-	-	4,000,702	-	-	-
2	Отчисления в Фонд обязательного медицинского страхования (ФОМС)	103101	Payments to the Obligatory medical insurance fund	570,130	-	-	-	-	-	-	-	570,130	-	-	-
3	Отчисления в Фонд государственного социального страхования (ФГСС)	103101	Payments to the State social insurance fund	237,540	-	-	-	-	-	-	-	237,540	-	-	-
4	Прочие отчисления	103101	Other payments	1,736,773	-	-	-	-	-	-	-	1,736,773	-	-	-
VI.	Дивиденды, уплаченные государству		Dividends paid to the state	-	-	-	-	4,551	-	-	-	(4,551)	-	-	-
1	Дивиденды на государственный пакет акций, находящиеся в республиканской собственности	201301	Dividends on the state shares owned by the state	-	-	-	-	4,551	-	-	-	(4,551)	-	-	-

No.	Indicator / Индикатор			Payments/allocations made by the the companies operating in the extractive industries of the Republic of Kazakhstan / Платежи/поступления произведенные компаниями, работающими в добывающих отраслях Республики Казахстан				Payments/allocations received by the Government of the Republic of Kazakhstan from the companies operating in the extractive industries of the Republic of Kazakhstan / Платежи/поступления, полученные Правительством Республики Казахстан от компаний, работающих в добывающих отраслях Республики Казахстан				Differences / Разницы			
				Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица		Unit / Единица	
				In cash / В денежном выражении		In kind, where applicable / В натуральном выражении, где применимо		In cash / В денежном выражении		In kind, where applicable / В натуральном выражении, где применимо		In cash / В денежном выражении		In kind, where applicable / В натуральном выражении, где применимо	
				thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа	thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа	thous. tenge / тыс. тенге *	thous. US\$ / тыс. долларов США	bbr of crude oil / баррелей сырой нефти	cubic meters of gas / куб. метров газа
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
2	Дивиденды на государственный пакет акций, находящиеся в коммунальной собственности	201302	Dividends on the state shares owned by the public	-	-	-	-	-	-	-	-	-	-	-	
VII.	Административные штрафы и пени, уплаченные в бюджет		Fines and penalties paid to the state	214,495	-	-	-	42,362	-	-	-	172,133	-	-	
1	Административные штрафы, пени, санкции, взыскания, налагаемые центральными государственными органами, их территориальными подразделениями	204101	Administrative fines and penalties imposed by the central state authorities and their territorial subdivisions	172,164	-	-	-	15,137	-	-	-	157,027	-	-	
2	Административные штрафы, пени, санкции, взыскания, налагаемые местными государственными органами	204105	Administrative fines and penalties imposed by the local state authorities	42,277	-	-	-	27,225	-	-	-	15,052	-	-	
3	Прочие штрафы, пени, санкции, взыскания, налагаемые государственными учреждениями, финансируемых из республиканского бюджета	204113	Other fines and penalties imposed by the state bodies financed from the state budget	54	-	-	-	-	-	-	-	54	-	-	
	Всего (Разделы I-VII)		Total (Sections I-VII)	287,796,291	423,483	-	-	345,186,404	-	-	-	(57,390,113)	423,483	-	

Примечание:

* - поступления в бюджет по коду бюджетной классификации с учетом основного платежа, пени и штрафа (including tax and related interest penalties and fines)

** - код бюджетной классификации, на который зачисляются налоги и платежи в бюджет (budgetary classification code to which tax or payment is transferred)

*** - в зависимости от отнесения к предприятиям нефтяного сектора, являющимся плательщиками Национального фонда (depending on the inclusion in the official list of companies contributing to the National Fund)

1 - сумма п. 1.3 и 1.4 (sum of p. 1.3 and 1.4)

Appendix 3. Recommendations on improvement of the EITI requirements implementation

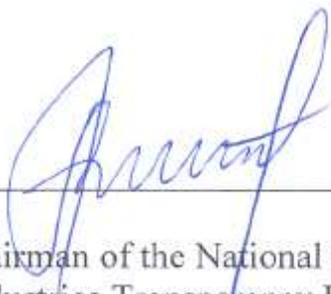
Below are presented the recommendations which we believe would help to optimize the process of examining of the schedules of payments/allocations and to improve the process of implementing the EITI requirements in the subsequent years.

1. At the moment, sections of MOU that contain the information about the dates, Companies and other parties to the MOU have become outdated. We recommend to the authorized body of the Government together with parties to the MOU to revise those sections of the MOU taking into account the changes occurred.
2. We recommend developing the detailed procedures which would (1) designate individuals from the Ministry of Finance, Regional Tax Committees, Customs Committee and in all other parties involved in the process of realization of EITI, (2) document responsibilities and authorities, (3) set timetables for timely completion of examination, etc.
3. We recommend that the authorized body of the Government provides detailed explanations in the instruction on completion of schedule with regards to line 6 of Section III. Currently this line is neither mapped to Code of Budget Classification nor provides detailed explanation of payments related. This practice results in fact that Companies does not have unified understanding on how to interpret types of payments to be included on the given line.
4. We also recommend eliminating Section V “Payments to the state” which includes lines “Payments to the Road fund”, “Payments to the Obligatory medical insurance fund”, “Payments to the State social insurance fund” and “Other payments” from the schedule. The Section duplicates the line 3 “Social Tax” of Section I “Taxes”. Differences in the schedules resulted from inclusion of relevant payments made by the Companies into both Sections I and V whereas the Government accounts for such payments in Section I only. We recommend excluding repetitive line "Corporate income tax at the source of payment (p. 1.3 and 1.4 or 1.6 and 1.7) from the schedule to avoid misunderstanding during completion of the schedules by the Companies.
5. We recommend that the Ministry of Finance of the Republic of Kazakhstan integrates regional and central Tax and Custom Committees database. This practice will eliminate differences between consolidated data provided by Companies and data provided by Government.
6. We recommend that Government’s database is automated. This will eliminate errors and irregularities pertaining to manual input of data.

Appendix 4. Assertion of the National Board of Interested Parties on realization of the EITI of the Republic of Kazakhstan

**ASSERTION OF THE NATIONAL BOARD OF INTERESTED PARTIES
ON REALIZATION OF THE EXTRACTIVE INDUSTRIES
TRANSPARENCY INITIATIVE OF THE REPUBLIC OF KAZAKHSTAN**

The schedule of payments/allocations received during the year ended 31 December 2005 by the Government of the Republic of Kazakhstan (the “Government”) from the companies operating in the extractive industries of the Republic of Kazakhstan as specified in Appendix 1 is prepared in accordance with the Memorandum of Understanding on realization of the Extractive Industries Transparency Initiative (EITI) of the Republic of Kazakhstan dated 5 October 2005 signed by the deputies of the Parliament of the Republic of Kazakhstan, companies operating in the extractive industries of the Republic of Kazakhstan, non-governmental organizations and the Minister of Energy and Mineral Resources of the Republic of Kazakhstan V. Shkolnik.



Akchulakov B.U.

Acting as the Chairman of the National Board of interested parties on realization of the Extractive Industries Transparency Initiative of the Republic of Kazakhstan