On Subsoil and Subsoil Use

Unofficial translation

Code of the Republic of Kazakhstan dated December 27, 2017 № 125-VI.

Unofficial translation

Footnote. The table of contents is excluded by Law of the RK № 72-VII of 15.11.2021 (shall be put into effect on 01.01.2022).

In paragraph 4 and subparagraph 2) of paragraph 7 of Article 118, subparagraph 2) of paragraph 10 of Article 119, paragraph 4 of Article 139, subparagraph 6) and 7) of paragraph 10 of Article 140 and article 141 of this Code, the words "geological reserves" shall be considered the word “reserves”, respectively, until 01.01.2024 in accordance with the Code of the Republic of Kazakhstan dated 27.12.2017 № 125-VI (for enforcement procedure see subparagraph 1) paragraph 12 of Art. 277 of this Code);

in Article 141 of this Code, the words "central commission" shall be considered as the words "state commission", respectively, until 01.01.2024 in accordance with the Code of the Republic of Kazakhstan № 125-VI dated 27.12.2017 (for enforcement procedure, see subparagraph 2) paragraph 12 of Art. 277 of this Code).

Footnote. Throughout the text, the word "local content" has been replaced by the word " in-country value"; Pursuant to Law of the RK № 87-VII of 27.12.2021 (shall be enacted ten calendar days after the date of its first official publication).

GENERAL PART SECTION I. PRIMARY PROVISIONS Chapter 1. GENERAL PROVISIONS

Article 1. Legislation of the Republic of Kazakhstan on subsoil and subsoil use

1. Legislation of the Republic of Kazakhstan on subsoil and subsoil use is based on the Constitution of the Republic of Kazakhstan and consists of this Code and other statutory instruments of the Republic of Kazakhstan.

1-1. Amendments and (or) additions to this Code shall be introduced by the law that does not envisage amendments and additions to other legislative acts of the Republic of Kazakhstan, except for draft laws developed by way of legislative initiative of the President of the Republic of Kazakhstan.

2. If an international treaty ratified by the Republic of Kazakhstan establishes the rules other than those contained in this Code, then the rules of the international treaty will apply.

3. Should any contradictions arise between this Code and other laws of the Republic of Kazakhstan which contain statutory provisions regulating relations in subsoil use, the provisions of this Code shall apply.

4. If the relations in subsoil use are not regulated by the norms of this Code the civil legislation of the Republic of Kazakhstan shall apply.

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective from 01.07.2024).

Article 2. Relations regulated by this Code

1. This Code determines the regime for subsoil use, the procedure for exercising the state management and regulation in subsoil use, the peculiar features of the creation, exercising and termination of rights to subsoil plots, the legal status of subsoil users and carrying out the relevant operations by them, as well as the issues of subsoil use and the disposal of a subsoil use right and other relations associated with the use of subsoil resources.

2. The use of land, water and other natural resources is regulated under the land, water and environmental legislation of the Republic of Kazakhstan, which determines the regime for the use and protection of the relevant natural resources.

3. The State, citizens and legal entities of the Republic of Kazakhstan are participants in the relations regulated by this Code.

4. Foreigners, stateless persons, as well as foreign legal entities exercise rights and freedoms in the Republic of Kazakhstan and bear responsibilities in subsoil use relations established for citizens and legal entities of the Republic of Kazakhstan, unless otherwise provided by this Code, laws and international treaties ratified by the Republic of Kazakhstan.

5. Subsoil users shall purchase under contracts aimed at the development of industry as provided for in the Law of the Republic of Kazakhstan “On Industrial Policy”.

Footnote. Article 2 as amended by Law of the RK № 87-VII of 27.12.2021 (shall be put into effect ten calendar days after its first official publication).

Article 3. Goal and objectives of the legislation of the Republic of Kazakhstan on subsoil and subsoil use

1. Goal of the legislation of the Republic of Kazakhstan on subsoil and subsoil use is to ensure the sustainable development of the mineral and raw material base of the Republic of Kazakhstan for the economic growth of the State and the welfare of society.

2. Objectives of the legislation of the Republic of Kazakhstan on subsoil and subsoil use are:

1) preservation the State’s property right to subsoil;

2) implementation of the state policy and regulation of relations in the subsoil use;

3) safeguarding the interests of the State, citizens of the Republic of Kazakhstan and the rights of subsoil users;

4) increase in the mineral and raw material base of the Republic of Kazakhstan;

5) establishment of the grounds, conditions and procedure for creation, exercising, modification and termination of subsoil use rights;

6) provision of the legal basis for sustainable development of subsoil use;

7) creation of conditions for attracting investment into geological study of the subsurface and mineral management;

8) strengthening the legality in subsoil use.

Article 4. Principles of the legislation of the Republic of Kazakhstan on subsoil and subsoil use

Legal regulation of relations in subsoil use shall be based on the following principles:

1) rational management of the state subsoil fund;

2) ensuring environmental safety in the use of subsoil;

3) availability of information concerning subsoil use;

4) chargeable subsoil use;

5) good faith of subsoil users;

6) stability of subsoil use conditions.

Article 5. Rational management of the state subsoil fund

Rational management of the state subsoil fund is ensured by granting the subsoil use right aimed at economic growth of the State and the welfare of society.

Article 6. Ecological safety in the subsoil use

Subsoil use should be carried out in environmentally sound ways by adopting measures aimed at preventing subsoil pollution and reducing the harmful impact on the environment.

Article 7. Availability of information concerning subsoil use

1. Information concerning subsoil use is accessible, unless otherwise provided for by this Code or other laws of the Republic of Kazakhstan.

2. The State provides open access to:

1) information on auctions granting subsoil use right, their terms and results;

2) decisions of state bodies regarding the granting and termination of the subsoil use right;

3) information on the subsoil use right with due regard to the different types of subsoil use operations;

4) geological information, except for geological information recognized as confidential under this Code, or secret under the legislation of the Republic of Kazakhstan on state secrets.

3. Procedure for access to information concerning subsoil use is determined by this Code and other laws of the Republic of Kazakhstan.

4. Persons concerned may, on the gratuitous basis, use open information the access to which is provided according to this Article.

5. Provision by the state of accessibility of information in subsoil use is based on mandatory reliability and completeness of information formed and presented by officials and other participants in relations regulated by this Code.

Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective from 01.07.2024).

Article 8. Subsoil use availability against interest payment

Subsoil use is subject to interest payment (compensated). Payment for the use of subsoil is effected through payment of taxes and other mandatory payments to the budget under the tax legislation of the Republic of Kazakhstan.

Article 9. Good faith of subsoil users

In the process of exercising state control over subsoil use operations, when subsoil users exercise the rights granted to them and fulfill the obligations provided for in this Code, the good faith of subsoil users' activities is presumed.

Chapter 2. GENERAL PROVISIONS ON SUBSOIL AND THEIR RESOURCES

Article 10. Subsoil and their resources

1. Subsoil is the part of the earth's crust subjacent to the soil layer, and in the absence thereof, the crust below the earth's surface, bottom of water bodies and water channels.

2. This Code regulates the use of subsoil with respect to the following resources:

1) minerals;

2) man-made mineral formations;

3) subsoil space.

Article 11. Ownership of the subsoil

1. According to the Constitution of the Republic of Kazakhstan, subsoil resources belong to the people of Kazakhstan. On behalf of the people of Kazakhstan, the ownership right is exercised by the state. At the same time, exercising the ownership right by the state shall be implemented through the regime of state ownership in favor of the people of Kazakhstan.

2. The State grants the use of subsoil, subject to the grounds, conditions and to the content , as defined by this Code.

3. The actions of individuals and legal entities constituting violation of the right of state ownership of subsoil, shall entail liability as provided for by the laws of the Republic of Kazakhstan Transactions concluded in violation of state ownership of subsoil are void.

Footnote. Article 11 as amended by the Law of the Republic of Kazakhstan dated 05.11.2022 № 157-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 12. Minerals and their classification

1. The following is considered as minerals: natural mineral formations containing useful components and organic substances, the chemical composition and physical properties of which allow them to be used in the field of material production and consumption either immediately or after processing.

2. In terms of their economic significance and for the purpose of establishing appropriate conditions for subsoil use, minerals are divided into the following groups:

1) underground waters;

2) hydrocarbon minerals (hydrocarbons);

3) solid minerals.

3. Oil, crude gas and natural bitumen are considered as hydrocarbons.

Crude oil, gas condensate, shale oil, as well as hydrocarbons obtained after refining crude oil and processing oil shale, oil bituminous rocks or tar sands are recognized as oil.

Any hydrocarbons, regardless of their specific gravity, extracted from the subsoil in the liquid state at normal atmospheric temperatures and pressures, including those formed from the raw gas by natural condensation are considered as crude oil.

Any hydrocarbons, regardless of their specific gravity, extracted from the subsoil in the gaseous state at normal atmospheric temperatures and pressures, including untreated natural, associated, shale gas, coalbed methane, and non-hydrocarbon gases contained in them are considered as raw gas.

Multicomponent mixture of hydrocarbons and non-hydrocarbon gases that forms a part of the oil in a dissolved state in reservoir conditions and which is released from it when the pressure decreases are considered as associated gas.

Multicomponent mixture of hydrocarbons and non-hydrocarbon gases with a predominant methane content that is in the gaseous state at normal atmospheric temperatures and pressures extracted from coal deposits are considered as coalbed methane.

Minerals of organic origin with a primary hydrocarbon base, lying in the subsoil in solid, viscous and viscous-plastic states, which production in the natural conditions by downhole methods is technically impossible are considered as natural bitumen.

Crude oil contained in shale rocks is recognized as the shale oil.

A multicomponent mixture of hydrocarbons and non-hydrocarbon gases with a predominant content of methane, which is in a gaseous state at normal atmospheric temperature and pressure, contained in shale rocks is recognized as the shale gas.

A fine-grained clastic rock of sedimentary origin with low permeability, formed from silt, organic substances, which are a mixture of flakes of clay minerals and tiny particles (fine particles of silt or clay) of other minerals, in particular quartz and calcite, is recognized as the shale rock.

Solid crystalline substances of natural origin, the decomposition of which releases gas with a predominant content of methane are recognized as gas hydrates.

Shale oil, shale gas, natural bitumen, coal bed methane and gas extracted from gas hydrates are unconventional hydrocarbons.

4. Natural mineral formations, organic substances and their mixtures being in the solid state in the subsoil or on the earth's surface are considered as solid minerals.

Solid minerals are divided into ore (metallic) minerals and non-metallic minerals. As metallic solid minerals the native metals, ores of ferrous, non-ferrous, rare, radioactive metals and rare-earth elements are recognized. Remaining solid minerals are considered as non-metallic.

Non-metallic solid minerals used in their natural state or with minor processing and purification for construction and other economic purposes and widely distributed in the subsoil are recognized as common. Common minerals include:

metamorphic rocks, including marble, quartzite, quartz-feldspar rocks;

igneous rocks, including granites, syenites, diorites, gabbro, rhyolites (liparites), andesites , diabases, basalts, volcanic tuffs, slags, pumice, volcanic glasses and vitreous rocks (perlite, obsidian);

sedimentary rocks, including pebbles and gravel, gravel-sand (sand-gravel) mixture, sands and sandstones, clays and clayey rocks (loams, siltstones, mudstones, shale), table salt, gypsum rocks, marls, limestones, including shell rocks, chalk rocks, dolomites, limestone-dolomite rocks, siliceous rocks (tripoli, flask, diatomite), natural pigments, peat, healing mud.

Footnote. Article 12 as amended by the laws of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 05.01.2021 № 407-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 13. man-made mineral formations, rights to man-made mineral formations

1. The following is considered as man-made mineral formations: accumulations of waste from mining, mining and processing and energy productions that contain useful components and (or) minerals.

man-made mineral formations of mining industries include wastes from production of solid minerals formed as a result of the separation of solid minerals from the rock mass during their extraction from the subsoil (overburden removal, containing rock, dust, poor (off-grade) ore).

man-made mineral formations of mining and processing production facilities include processing wastes generated as a result of mining and processing activities (tails and slurries of enrichment) and (or) chemical and metallurgical industries (slag, cakes, clinkers and other similar types of waste of metallurgical processing).

man-made mineral formations of energy productions include solid wastes generated as a result of combustion of fuel during the generation of electrical and (or) thermal energy by generating facilities (ashes and ash slags).

2. man-made mineral formations located within a subsoil plot are an accessory of such a site.

man-made mineral formations originated as a result of the activities of chemical-metallurgical or energy production facilities located outside the subsoil plot being in use are the property of these production facilities. Ownership right for such man-made

mineral formations is retained by the owner of the production facilities until the date of closure of the landfill (part of the landfill) of the location of these man-made mineral formations under the environmental legislation of the Republic of Kazakhstan.

3. The ownership right to man-made mineral formations originated as a result of the subsoil users' activities at a subsoil plot under their use is reserved for them for a period of validity of the subsoil use right.

Subsoil users that are owners of man-made mineral formations are entitled, subject to the provisions of this Article, to own, use and dispose the man-made mineral formations originated as a result of activities at the subsoil plot granted to them for use, as well as to alienate them to third parties.

The alienation of these man-made mineral formations to third parties without exclusion from the subsoil plot or the landfill of their location is not allowed, except for the cases of transfer of the subsoil use right or, respectively, the ownership right to the production facilities specified in paragraph 2 of this Article.

In the event of alienation of man-made mineral formations located at a subsoil plot being in use, to third parties, their seizure shall be carried out during the validity period of the subsoil use right.

4. Placement of techno-genic mineral formations of mining and processing facilities is carried out only within the subsoil plots that are in use under a license for the exploration of solid minerals, a license for the extraction of solid minerals, a license for the extraction of common minerals or a license for the use of subsoil space.

Placement of techno-genic mineral formations of mining and processing facilities is carried out only within the subsoil plots that are in use under a license for the extraction of solid minerals or a license for the use of subsoil space.

In order to ensure the efficient use of the resource potential of techno-genic mineral formations, their placement at one facility as a result of the activities of different industries (mining, mining and processing, chemical and metallurgical industries) is prohibited if such techno-genic mineral formations do not have uniform physical and chemical properties and such placement does not comply with the requirements of the environmental legislation of the Republic of Kazakhstan.

5. man-made mineral formations left at a subsoil plot after termination of the subsoil use right or, respectively, after the closure of landfill (part of the landfill) are included in the subsoil composition.

For the purposes of this Code, the legal regime of solid minerals is applied to man-made mineral formations included in the subsoil.

Footnote. Article 13 as amended by the Laws of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 14. Deposits and their classification

1. A deposit stands for a natural or man-made accumulation of mineral(s), which, in terms of its quantitative, qualitative and mining characteristics, can be suitable for industrial development with a positive economic effect.

2. According to amount of resources or reserves of minerals and their economic importance, large deposits are separated as a category of its own.

3. Mineral deposits are considered as large ones if they contain the following resources:

Mineral, unit of measure	Quantity
Iron ores, mln. tons	>100
Manganese ores, mln. tons	>50
Chromite ore, mln. tons	>30
Copper, mln. tons	>5
Lead, mln. tons	>5
Zinc, mln. tons	>5
Bauxite, mln. tons	>50
Nickel, thous. tons	>50
Tungsten, thous. tons	>100
Molybdenum, thous. tons	>200
Gold, tons	>250
Coking coal, mln. tons	>50
Steam coal, mln. tons	>500
Lignite (brown coal), mln. tons	>500
Oil shale, mln. tons	>500
Phosphorites (ore), mln. tons	>200
Sulfuric acid, mixed potassium salts, mln. tons	>100

Hydrocarbons deposits are considered as large ones if they contain the following geological reserves:

Mineral, unit of measure	Quantity
Oil, mln. tons	>100
Natural gas, bln. m3	>50

Article 15. Ownership of recovered minerals

Produced minerals belong to a subsoil user on the right of ownership (on the right of economic management or the right of operational administration if a state legal entity), unless otherwise set out by this Code.

Article 16. Subsoil space

Subsoil space is a three-dimensional spatial property of the subsoil, which, taking into account geotechnical, geological, economic and environmental factors, can be used as an environment for placing objects of production, scientific or other activities.

SECTION II. USE OF SUBSOIL Chapter 3. GENERAL PROVISIONS ON SUBSOIL USE RIGHT

Article 17. Definition and content of the subsoil use right

1. A subsoil use right represents the opportunity provided by this Code to use subsoil on a reimbursable basis within the limits of an allocated site for entrepreneurial purposes within a certain term.

2. The subsoil use right is a proprietary and indivisible right. With due regard to the provisions of this Code, provisions on the right of ownership shall apply to the subsoil use right, since this does not contradict the nature of the property right.

3. The subsoil is used subject to procedure and to the extent set out by this Code.

Article 18. Holders of the subsoil use right

1. The subsoil use right may be held by individuals and legal entities, unless otherwise provided for by this Code.

2. Several persons may be the owners of a subsoil use right concurrently. In this case, ownership of the subsoil use right is of common nature. Common ownership of the subsoil use right is originated via the subsoil use right granting to two or more persons simultaneously or as a result of the transfer of a share in the subsoil use right from one person to another.

Common ownership of a subsoil use right by two or more persons is allowed only upon determination of the share of each of these persons in such a right.

Provisions of civil legislation of the Republic of Kazakhstan regulating the relations of common share ownership shall apply to the common ownership of a subsoil use right.

In cases provided for by this Code, only one person can be the owner of a subsoil use right.

3. Unless otherwise provided for by this Code, a subsoil use right (a share in it) may pass from one person to another one on the grounds provided for by the civil legislation of the Republic of Kazakhstan.

Article 19. Subsoil plot as a property covered by the subsoil use right

1. A subsoil plot stands for a geometrized part of the subsoil with certain spatial boundaries, which is granted for use according to this Code.

The spatial boundaries of a subsoil plot shall be formed by conditional planes emanating from straight lines between points with geographic coordinates that form closed contours (boundaries) on the earth's surface (the territory of a subsoil plot), and depth, forming the upper and lower spatial boundaries.

The upper spatial boundary of a subsoil plot is located subjacent to the soil layer, and in absence thereof below the earth's surface and (or) the bottom of water bodies, water channels. The lower spatial boundary of a subsoil plot is located at depths accessible for geological survey and development.

In cases provided for by this Code, the upper and (or) lower spatial boundaries of a subsoil may be located at a different depth.

2. For the purposes of identifying the territory of a subsoil plot for performance of minerals exploration operations (an exploration site) and geological survey operations (a geological survey site), the territory of the Republic of Kazakhstan is conditionally divided into blocks, each side of which is equal to one minute in the geographic coordinate system. Twenty-five blocks form a subsection of blocks, each side of which is equal to five minutes in the geographic coordinate system. One hundred blocks form a block section, each side of which is ten minutes in the geographic coordinate system.

Each block, subsection and section of blocks have their identifying coordinates and individual codes assigned by the authorized body for subsoil study. The territory of an exploration site (an exploration territory) or a geological survey site (a geological survey territory) may consist of one or more blocks. If the specified territory consists of two or more blocks, each block of the given territory should have a shared side with at least one of its another block.

In the cases provided for by this Code, the territory of exploration or geological study may include a part of a block (incomplete block). If the specified territory consists of two or more incomplete blocks, each such block must have a common side with at least one other complete or incomplete block of this territory.

3. The outer boundaries of the territory of the subsoil plot for carrying out operations for the extraction of minerals (production site), artisanal mining (artisanal area) and the use of subsoil space (site for the use of subsoil space) must form a rectangle. If the natural features or the boundaries of another subsoil plot do not allow determining the external boundaries of the territory of the corresponding mining site, prospecting site or site for using the subsoil space in the shape of a rectangle, the territory of such subsoil plot may have the shape of a quadrangle, at least two opposite sides of which must be parallel to each other.

In the cases provided for by this Code, the territory of the production site may have the shape of a polygon.

Footnote. Article 19 as amended by Law of the Republic of Kazakhstan № 284-VI dated December 26, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 20. Grounds for creation and acquisition of the subsoil use right

1. The subsoil use right is created on the basis of:

1) a subsoil use licence;

2) a subsoil use contract.

2. The subsoil use right is acquired in the following cases:

1) granting a subsoil use right;

2) transfer of the subsoil use right (a share in it) on the basis of civil law transactions;

3) transfer of subsoil use right by way of succession at reorganization of a legal entity, with the exception of transformation or inheritance.

Article 21. Grounds for termination of the subsoil use right

1. No one shall be deprived of their subsoil use right otherwise than on the grounds established by this Code and other laws of the Republic of Kazakhstan.

2. The subsoil use right ceases with the termination of a subsoil use licence or contract.

Article 22. Types of subsoil use operations

The subsoil use right is granted for performance of the following operations:

1) geological survey of subsoil;

2) exploration of minerals;

3) production of minerals;

4) subsoil space use;

5) artisanal mining.

Article 23. Project documents for subsoil use operations

1. In the cases provided for by this Code, subsoil use operations may be conducted only upon availability of a project document providing for such operations.

2. Project documents are those containing plans, methods, methodology, technical conditions, technological indicators, scope, timing and other parameters of works carried out for the purposes of subsoil use.

3. Project documents are developed separately for each subsoil plot for the period of its use, as provided for by the licence or contract.

4. Project documents are developed taking into account environmental and industrial safety requirements. When carrying out subsoil use operations the subsoil users are obliged to comply with the environmental and industrial safety parameters specified in the project document.

5. Particularities of development of project documents, taking into account types of subsoil use operations, are established by the provisions of the Special Part of this Code.

Article 24. Performance of subsoil use operations in one territory by different persons

1. Different subsoil users may conduct subsoil use operations in the same territory (combined territory) unless otherwise provided for in the Special Part of this Code.

2. Procedure for subsoil user operations on a combined territory is determined by their mutual agreement. The agreement defines the terms and procedure for conducting all or certain types of work on the combined territory.

The agreement shall be concluded in a simple written form and submitted by the subsoil user to the state body that granted the subsoil use right, within five business days from the date of its conclusion.

The agreement may provide for reasonable and adequate compensation for the expenditures incurred by one of the subsoil users.

3. If subsoil users fail to reach an agreement on the procedure for conducting operations on a combined territory, one subsoil user shall have the established primacy over the other in conducting works on the combined territory. In this case, the priority in conducting works on that combined territory belongs to a subsoil user:

1) conducting operations for production of minerals;

2) having the subsoil use right granted earlier, if both subsoil users conduct operations for production of minerals;

3) having the subsoil use right granted earlier if both subsoil users conduct the operations for exploration of minerals;

4) conducting operations on the subsoil space use, if another subsoil user conducts the operations for exploration of minerals.

4. A subsoil user not having a priority in performance of works on a combined territory is obliged to take into account the time, duration, location, scope and nature of the works performed or planned by the subsoil user having such a priority and not create obstacles for conduct thereof. The subsoil users are obliged to use their priority in good faith and reasonably, not pursuing the objectives of obtaining unreasonable benefits.

5. A subsoil user having a priority in carrying out the works in the combined territory is obliged to provide the subsoil user not having a priority the written information on the duration, location, scope and nature of their works performed and planned to be performed on the common subsoil plot within a month from the date of receiving the written request of the latter. Such information may constitute a trade secret.

Time, duration, scope, location and nature of the works, information about which has been provided to the subsoil user not having a priority on conducting works in the combined territory, may be changed by the subsoil user having such a priority, not more than once in three months. In this case, the subsoil user having a priority shall notify the other subsoil user in writing of changes in the time, duration, scope, location and nature of the planned works not later than one month prior to such changes. The subsoil user not having a priority in conducting work on the combined territory is entitled to complete the works commenced before receipt of such a notification.

Article 25. Territories restricted for subsoil use operations

1. Unless otherwise provided for by this Article, subsoil use operations are prohibited:

1) in lands for the needs of defense and national security;

2) in lands of settlements and adjacent territories at a distance of one thousand meters;

3) at a land plot occupied by an operating hydraulic engineering structure, other than the object of placement of man-made mineral formations from mining and beneficiation production facilities, and on the adjacent territory at a distance of four hundred meters;

4) in lands of the water fund;

5) within the contours of deposits and underground waters sites, which are used or can be used for potable water supply;

6) at a distance of one hundred meters from the repositories, graves and cemeteries, as well as from the land plots assigned to repositories and cemeteries;

7) at land plots owned by third parties and occupied by buildings and structures, perennial plantations, and the adjacent territories at a distance of one hundred meters, without the consent of such persons;

8) in lands occupied by roads and railways, airports, airfields, air navigation facilities and aeronautical centers, railway transport objects, bridges, subways, tunnels, power system and transmission facilities, communication lines, objects providing space activities, trunk pipelines;

9) at subsoil plots allocated to the state legal entities for state needs;

10) in other territories on which subsoil use operations are prohibited under other laws of the Republic of Kazakhstan.

2. It is prohibited to grant for use a subsoil plot the entire external territorial borders of which are located within the territories specified in paragraph 1 of this Article.

3. The prohibition set out by sub-paragraph 2) of paragraph 1 of this Article shall not cover:

1) for conducting operations for the exploration of solid minerals or operations for the underground extraction of solid minerals, or operations for the open-pit extraction of solid minerals at sites of technogenic mineral formations, agreed with the local executive and representative bodies by concluding an agreement providing for socio-economic support for the local population residing in the relevant territory. In this case, the existence of such an agreement is a condition for issuing the relevant license;

2) subsoil use operations at the former Semipalatinsk nuclear test site;

3) performance of geological survey of subsoil in the part of prospecting and evaluation works for underground waters.

The prohibition established by subparagraph 4) of paragraph 1 of this Article shall not apply to operations for exploration and (or) production of hydrocarbons in Kazakhstan sector of the Caspian Sea, exploration and withdrawal of underground water, also to prospecting, extraction of table salt, medicinal mud.

The prohibitions set out by paragraph 1 of this Article, shall not cover subsoil use operations conducted through aerogeophysical surveys or surveys using Earth remote sensing methods.

Footnote. Article 25 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 167-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective from 02.05.2025).

Article 26. Performance of subsoil use operations in natural areas of preferential protection and subsoil plots of special ecological, scientific, historical-cultural and recreational value

1. Restrictions on performance of subsoil use operations in natural areas of preferential protection and within subsoil plots of special ecological, scientific, historical-cultural and

recreational value are established by the legislation of the Republic of Kazakhstan related to the natural areas of preferential protection.

2. In case of discovery of geological, geomorphological and hydrogeological objects of special ecological, scientific, historical-cultural and recreational value under the legislation of the Republic of Kazakhstan related to the natural areas of preferential protection, the subsoil users are obliged to immediately stop works on the relevant site and notify in writing the authorized body for subsoil study and the authorized body in the field of environmental protection.

Article 27. Conditions for the development of territories with mineral occurrences

1. Design and construction of settlements, industrial complexes and (or) other economic facilities are allowed only after receiving a positive conclusion of the local executive body of a region, the city of republican significance, the capital upon approval of the territorial subdivision of the authorized body for subsoil study regarding the absence or insignificance of minerals in subsoil under the site of the upcoming development.

2. The development of the territories with mineral occurrences is allowed with the permission of the local executive body of a region, the city of republican significance, the capital, issued upon approval of the territorial subdivision of the authorized body for subsoil study, provided it is possible to extract minerals or prove the economic feasibility of construction.

3. The procedure for issuing a permission for the development of territories with mineral occurrences is determined by the authorized body for subsoil study.

Article 28. Ensuring support to Kazakhstani personnel, producers of goods, suppliers of works and services at performance of exploration and (or) production operations

1. When conducting operations for exploration and (or) extraction of minerals, subsoil users are obliged to give preference to Kazakhstani personnel. The attraction of foreign labor is carried out in accordance with the legislation of the Republic of Kazakhstan on migration of the population.

At the same time, the number of chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan within the framework of intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on population migration should be no more than fifty percent of the total number of chief executives, managers and specialists in each relevant category.

The calculation of the share of intra-country value in personnel is carried out in accordance with the methodology approved by the authorized body on migration issues.

The conditions of in-country value in personnel during operations for the exploration and (or) production of hydrocarbons for complex projects are determined taking into account the provisions of Article 36 of this Code.

2. The share of in-country value in works and services procured for the conduct of subsoil use operations, as established in the terms of subsoil use contracts and licenses for the

extraction of solid minerals, must be at least seventy percent of the total volume of works and services procured during a calendar year.

A share of intra-country value in goods, works and services shall be calculated by organizations as per the unified methodology of calculation of intra-country value in procurement of goods, works and services, adopted by the competent authority in the field of state incentives for industry.

The provisions of this paragraph shall not apply to contracts for exploration and (or) production of hydrocarbons under complex projects in subsoil areas located wholly or partially within Kazakhstan sector of the Caspian Sea.

Footnote. Article 28 as amended by the Law of the Republic of Kazakhstan dated 25.06.2020 № 347-VI (shall be enforced ten calendar days after the day of its first official publication); № 87-VII of 27.12.2021 (shall enter into force ten calendar days after the date of its first official publication); dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 28-1. Entrepreneurship stimulation agreement

1. An agreement on stimulating entrepreneurship refers to agreements concluded by authorized bodies in the field of hydrocarbons, uranium and solid minerals production with the National Chamber of Entrepreneurs of the Republic of Kazakhstan and subsoil users on a voluntary basis and aimed at supporting local producers.

2. Monitoring of the fulfillment of the terms of the agreement on stimulating entrepreneurship, as well as publication of its results on Internet resources, is carried out by the National Chamber of Entrepreneurs of the Republic of Kazakhstan together with the authorized bodies in the field of hydrocarbons, uranium and solid minerals production based on information from subsoil users provided by ensuring access to e-procurement systems.

Footnote. Chapter 3 is supplemented by Article 28-1, in accordance with the Law of the Republic of Kazakhstan dated 15.11.2021 № 72-VII (shall be enforced from 01.01.2022).

Chapter 4. REGIMES OF SUBSOIL USE RIGHT Paragraph 1. Licensing regime of subsoil use

Article 29. Definition of a subsoil use licence

1. The subsoil use licence is the document issued by a state body and granting its holder the right to use a subsoil plot for the purpose of performance of subsoil use operations within the subsoil plot indicated therein.

A subsoil use licence does not belong to permits regulated according to the legislation of the Republic of Kazakhstan on permits and notifications.

2. A subsoil use licence is issued for use of only one subsoil plot.

3. Unlimited number of subsoil licences may be issued to one person, except for the cases established by this Code.

4. The licence is issued upon the application of the person concerned. Form of an application for a licence is approved by the competent authority.

5. The issued license is posted on the unified subsoil use platform on the day of issuance.

6. The state body that issues subsoil use licences maintains a register of issued licences.

In addition to the information contained in the licence, this register contains:

1) information on the place of residence of an individual being a subsoil user;

2) information on registered encumbrances with respect to the subsoil use right;

3) other information required for the purposes of record keeping.

Procedure for keeping the register of issued licences is established by the competent authority.

Footnote. Article 29 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 30. Types of subsoil use licences

The subsoil use licences issued with due regard to the kind of subsoil operations are as follows:

1) a licence for geological survey of subsoil;

2) a licence for exploration of solid minerals;

3) a licence for production of solid minerals;

4) a licence for production of commonly occurring minerals;

5) a subsoil space use licence;

6) an artisanal mining licence.

Article 31. Content of a subsoil use licence

1. A subsoil use licence is drawn up in the form approved by the competent authority.

2. The subsoil use licence, taking into account its type, specifies:

1) type of a subsoil use licence;

2) name of the state body that issued the licence;

3) information about the person the licence was issued to:

for individuals–surname, first name, patronymic (if indicated in the identity document) and citizenship;

for legal entities–name, location;

4) number and date of the licence;

5) the licence terms and conditions: validity period of the licence, boundaries of the subsoil plot and other subsoil use conditions provided for by this Code.

3. The licence validity period is calculated from the day specified in the licence.

4. If two or more persons own the subsoil use right, the licence shall contain a reference to the size of the shares owned by the common owners of the subsoil use right.

5. The licence is issued in Kazakh and Russian.

6. The terms and conditions of subsoil use licence shall comply with the requirements established by this Code.

7. If, after the issue of a subsoil use licence, the legislation of the Republic of Kazakhstan regulating relations in subsoil use establishes other conditions for a subsoil use licence, these conditions do not apply to a previously issued licence.

The provision established by part one of this paragraph does not apply to changes in the legislation of the Republic of Kazakhstan in the field of national security, defense, environmental security, health, taxation, customs regulation and competition protection.

8. If a subsoil use licence is issued in violation of the content of its terms, the provisions of this Code on the content of subsoil use licence that were in effect on the date of license issue shall apply.

Article 32. Making amendments to a subsoil use licence

1. Amendments to a subsoil use licence are made by the state body that issued the licence, by reissuing it.

The reissued license is posted on the unified subsoil use platform on the day of reissuance.

2. The licence is subject to reissue in the case of:

1) changes in information about the subsoil user:

for individuals–changes in the surname, name, patronymic (if specified in the identity document) and (or) citizenship;

for legal entities–changes in their name or location;

2) transfer of a subsoil use right and (or) a share in it;

3) extension of the licence validity period;

4) changes in the boundaries of the subsoil plot territory.

3. A licence is reussued at the request of the subsoil user, submitted in the form approved by the competent authority.

The application shall be accompanied by originals or notarized copies of documents confirming the information specified therein.

The application and the documents attached thereto shall be executed in Kazakh and Russian. If the application is submitted by a foreigner or a foreign legal entity, the documents attached thereto may be drafted in another language with a mandatory attachment of translations into Kazakh and Russian to each document and notarization of their authenticity.

4. The state body that issued the licence refuses to reissue the licence if the application does not comply with the requirements of this Code.

5. The state body that issued the licence shall reissue it or notify about the rejection of reissue within seven business days from the date of application filing.

6. According to the legislation of the Republic of Kazakhstan, a subsoil user may appeal against the rejection of the license reissue within ten business days from the date of rejection notice receipt.

7. Reissue of a licence in the cases provided for by sub-paragraphs 2), 3), 4) of paragraph 2 of this Article shall be carried out according to this Code.

8. Grammatical or arithmetical errors, misprints or other similar errors made when issuing or reissuing a licence are subject to correction by the state body that issued the licence.

Correction of errors made when issuing or reissuing a licence does not constitute a license reissue.

Correction of errors can be made on the initiative of the state body that issued the licence, or at the request of subsoil user.

The state body shall correct errors upon the application of subsoil user within five business days from the date of such application receipt.

The state body that issued the licence, after correcting the error in the licence, issues it to the subsoil user within two business days.

The corrected license is posted on the unified subsoil use platform on the day of correction.

Disputes arisen in connection with the correction of errors in the licence, are subject to settlement according to the legislation of the Republic of Kazakhstan.

Footnote. Article 32 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 33. Termination of a subsoil use licence

A subsoil use licence is terminated in the following cases:

1) expiration of the period for which it was issued, unless otherwise provided by this Code ;

2) death of its sole owner (including declaration of death), if the subsoil use right created on the basis of a licence, is recognized as escheated property according to the civil legislation of the Republic of Kazakhstan;

3) revocation or invalidation of a licence;

4) the subsoil user's waiver of the subsoil plot to which the licence was issued.

Article 34. Invalidity of the licences and consequences thereof

1. A licence may be acknowledged as invalid in a judicial proceeding in the following cases:

1) when establishing the fact of providing the state body that issued the licence with knowingly false information that influenced its decision to issue a licence;

2) violation of the procedure for issuing a licence set out by this Code which led to unreasonable decision of the state authority to issue a licence, as a result of the fact of a malicious agreement between an official of the state body and the applicant established by the court;

3) license issue to a person recognized as legally incapacitated and being such on the issue date;

4) if the license issue is not provided for or prohibited by this Code.

2. The person concerned and a prosecutor are entitled to appeal to the court with a claim for recognizing the licence as invalid, and on the grounds provided for by sub-paragraphs 1) and 3) of paragraph 1 of this Article–also the state body that issued the licence.

The person concerned is the person which right to obtain a licence and legitimate interests are violated or may be violated as a result of the licence issue.

3. The licence shall be declared invalid from the day the court decision comes into force.

4. In case of the licence invalidation on the grounds provided for by sub-paragraphs 1) and 2) of paragraph 1 of this Article, the person granted with the licence is obliged to compensate the state for the damage caused at the amount of income gained by such person from illegal use of the subsoil plot and the State's expenses related to the licence invalidation.

5. A person shall not be entitled to require the invalidation of a licence that is issued in violation of the requirements of this Code, other laws of the Republic of Kazakhstan, the charter of a legal entity, if such a requirement is caused by lucrative motives or the intention to evade liability.

6. The statute of limitations for disputes related to the invalidity of a licence is three months from the day when the plaintiff becomes aware or should become aware of the circumstances constituting the grounds for the license invalidation.

Paragraph 2. Contractual regime of subsoil use

Article 35. Definition of a subsoil use contract

1. Subsoil use contract is a contract, which content, procedure for conclusion, execution and termination are determined by this Code.

2. Under a subsoil use contract, one party (the Republic of Kazakhstan represented by the competent authority) undertakes to grant to another party (a subsoil user) a subsoil use right for a certain period, and the subsoil user undertakes, at its own expense and at its own risk, to exercise the subsoil use according to the terms of the contract and this Code.

3. The subsoil use contract is concluded for exploration and production or production of hydrocarbons, as well as for uranium production.

4. When a contract is concluded, only one subsoil plot is provided for the use.

In the cases and under the procedure established by the Special Part of this Code, several subsoil plots may be allocated to a contract for hydrocarbons exploration and production through making amendments and additions.

5. One and the same person may enter into unlimited number of subsoil use contracts, except in cases established by this Code.

6. The competent authority maintains a register of contracts concluded. The procedure for maintaining the register of contracts concluded is established by the competent authority.

Article 36. The form and the content of a subsoil use contract

Footnote. The title of Article 36 – as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

1. Draft subsoil use contracts are developed according to standard contracts approved by the competent authority. Deviation from a standard contract is allowed in the cases, within the limits and under the procedure provided for by this Code.

1-1. Depending on the conditions for conducting subsoil use operations and the type of mineral, the competent authority approves the following forms of standard contracts:

1) standard contract for the exploration and production of hydrocarbons for a complex project;

2) a standard contract for the production of hydrocarbons under a complex project;

3) standard contract for exploration and production of hydrocarbons;

3-1) a standard contract for the exploration and production of hydrocarbons in a site of subsoil located within poorly studied territories;

4) standard contract for the production of hydrocarbons;

5) standard contract for uranium mining.

1-2. For the purposes of this Code the complex projects include:

1) offshore projects involving exploration and (or) production of any hydrocarbons in a subsoil area (areas) that is (are) fully or partially located within Kazakhstan sector of the Caspian Sea;

2) onshore projects involving the exploration and production of hydrocarbons in any subsoil area, with at least one of the following parameters:

containing reserves of unconventional hydrocarbons;

the true vertical depth of the highest point of the discovered (discovered) deposit (field) of hydrocarbons is at least 4500 meters;

the content of hydrogen sulfide in the discovered (discovered) deposit (field) is 3.5 percent or more in the formation fluid;

discovered (discovered) deposit (field) is characterized by abnormally high reservoir pressure with an anomaly coefficient of 1.5 or more, which is defined as the ratio of reservoir pressure to hydrostatic pressure with a fluid density of 1000 kg/m3 in the wellbore;

discovered deposit belongs to non-structural traps;

3) onshore gas projects providing for the exploration and (or) production of hydrocarbons in a subsoil plot(s)containing (containing) a gas or gas condensate deposit or field with a share of the volume of the oil-saturated part of twenty-five percent or less of the total volume of hydrocarbons of the deposit or field.

1-3. In relation to the site (sites) of subsoil on land, for which (which) there is no geological information that allows to classify it (them) as a complex project, except for the

sites of subsoil located within poorly studied territories, a contract for exploration and production is concluded in accordance with a standard contract for the exploration and production of hydrocarbons for a complex project.

In this case, the subsoil user shall confirm the status of a complex project at any time during the exploration period established by paragraph 2 of Article 116 of this Code, in any of the following ways:

1) by an approved subsoil user and a report on the operational calculation of geological reserves that has received a positive conclusion from the state examination of the subsoil, confirming the compliance of the deposit with at least one of the criteria for complex projects specified in subparagraphs 2) and 3) of paragraphs 1-2 of this Article;

2) by an approved subsoil user and a report on the calculation of geological reserves that has received a positive conclusion from the state examination of the subsoil, confirming the compliance of the deposit with at least one of the criteria for complex projects specified in subparagraphs 2) and 3) of paragraphs 1-2 of this Article.

Confirmation of the status of a complex project, made at the choice of the subsoil user in accordance with subparagraphs 1) and 2) of part two of this paragraph, is final and does not require additional confirmation at the relevant further stages of the exploration period and (or) during the production period.

In the event that the status of a complex project is not confirmed during the exploration period under a contract for exploration and production for a complex project, upon transition to the production period, the terms of such a contract must be brought into line with a standard hydrocarbon production contract in accordance with Article 119 of this Code.

1-4. In the event that at least one field from the discovered fields under the subsoil use contract meets one of the criteria for a complex project specified in paragraph 1-2 of this Article, the provisions of this Code established for complex projects shall apply to such fields, provided that share of initial recoverable hydrocarbon reserves of the field (fields), which (which) is (are) classified as complex, accounts for more than half of the initial recoverable reserves of all discovered fields under the contract.

1-5. Poorly studied territory refers to areas within which no regional geological studies have been conducted, or only limited studies have been carried out, and which have not yielded any promising sedimentary basins.

The procedure for classifying territories as poorly studied territory for the purposes of hydrocarbon exploration and production is determined by the authorized body responsible for subsoil exploration in consultation with the competent authority.

2. Mandatory terms contained in a subsoil use contract, with the exception of contracts for exploration and production or production of hydrocarbons for complex projects, include:

1) type of the subsoil use operations;

2) the contract validity period;

3) boundaries of the subsoil plot(s);

4) obligations of the subsoil user in terms of scope and types of works at the subsoil plot during the exploration period provided for in the work program (supplementary works);

5) obligations of the subsoil user to finance the Kazakhstan personnel training during production period;

6) obligations of the subsoil user on the minimum share of local content in the personnel;

7) obligations of the subsoil user on the share of in-country value in goods, works and services corresponding to the requirements of this Code, including the types of goods, works and services entered on the list of priority goods, works and services approved by the authorized body in the field of hydrocarbons;

8) obligations of the subsoil user to mitigate the consequences of subsoil use;

9) obligations of the subsoil user on expenses for research, scientific and technical and development works in the territory of the Republic of Kazakhstan during production period;

10) obligations of the subsoil user on expenses for the social and economic development of the region and the development of its infrastructure during a production period;

11) obligations of the subsoil users on compliance by them and their contractors with the procedure for procurement of goods, works and services used at performance of operations for exploration or production of hydrocarbons and uranium production determined by authorized bodies in the field of hydrocarbons and production of uranium;

12) responsibility of the subsoil user for violation of contractual obligations, including violation of the indices in the core project documents for exploration and production of hydrocarbons attributed by this Code to contractual obligations, and for violation of liabilities to comply with the procedure established for procurement of goods, works and services by subsoil users and (or) their contractors at performance of operations during operations in exploration or production of hydrocarbons and uranium production as well;

13) other conditions based on which the subsoil use right has been granted.

In addition to the conditions stipulated in part one of this paragraph, a subsoil use contract for depletable fields shall contain an investment obligation stipulated in Article 153-1 of this Code.

2-1. A contract for the exploration and production or production of hydrocarbons for a complex project must include the following conditions:

1) type of subsoil use operations;

2) the duration of the contract;

3) boundaries of the subsoil plot (plots);

4) obligations of the subsoil user in terms of volumes, types and terms of work by year on the subsoil plot during the exploration period, provided for by the program of work (additional work);

5) obligations of the subsoil user to finance the training of Kazakhstani personnel during the production period;

6) obligations of the subsoil user for the costs of research, scientific and technical and development work on the territory of the Republic of Kazakhstan during the production period;

7) obligations of the subsoil user to eliminate the consequences of subsoil use and ways to ensure such obligations;

8) obligations of the subsoil user for expenses for the socio-economic development of the region and the development of its infrastructure during the production period;

9) conditions of taxation and exemption from export customs duties;

10) responsibility of the subsoil user for violation of contractual obligations;

11) the proportion of in-country value in personnel;

12) the share of in-country value in goods, works and services in case such requirement is applied to the relevant complex project;

13) conditions and procedure for changing and extending the term of the contract;

14) procedure for resolving disputes;

15) the obligation, provided for in paragraph 7 of Article 119 of this Code, for large hydrocarbon fields;

16) other conditions under which the right to subsoil use was granted and (or) which are specified in the relevant standard contract.

2-2. A subsoil use contract for a subsoil plot in respect of which a decision has previously been made to transfer the plot into the trust management of the national company in the field of hydrocarbons due to the termination of the subsoil use right shall, in addition to the terms specified in paragraphs 2 and 2-1 of this Article, include the following reimbursement terms:

1) to the trustee for expenses incurred in accordance with the trust management agreement , as well as for the payment of remuneration to the trustee, except as provided for in this Code ;

2) to the former subsoil user, the value of equipment and other property transferred in accordance with subparagraph 1 of paragraph 8 of Article 107 of this Code;

3) to the state, the value of the transferred property acquired and/or received by the trustee in the course of trust management.

3. In case of concluding a contract for a subsoil plot on which a subsoil use contract had been previously terminated and a trust management agreement was concluded with the national company engaged in hydrocarbons, the contract under conclusion should contain the obligations of the new subsoil user as follows:

1) on reimbursement to the former subsoil user of the cost of the property transferred under paragraph 19 of Article 119 of this Code;

2) on reimbursement to the trustee of the costs incurred in accordance with the trust management agreement, as well as payment of remuneration to him, except for cases stipulated by this Code.

4. The term of a contract for the exploration and production of hydrocarbons, with the exception of a contract for the exploration and production of hydrocarbons for a complex project, is determined by the exploration period, the preparatory period (if necessary) and the production period, successively fixed in it.

The term of the contract for the exploration and production of hydrocarbons for a complex project is combined and consists of an exploration period, including the initial exploration stage, the appraisal stage and the trial operation stage according to paragraph 2 of Article 116 of this Code, and the period of production, provided for in paragraph 1-1 of Article 119 of this Code for large fields.

The term of a contract for the production of hydrocarbons, with the exception of a contract for the production of hydrocarbons under a complex project, is determined by the preparatory period and the production period successively fixed in it.

The term of the contract for the production of hydrocarbons for a complex project is established on the basis of the term of the production period, determined in accordance with paragraph 1-1 of Article 119 of this Code.

5. The term of the subsoil use contract shall be extended by the competent authority for the duration of the force majeure circumstances, provided that the subsoil user submits evidence of such circumstances in accordance with the legislation of the Republic of Kazakhstan.

5-1. The proportion of in-country value in personnel in a contract for exploration and production or production of hydrocarbons for a complex project is determined by the subsoil user, taking into account the following:

1) the subsoil user's needs for foreign or Kazakhstani personnel, depending on its managerial and administrative needs;

2) the presence in the market of the Republic of Kazakhstan of qualified Kazakh personnel in a certain category, corresponding to the needs of the subsoil user;

3) stage-by-stage training, including internships, of Kazakhstani personnel and subsequent gradual replacement of foreign personnel by Kazakhstani personnel in leading categories.

The minimum proportion of in-country value in personnel for specialists and skilled workers in a contract for the exploration and production or production of hydrocarbons for a complex project must be at least seventy percent of the total number of personnel involved in the execution of the contract, for the relevant category.

6. The contract is concluded in Kazakh and Russian languages. If a subsoil user or at least one of the owners of a share in the subsoil use right is a foreigner, a foreign legal entity or a legal entity of the Republic of Kazakhstan with foreign participation, then a contract for the exploration and production or production of hydrocarbons under a complex project with such a subsoil user is also concluded in English at the discretion of the subsoil user.

7. Amendments and additions to the legislation of the Republic of Kazakhstan that worsen the results of entrepreneurial activities of a subsoil user under subsoil use contracts shall not apply to the contracts concluded before making such amendments and additions.

The guarantees established by part one of this paragraph shall not apply to changes in the legislation of the Republic of Kazakhstan in the field of ensuring national security, defense capability, environmental safety, healthcare, taxation, customs regulation and protection of competition, except for the case provided for by part three of this paragraph.

The guarantees established by part one of this paragraph shall apply to changes in the legislation of the Republic of Kazakhstan in the field of customs regulation, which provides for temporary exemption from export customs duties on crude oil produced under a contract for the exploration and production or production of hydrocarbons under complex projects.

8. The applicable law on subsoil use contracts is the law of the Republic of Kazakhstan.

Footnote. Article 36 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 37. Making amendments and additions to the subsoil use contract

1. Amendments and additions to the subsoil use contract shall be made by concluding an addendum to the contract by its parties.

2. Contract addendum is concluded in the following cases:

1) changes in information about the subsoil user:

for individuals–of the surname, first name and patronymic (if specified in the identity document), citizenship;

for legal entities– name, location;

2) changes in the information on competent authority;

3) transfer of the subsoil use right and (or) a share in it;

4) assignment of the site(s) of production and the preparatory period(s);

5) allocation of the site(s) and period(s) of production or the production period(s);

6) extension of the period(s) of exploration or production;

7) increase or decrease in the size of the subsoil plot(s);

8) allocation of the subsoil plot(s);

8-1) occurrence of investment obligations for depletable fields in accordance with Article 153-1 of this Code;

9) with respect to strategic subsoil plots–the change in economic interests of the Republic of Kazakhstan creating a threat to national security;

10) changes in the terms of the contract in connection with its classification as a contract for exploration and production or production of hydrocarbons under a complex project;

11) changes in the terms of the contract due to non-confirmation of the status of a complex project based on exploration results;

12) provided for in paragraph 5 of Article 36 of this Code.

3. Conclusion of addendum to the contract in the case provided for in sub-paragraph 1) of paragraph 2 of this Article shall be made upon the application of the subsoil user, which shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) registration date and number of the subsoil use contract;

3) reference to the subsoil user details under alteration.

4. The documents additionally attached to the application are:

1) documents confirming the necessity of making amendments in information concerning the subsoil user;

2) the contract addendum signed by the subsoil user and providing for making amendments in the information on subsoil user.

5. Application shall be considered within twenty business days after its filing in the competent authority. Based on the results of application consideration, the competent authority concludes with the applicant the contract addendum with subsequent sending whether the signed counterpart or notice on rejection of addendum conclusion.

6. Competent authority may reject conclusion of addendum if the application does not conform to the requirements set out by this Code.

The competent authority rejection of the addendum conclusion shall not deprive the subsoil user of the right to refile the application.

7. Conclusion of the contract addendum in the case provided for in sub-paragraph 2) of paragraph 2 of this Article shall be made in the initiative of the competent authority.

8. Conclusion of the contract addendum in the cases provided for in sub-paragraphs 3) to 12) of paragraph 2 of this Article shall be implemented according to this Code.

Footnote. Article 37 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Article 38. Termination of a subsoil use contract

1. Validity of the subsoil use contract shall be terminated in the following cases:

1) expiration of the term for which it was concluded;

2) death of the person being the sole owner of the subsoil use right under the contract (including declaration of death), if such subsoil use right is recognized as escheated property according to the civil legislation of the Republic of Kazakhstan;

3) liquidation of a legal entity being a subsoil user;

4) early termination or invalidation of the contract;

5) termination of the contract by agreement of the parties;

6) adoption by the Government of the Republic of Kazakhstan of a decision on the prohibition to use a subsoil plot according to this Code;

7) the subsoil user's waiver return) of the entire subsoil plot(s), for which the contract was concluded.

2. The competent authority is entitled to terminate the subsoil use contract prematurely on the grounds provided for by this Code.

Footnote. Article 38 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 39. Invalidity of a subsoil use contract and consequences thereof

1. Grounds for invalidation of the subsoil use contract are:

1) acknowledgement of the auction for granting the subsoil use right as invalid;

2) the absence in a subsoil use contract of mandatory conditions established by this Code;

3) establishing the fact of providing the competent authority with knowingly unreliable information having effect on decision to conclude a subsoil use contract with this person;

4) other grounds provided for by the laws of the Republic of Kazakhstan.

2. Invalidated subsoil use contract does not entail legal consequences, except for those related to its invalidity, and being invalid from the date of its conclusion.

Acknowledgement of a contract as invalid does not exempt a subsoil user from fulfilling obligations to liquidate the consequences of subsoil use.

3. Acknowledgment of a contract as null and void in a judicial proceeding or termination of the contract, on which basis a subsoil use right was transferred and re-registered, entails the invalidity of amendments to the subsoil use contract made in connection with such transfer of the subsoil use right, but not of the contract itself.

4. Acknowledgement of a subsoil use contract as invalid entails the invalidity of all subsequent transactions, which subject is the subsoil use right granted on the basis of such a contract.

Chapter 5. TRANSFER OF SUBSOIL USE RIGHT AND OBJECTS LINKED TO SUBSOIL USE RIGHT

Article 40. Transfer of the subsoil use right

1. The subsoil use right (a share in it) is transferred in the event of alienation of the subsoil use right (a share in it) to another person on the basis of civil transactions or in other cases provided for by the laws of the Republic of Kazakhstan.

2. Transfer of the subsoil use right (a share in it) is prohibited:

1) under a licence for exploration of solid minerals in the first year of its validity;

2) under a licence for geological survey of subsoil;

3) under an artisanal mining licence;

4) under a contract for the exploration and production of hydrocarbons during the first three years of the contract's term, except as provided for in paragraph 8 of Article 103 and paragraph 3 of Article 160 of this Code.

3. Transfer of the subsoil use right (a share in it) is executed by reissue of a subsoil use licence or, accordingly, amending the subsoil use contract.

To reissue a subsoil use license or amend a subsoil use contract, the holder of the subsoil use right (share in the subsoil use right) and the acquirer of the subsoil use right (share in the subsoil use right) shall file a joint application with the state body that issued the subsoil use license or concluded the subsoil use contract. In the event of a transfer of subsoil use rights (a share in subsoil use rights) as provided for in subparagraph 10 of paragraph 2 of Article 44 of this Code, the aforementioned application shall be submitted by the acquirer of the subsoil use rights (share in subsoil use rights).

The application shall be accompanied by:

1) the original document, based on which the subsoil use right is acquired;

2) documents confirming information about the purchaser of subsoil use right:

for individuals–surname, first name and patronymic (if specified in the identity document) of the applicant, place of residence, citizenship, information about the identity documents of the applicant;

for legal entities– name and location of the applicant, information on state registration as a legal entity (extract from the trade register or other legalized document certifying that the applicant is a legal entity under the laws of a foreign state), information about legal entities which shares are circulating on the organized securities market, states, international organizations and individuals directly or indirectly controlling the acquirer

3) documents confirming the acquirer's compliance with the requirements of this Code for persons applying for the right to subsoil use (share in the right to subsoil use) under a contract for exploration and production or production of hydrocarbons or uranium production;

4) the written consent of the pledgee, if the subsoil use right (share in the subsoil use right) is encumbered (encumbered) with a pledge;

5) the written consent of all joint holders of the subsoil use right.

In the case of making amendments and additions to the subsoil use contract, the application shall be accompanied by draft addendum to the subsoil use contract signed by the applicant.

In the case of the acquisition of the subsoil use right based on the permit issued under Article 44 of this Code, instead of documents confirming the information on the acquirer, the acquirer is entitled to enclose to the application a written confirmation that the information about it has not changed in comparison with the information it submitted for obtaining this permit.

The application and the documents attached thereto shall be executed in Kazakh and Russian. If the application is submitted by a foreigner or a foreign legal entity, the documents attached thereto may be drafted in another language with a mandatory attachment of translations into Kazakh and Russian to each document and notarization of their authenticity.

The state body shall reissue or conclude addendum to the contract with the acquirer of the subsoil use right, or reasonably reject reissue or conclusion of addendum to the contract within seven business days from the date of application filing.

4. The state body reject reissue of the licence or making changes in the contract in the following cases:

1) the application inconsistency with the requirements of paragraph 3 of this Article;

2) inconsistency of the conditions for transfer of the subsoil use right with the permit granted, if such transfer is performed according to such permit;

3) absence of the permit to transfer the subsoil use right, when such permit was required according to this Code;

4) if transfer of the subsoil use right (a share in it) is executed over a subsoil plot at which it is prohibited to the subsoil user to carry out subsoil use operations or certain types of work according to the imposed administrative penalty;

5) if transfer of the subsoil use right (a share in it) is prohibited by this Code;

6) if transfer of the subsoil use right (a share in it) entails the breach of provisions of the international treaties concluded by the Republic of Kazakhstan.

Acquirer of the subsoil use right may appeal against rejection of the license reissue or making amendments to the contract according to the legislation of the Republic of Kazakhstan within ten business days from the date of rejection notice receipt.

Rejection of the license reissue or making amendments to the contract on the grounds of sub-paragraph 1) of part one of this paragraph does not deprive the acquirer of the subsoil use right of re-applying for a licence reissue or making amendments to the contract.

Rejection of the license reissue or making amendments to the contract on the grounds of sub-paragraphs 2) and 3) of part one of this paragraph does not deprive the applicant of the right to re-apply for issue of a permit to transfer the subsoil use right.

Footnote. Article 40 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (see Article 2 for the enforcement procedure); dated 26.12.2025 № 243 -VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 41. Definition of objects linked to subsoil use right

1. The objects linked to subsoil use right are participating interests, stakes, shares and other forms of equity participation, as well as securities that confirm the ownership right or are convertible into shares, participatory interest, stakes and other forms of equity

participation in a legal entity that has the subsoil use right under the contract for exploration and production or production of hydrocarbons, under a contract for production of uranium, under a licence for exploration or production of solid minerals.

The following is also considered as objects linked to subsoil use right: participatory interest, stakes, shares and other forms of equity participation, as well as securities that confirm the ownership right or are convertible into shares, units, stakes and other forms of equity participation in a legal entity or another organization that have the opportunity directly and (or) indirectly to determine the decisions taken by a person that has the subsoil use right, specified in part one of this paragraph.

2. For the purposes of this Code, the following are not considered as objects linked to subsoil use right under the relevant subsoil use contract or licence:

1) circulating on the organized securities market of the Republic of Kazakhstan and (or) the stock exchange operating in a foreign state, shares and other securities, including derivative financial instruments, which underlying assets are shares;

2) shares, participatory interest, stakes and other forms of equity participation in legal entities and organizations that directly or indirectly own the securities provided for in sub-paragraph 1) of this paragraph.

3. If a legal entity or organization simultaneously owns shares, participatory interest, stakes and other forms of equity participation specified in paragraphs 1 and 2 of this Article, shares, participatory interest, stakes and other forms of equity participation in such person or organization shall be considered as the objects linked to subsoil use right. At the same time, for the purposes of this article, in order to establish the ability of a legal entity or other organization to directly or indirectly determine decisions made by a person with the right to subsoil use, shares, participation interests, shares and other forms of equity participation that are not objects associated with the right to subsoil use, are not taken into account, in accordance with paragraph 2 of this article.

Footnote. Article 41 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (see Article 2 for the enforcement procedure).

Article 42. Transfer of objects linked to subsoil use right

1. The following is considered as the transfer of objects linked to subsoil use right:

1) their alienation on the basis of non-gratuitous or gratuitous civil transactions, including in case of liquidation of a legal entity, as well as their contribution as a contribution to the authorized capital of a legal entity or another organization;

2) foreclosure on objects linked to subsoil use right, including in case of a pledge;

3) creation of the right to an object linked to subsoil use right, due to an admission of a new participant, shareholder or placement of shares;

4) transfer of the objects linked to subsoil use right, in the order of succession based on a transfer deed or a separation balance sheet at reorganization of a legal entity;

5) transfer of the objects linked to subsoil use right, in the order of inheritance;

6) issue of shares and other securities being objects linked to the subsoil use right into circulation on the organized securities market.

Issue of shares and other securities being the objects linked to the subsoil use right into circulation on the organized securities market is recognized as an offer to acquire such objects on the organized securities market in the Republic of Kazakhstan and (or) on the stock exchange operating in a foreign state, and (or) the placement of shares on the organized securities market in the Republic of Kazakhstan and (or) on the stock exchange operating in a foreign state.

2. A person that acquired objects linked to the subsoil use right or issued shares and other securities being objects linked to subsoil use right into circulation is obliged to notify the competent authority of the acquisition or, accordingly, of the issue into circulation occurred in a timely manner not later than one month from the date of acquisition or such issue into circulation.

2-1. The transfer of assets related to subsoil use rights under a contract for the exploration and production of hydrocarbons is prohibited during the first three years from the date of its conclusion if such a contract is the only one under which the asset is recognized as an asset related to subsoil use rights, in the absence of another (other) contract(s) for the exploration and production or production of hydrocarbons.

3. For the purposes of this Code, the change in ownership of participatory interest, shares, stakes and other instruments of equity participation or a change of their ratio based on a court decision, inheritance by law, repayment of interest, confiscation and other events or actions of state bodies, third parties that do not depend on the will of the subject of the legal relationship are not acknowledged as a transfer of objects linked to subsoil use right.

Footnote. Article 42 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 43. Priority right of the State

1. In newly concluded and previously concluded subsoil use contracts, the state shall have a priority right over any persons and organizations, including persons and organizations that have preferential rights on the basis of the laws of the Republic of Kazakhstan or the contract, to acquire alienated subsoil use rights (shares in the subsurface use right) and (or) objects related to the subsoil use right, according to the strategic subsoil area, as well as shares and other securities issued in circulation on the organized securities market, which are objects, related to the subsoil use right, on the strategic subsoil site.

2. A subsoil plot is considered strategic if:

1) it contains geological reserves of oil in excess of fifty million tons or natural gas in excess of fifteen billion cubic meters.

The presence of geological reserves of oil or natural gas is confirmed by a report on the calculation of geological hydrocarbon reserves, which has been approved by the subsoil user and received a positive conclusion from the state subsoil expert review;

2) located in the Kazakhstan's sector of the Caspian Sea.

A subsoil plot is recognized as located in the Kazakhstan's sector of the Caspian Sea in case if all the geographical coordinates of the territory of such a subsoil plot are located within the boundaries of a seabed and subsoil plot whose spatial boundaries with the plots of neighboring countries are established by international treaties ratified by the Republic of Kazakhstan, and whose spatial boundary with the land runs along the line formed by the maximum high-water mark of the Caspian Sea;

3) it contains a uranium deposit.

The presence of a uranium deposit is confirmed by a report on the estimation of geological uranium reserves that has been approved by the subsoil user and has received a positive conclusion from the state subsoil expert review. If a subsoil plot contains a rare earth-uranium deposit, then for the purposes of this subparagraph, such a subsoil plot shall be recognized as a subsoil plot containing a uranium deposit.

The list of strategic subsoil plots and the procedure for its maintenance are approved by the competent authority in agreement with the authorized body for subsoil study.

3. Provisions of paragraph 1 of this Article shall not apply in the cases provided for by paragraph 2 of Article 44 of this Code.

Article 43 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 44. Permit to transfer the subsoil use right and objects linked to subsoil use right

1. Transfer of the subsoil use right (a share in it) that emerged on the basis of a subsoil use contract, a licence for exploration or production of solid minerals, a subsoil space use licence, as well as the transfer of objects linked to subsoil use right, shall be carried out with the permit of the competent authority issued under the procedure established by this Code.

2. Permit of the competent authority provided for in paragraph 1 of this Article is not required in the case of:

1) transfer of the subsoil use right (a share in it), objects linked to the subsoil use right in favor of a subsidiary organization in which at least ninety nine percent of participatory interest, stakes, shares or other forms of equity participation belong to the subsoil user or, respectively, to the owner of objects linked to the subsoil use right, provided that such subsidiary organization is not registered in the state with preferential tax treatment;

2) transfer of the subsoil use right (a share in it), objects linked to subsoil use right between the organizations, including in the order of succession as a result of the reorganization of legal entities, in each of which not less than ninety nine percent of

participatory interest, stakes, shares or other forms of equity participation directly or indirectly belong to one and the same person, provided that the acquirer of the subsoil use right (a share in it), objects linked to subsoil use right, is not registered in the state with preferential tax treatment;

3) transfer of the subsoil use right (share in it), objects linked to the subsoil use right, in favor of a person or organization directly or indirectly owning at least ninety nine percent of participatory interest, stakes, shares or other forms of equity participation in a legal person being the subsoil user or, accordingly, the owner of objects linked to subsoil use right, provided that the acquirer is not registered in the state with preferential tax treatment;

4) transfer of the subsoil use right (a share in it), objects linked to the subsoil use right as a result of distribution of the property of liquidated legal entity, if at least ninety nine percent of participatory interest, stakes, shares or other forms of equity participation in the acquirer of the subsoil use right (a share in it) and (or) objects linked to the subsoil use right, directly or indirectly, belong to one and the same person, provided that the acquirer is not registered in the state with preferential tax treatment;

5) transfer of participatory interest, stakes, shares, being objects linked to subsoil use right , if as a result of such a transfer a person becomes the owner of less than one percent of the participatory interest, stakes, shares in the authorized capital of a legal entity being a subsoil user and (or) a legal entity or another organization that has the ability, directly and (or) indirectly, to influence the decisions of the legal entity being a subsoil user;

6) change in the amount of charter capital, including the placement of shares, as well as the sale of previously repurchased shares or other securities convertible into shares of a legal entity, if as a result of such actions the percentage ratio of participatory interest held by participants, stakes held by stakeholders or shares or other securities convertible into the shares being objects linked to the subsoil use right held by shareholders, is not changed;

7) transfer of the subsoil use right (a share in it), objects linked to the subsoil use right under a transaction in which one of the parties is the Government of the Republic of Kazakhstan, state body, national managing holding or national company;

8) alienation of the subsoil use right (share in it), objects linked to the subsoil use right carried out in the process of privatization of property complexes of state-owned enterprises;

9) transfer of the subsoil use right, objects linked to the subsoil use right, by way of succession based on a transfer deed at reorganization of a legal entity;

10) transfer of the subsoil use right (a share in it), objects linked to subsoil use right by way of inheritance;

11) repurchase by the issuer of its participatory interest, stakes, shares and other forms of equity participation, as well as securities confirming ownership or convertible into shares, participatory interest, stakes and other forms of equity participation that are objects linked to subsoil use right;

12) issue of the securities confirming the ownership right or convertible into shares, participatory interest, stakes and other forms of equity participation that are objects linked to subsoil use right, when the owner of the issued securities remains a person that was previously the owner of the above participatory interest, stakes, shares and other forms of equity participation;

13) procurement of objects linked to the subsoil use right instead of previously issued securities confirming the ownership right or convertible into participatory interest, stakes, shares and other forms of equity participation that are objects linked to subsoil use right;

14) participation of the holders of securities being objects linked to the subsoil use right at the general meeting of shareholders or participants of the organization in which participatory interest, stakes, shares and other forms of equity participation are such objects linked to subsoil use right;

15) compulsory reorganization of a legal entity pursuant to a court decision that has entered into legal force, as well as in cases provided for by the laws of the Republic of Kazakhstan.

3. For the purposes of this Chapter, the following organizations are also treated as subsoil users:

1) organizations participating as a strategic partner of a national company in the field of hydrocarbons in direct negotiations with the competent authority for granting a subsoil use right;

2) organizations admitted to participate in the auction for granting a subsoil use right for hydrocarbons;

3) organizations that have received notification from the competent authority on the need for conducting state expertise or obtaining approvals for project documents when considering the issue of issuing a licence for production of solid minerals.

4. Transactions on transfer of the subsoil use right, objects linked to the subsoil use right, executed without permit of the competent authority, or after expiration of the permit, are null and void.

Footnote. Article 44 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 45. Procedure for issuing the permit for transfer of the subsoil use right and (or) objects linked to the subsoil use right

1. Persons intending to acquire the subsoil use right (a share in it) that emerged on the basis of a subsoil use contract, a licence for exploration or production of solid minerals, a subsoil space use licence, or objects linked to subsoil use right submit to the competent authority an application for a permit.

2. Application for permit shall contain:

1) information about a person (organization) intending to acquire the subsoil use right (a share in it) or an object linked to the subsoil use right:

for individuals–surname, first name and patronymic (if specified in the identity document) of the acquirer, place of residence, citizenship and information on the identity documents;

for legal entities–name of the acquirer, its location, reference to its state incorporation, information on state registration as a legal entity, information about executives and their authorities, information about individuals, organizations and states that have the ability to, directly or indirectly, determine the decisions taken by the applicant;

2) reference to the subsoil use right (share in it) or objects linked to the subsoil use right being acquired;

3) the basis for transfer of the subsoil use right (share in it), objects linked to the subsoil use right;

4) information about the financial and technical capabilities of a person who intends to acquire the right to subsoil use (share in the right to subsoil use) for exploration and (or) production of hydrocarbons, uranium production, confirming its compliance with the requirements of this Code, imposed upon granting such a subsoil use right;

5) written confirmation of the applicant that all information specified in the application and attached documents, is true and reliable;

6) surname, first name and patronymic (if specified in the identity document) of the person who signed the application on behalf of the applicant, information on the identity document.

3. Application for permit to issue the shares and other securities being objects linked to the subsoil use right into circulation on the organized securities market shall contain:

1) full name of the issuing organization which shares or other securities being objects linked to the subsoil use right are to be issued into circulation on the organized securities market;

2) reference to the subsoil plot to which connected to it shares or other securities being subject to issue into circulation on the organized securities market relate;

3) information on the amount of authorized capital of the issuing organization, which shares or other securities being objects linked to the subsoil use right, are subject to issue into circulation on the organized securities market;

4) information (type and total number) on the securities, including derivative securities of the organization, their underlying assets or other forms of equity participation, which are objects linked to subsoil use right, and are subject to issue into circulation on the organized securities market;

5) information on the underwriter (if any);

6) information on the organized securities market, on which the listing will be carried out;

7) information on the number of shares or other securities being objects linked to the subsoil use right and subject to issue into circulation on the organized securities market;

8) written confirmation of the applicant that all information about them, indicated in the application and attached documents, is true and reliable;

9) surname, first name and patronymic (if specified in the identity document) of the person that has signed the application on behalf of the applicant, information on the identity document.

Application for permit to issue the shares or other securities being objects linked to the subsoil use right into circulation on the organized securities market in case of their placement within the additional issue is filed by the issuer, and in cases when the issue of securities into circulation on the organized securities market is made by the holder of these shares or other securities, the application is submitted by such a holder.

4. In the event that the provisions of this Code regarding the State's priority right apply, in addition to the information provided for in paragraphs 2 and 3 of this Article, the application for a permit shall additionally contain information on the price of the transaction for the transfer of subsoil use right (a share in it) and (or) objects linked to subsoil use right, and the procedure for its payment.

5. Application for permit shall be accompanied by originals or notarized copies of the documents confirming the information specified therein. All documents attached to the application shall be made up in Kazakh and Russian. If the application is submitted by a foreigner or a foreign legal entity, such documents may also be drawn up in another language with a mandatory attachment to each document of translation into the Kazakh and Russian languages, which authenticity has been attested by a notary.

6. The competent authority considers the application within a month, and for large deposits and strategic subsoil plots–within three months from the date of receiving the application and documents attached thereto.

Within five business days from the date of receipt of the application and documents attached thereto, the competent authority submits them for consideration by the expert commission on subsoil use issues.

The expert commission on subsoil use issues is a consultative and advisory body under the competent authority with a view to making recommendations when considering applications for issue of permits to transfer subsoil use right and (or) objects linked to subsoil use right, as well as in other cases provided for by this Code.

Composition of the expert commission and the regulations on it are approved by the competent authority.

The expert commission on subsoil use issues considers the application and documents attached thereto within a period of not more than fifteen business days, and for large deposits and strategic subsoil plots–no more than forty-five business days.

For the purposes of comprehensive and full consideration of the application, the competent authority is entitled to request from the applicant additional information and (or) documents necessary for the development of recommendations.

In case of requesting additional information and (or) documents, the time for consideration of the relevant application shall be suspended for the period lasting until the submission of such information and (or) documents.

The competent authority shall, within five business days from the day of receiving the recommendations of the expert commission on subsoil use issues, make a decision on the application.

7. If application for permit to transfer the subsoil use right and (or) objects linked to the subsoil use right is filed with respect to the subsoil use right at the subsoil plot, which includes a large deposit of solid minerals and (or) a strategic subsoil plot, or if the proposed transfer of a subsoil use right and (or) objects linked to subsoil use right at the relevant subsoil plot affects the interests of national security, the competent authority shall within five business days from the day of receipt of the application and documents attached thereto submit them to the national security authorities for consideration of the transfer of a subsoil use right (a share in it) and (or) objects linked to subsoil use right for compliance with national security requirements.

If the transfer of a subsoil use right (a share in it) and (or) objects linked to subsoil use right affects national security interests, the national security authorities notify the competent authority about that within ten business days from the date of receipt of the application. In this case, the competent authority shall suspend consideration of the application until the receipt of confirmation from the national security authorities on the compliance of the transfer of the subsoil use right (a share in it) and (or) objects linked to subsoil use right with national security requirements. The competent authority shall notify the applicant of such suspension within five business days from the day of receipt of the notification from the national security authorities.

The competent authority resumes its consideration of the application after receiving confirmation from the national security authorities.

8. Application may be withdrawn by the applicant at any time after its submission and before the competent authority makes a decision on the merits.

9. Based on the results of the application consideration, the competent authority shall decide whether to issue the permit or reject its issue.

10. The competent authority rejects the issue of permit in the following cases:

1) if transfer of the subsoil use right (share in it) and (or) objects linked to the subsoil use right entails non-compliance with the requirements for ensuring national security of the country, including the concentration of subsoil use rights;

2) if transfer of the subsoil use right (share in it) and (or) objects linked to the subsoil use right entails concentration of rights within a subsoil use contract;

3) if the application for permit fails to comply with the requirements of this Code;

4) if transfer of the subsoil use right (share in it) and (or) objects linked to the subsoil use right is prohibited by this Code;

5) if transfer of the subsoil use right (share in it) is executed over a subsoil plot at which it is prohibited to the subsoil user to carry out subsoil operations or certain types of works according to the imposed administrative penalty;

6) the State exercising of its priority right;

7) if transfer of the subsoil use right (share in it) and (or) objects linked to the subsoil use right does not comply with the provisions of international treaties concluded by the Republic of Kazakhstan.

For the purposes of this Code, concentration of the subsoil use rights stands for the possession by one person or a group of persons from one state of such aggregate share in subsoil use rights and (or) objects linked to subsoil use right that is capable of creating or threatening the national security of the Republic of Kazakhstan.

The concentration of rights under a subsoil use contract means the size of the share of one of the common owners of the subsoil use right in the contract concluded with the Republic of Kazakhstan, which allows such a participant to determine decisions on the activities of the subsoil user in accordance with the contract.

11. Applicant may appeal against rejection of the permit issue in the judicial proceeding. Rejection of the issue permit under sub-paragraph 1) of paragraph 10 of this Article shall be made up without giving any reason therefore.

12. Permit to transfer the subsoil use right (share in it) shall contain references to the maximum amount of share in the subsoil use right being transferred and (or) objects linked to the subsoil use right, as well as to the acquiring person.

Permit to issue the shares or other securities being objects linked to subsoil use right into circulation shall contain a reference to the organized securities market where the issue is planned to be made and the number of shares or other securities within which the issue may be made with concluding one or several transactions.

In case of applying the provisions of this Code regarding the State's priority right, the permit shall additionally contain the price of the transaction for the transfer of a subsoil use right (a share in it) and (or) the transaction price for the acquisition of objects linked to subsoil use right and the procedure for their payment.

13. Permit to transfer the subsoil use right (share in it) and (or) objects linked to the subsoil use right is granted for a period of one year. In the event that the transfer of a subsoil use right (a share in it) and (or) objects linked to the subsoil use right is not exercised within the specified period, the applicant shall apply to the competent authority for a new permit.

Footnote. Article 45 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (see Article 2 for the enforcement procedure).

Article 46. Procedure for the State exercising of its priority right

1. In the interests of the Republic of Kazakhstan, the priority right is exercised on the basis of a decision of the competent authority through a national managing holding company or a national company according to the legislation of the Republic of Kazakhstan.

2. The issue concerning exercising the priority right is subject to consideration by the competent authority, along with consideration of the issue of issuing a permit, provided for by paragraph 1 of Article 44 of this Code. Procedure for consideration of the issue on exercising the priority right and the adoption of a decision on it is determined by the competent authority .

When considering the issue concerning the priority right exercising by the State, the application of the person sent to the competent authority is not subject to withdrawal or revision within three months after it has been submitted to the competent authority.

If during the period of consideration of the application the conditions for the price of transfer of the subsoil use right (share in it) and (or) objects linked to the subsoil use right or the procedure for its payment change, the applicant shall notify the competent authority in writing of such a change. In this case, the period for consideration of the application is calculated anew from the date of notification. In the absence of such notification, the competent authority shall consider the application on the merits, considering the conditions for the transfer of the subsoil use right (a share in it) and (or) objects linked to subsoil use right and the payment procedure originally specified in the application.

If a decision is taken on the priority right exercising by the State, the competent authority shall designate a national managing holding or a national company as the acquirer of the alienated subsoil use right (share in it) and (or) objects linked to subsoil use right in the interests of the state.

3. On the basis of the competent authority decision on the priority right exercising by the State, national managing holding or national company shall, within five business days, apply to the person intending to effect actions on alienation of the subsoil use right (share in it) and (or) transfer of objects related to the right subsoil use, with a proposal to start negotiations on the order and timing of exercising the priority right.

Acquisition of the subsoil use right (share in it) and (or) objects linked to the subsoil use right by the national holding company or national company for the priority right exercising by the State is carried out at the price and under the terms of payment thereof being not worse than those specified in the submitted application or notification provided for in part 3 of paragraph 2 of this Article.

4. In the event of the alienation of the right to subsoil use (share in the right to subsoil use) and (or) objects associated with the right to subsoil use, free of charge or in case of their contribution to the authorized capital of a legal entity, their acquisition in the exercise of the priority right of the state is carried out at a market price determined in accordance with the legislation of the Republic of Kazakhstan on valuation activities.

In case of disagreement with the acquisition price when exercising the priority right of the state, the applicant has the right to appeal the results in the manner prescribed by the laws of the Republic of Kazakhstan.

Footnote. Article 46 as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 № 351-VI (shall be enforced from 01.07.2021).

Article 47. Notification of change in control over a subsoil user

1. The subsoil user having the right to subsoil use (share in the right to subsoil use) arisen on the basis of subsoil use contract, license for exploration or for extraction of solid minerals is obliged to notify the state body that granted such right to subsoil use about the change in the composition of persons and (or) organizations directly or indirectly controlling the activities of the subsoil user within thirty calendar days from the date of such change.

2. Notification shall contain:

1) information about a person, state or organization that has lost or received the control;

for individuals–surname, first name and patronymic (if specified in the identity document) of the acquirer, place of residence, citizenship;

for legal entities–name, location, reference to the state affiliation;

for a state–full name of the state, name and location of the state body representing the interests of the state;

2) the form and method of control, as well as the basis for the loss or acquisition of control.

3. Notification shall be submitted in the form approved by the competent authority in Kazakh and Russian.

4. The state body subject to be notified is entitled to request from the subsoil user documents (originals or notarized copies of documents) confirming information specified in the notification.

5. For the purposes of this Code, direct control means availability of at least one of the following conditions (control methods):

1) possession of more than twenty five percent of the right to participate in a legal entity or another organization (the right to a participating interest, right of ownership to shares, stakes and other forms of equity participation, including securities confirming the right of ownership or convertible into shares or stakes);

2) possession of the right to vote by more than twenty five percent of all votes in the highest management body of the organization;

3) receiving more than twenty five percent of the distributed net income of the subsoil user;

4) possession of the right to determine the decisions of another organization according to an agreement or based on a law of the Republic of Kazakhstan.

Indirect control means the ability of a person or organization to control another organization through a third organization(s), between which there is the direct control.

Article 48. Encumbrance of the subsoil use right

1.The subsoil use right (share in it) may be encumbered by the rights of third parties under the procedures and conditions provided for by this Code.

2. Transfer of the subsoil use right to trust management is prohibited, except for cases when the requirement to transfer to trust management is established by the laws of the Republic of Kazakhstan.

3. Encumbrance of the subsoil use right (share in it), which transfer is prohibited by this Code, is not allowed.

4. Pledge of the right to subsoil use (share in the right to subsoil use), not prohibited by this Code, is subject to state registration with the relevant state body granting such a right to subsoil use.

Pledge of the subsoil use right (share in it) provided for in this paragraph is created from the date of its state registration.

Registration of a pledge of the right to subsoil use (share in the right to subsoil use) is carried out in the manner determined by the authorized body in the field of registration of a pledge of movable property.

5. Foreclosure on the subsoil use right to (share in it) is made under the procedure provided for by the civil legislation of the Republic of Kazakhstan.

6. Particularities of the pledge of subsoil use right (share in it) under the subsoil use contracts, objects linked to the subsoil use right, subsoil use contracts, as well as enforcement of pledge are established by the Special Part of this Code.

Footnote. Article 48 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Chapter 6. OPERATOR IN THE SUBSOIL USE

Article 49. Operator in the subsoil use

1. An operator under a subsoil use contract or under a field under a subsoil use contract, licenses for exploration or production of solid minerals is a legal entity created or determined by the subsoil user or holders of the subsoil use right, acting as a representative of the subsoil user when conducting subsoil use operations.

2. The operator cannot be appointed a person who is the sole owner of the right to subsoil use under the relevant contract or license for subsoil use.

3. Relations between the operator and the subsoil user are governed by an agreement between them, concluded in a simple written form for a period not exceeding the term of the subsoil use contract or licence.

Failure to comply with the simple written form of this agreement entails its nullity.

4. The effect of this Chapter does not cover the activities of the management company within the framework of joint development of deposits provided for by the provisions of Article 150 of this Code.

Footnote. Article 49 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 50. Procedure for assignment of the operator in the subsoil use

1. The subsoil user shall notify the competent authority in writing of assignment of the operator in the subsoil use. Such notifications are accompanied by a notarized copy of agreement between the operator and the subsoil user.

2. Until notifying the competent authority, the operator is not considered as assigned one.

3. Only one operator can be assigned under one contract or licence.

4. In case of termination of the operator's powers, the subsoil user is obliged to immediately notify the competent authority thereof.

Article 51. Liability of the operator in the subsoil use

1. The subsoil user bears responsibility for violation of the terms and conditions of subsoil use contract or licence caused by actions of the operator

2. For obligations of the operator arisen in connection with the representation of the the subsoil user interests, the latter bears joint and several liability. In the event of the damage inflicted by the operator to third parties as a result of subsoil use operations, the subsoil user may not to refer to the fact that the operator acted exceeding the powers.

SECTION III. SAFE USE OF THE SUBSOIL Chapter 7. SAFETY REQUIREMENTS TO THE SUBSOIL USE OPERATIONS

Article 52. Ecological safety at performance of subsoil use operations

1. Subsoil use operations, including forecasting, planning and design of production and other facilities, shall comply with the requirements of the environmental legislation of the Republic of Kazakhstan.

2. Environmental condition of the subsoil is ensured by regulation of the maximum permissible emissions, restriction or prohibition of the subsoil use activities or certain types thereof.

3. In cases provided for by the environmental legislation of the Republic of Kazakhstan, subsoil use operations without an appropriate environmental permit or a positive conclusion of the state environmental expertise are prohibited.

Footnote. Article 52 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 53. Industrial safety at performance of the subsoil use operations

1. Subsoil use operations, including design of production and other facilities, shall comply with the requirements of industrial safety.

2. The subsoil user shall ensure compliance with the rules and regulations for safe performance of the works provided for by the legislation of the Republic of Kazakhstan, as well as taking measures aimed at prevention and mitigation of emergencies and accidents, and prevention of occupational diseases

3. Subsoil use operations that pose a threat to life and health of people and infliction of material damage to individuals and legal entities, are prohibited.

4. In cases provided for by this Code, subsoil use without positive conclusion of expertise in the field of industrial safety is prohibited.

5. At performance of works associated with the subsoil use, the following shall be provided:

1) study and observation by employees of rules and regulations for the safe conduct of work, as well as the planning and implementation of measures aimed at prevention and elimination of accidents;

2) suspension of work in the event of immediate threat to the life of workers, removal of people to a safe place and implementation of the activities required to identify the danger;

3) use of machinery, equipment and materials, maintenance of buildings and structures in a state meeting the requirements of the safety rules and norms, and sanitary standards;

4) registration, proper storage and transportation of explosive materials and hazardous chemicals, as well as their correct and safe use;

5) elaboration with due regard to the best practices and implementation of special integrated organizational and technical measures providing the improvement of the mine atmosphere composition, enhancement of the technology in mining works and of the use of collective and individual protective means aimed to prevent occupational diseases and industrial traumatism;

6) implementation of specific measures for forecasting and preventing sudden breakthroughs of water, emissions of gases, minerals and rocks, as well as crush bursts;

7) timely update of technical documentation and plans for liquidation of accidents with information specifying the boundaries of safe work areas;

8) fulfillment of other requirements provided for by the legislation of the Republic of Kazakhstan on civil protection.

Chapter 8. MITIGATION OF THE SUBSOIL USE CONSEQUENCES

Article 54. General provisions on mitigation of the subsoil use consequences

1. A subsoil user is obliged to mitigate the consequences of subsoil use operations at the subsoil plot provided to them, unless otherwise set out by this Code.

2. Mitigation of the subsoil use consequences consists in the set of measures taken to bring the production facilities and land plots into a state that ensures the safety of population life and health and protection of the environment under the procedures provided for by the legislation of the Republic of Kazakhstan.

3. Liquidation is carried out at the subsoil plot, for which subsoil use rights have been terminated, except for the cases set out by this Code.

Mitigation of the consequences of the subsoil use operations may be made before the subsoil use licence or contract is terminated with the purpose to terminate the right to use part of the subsoil plot, and to reduce the volume of liquidation works (progressive liquidation), as well.

4. Termination of the subsoil use licence or contract shall not entail termination of obligations to mitigate the consequences of subsoil use.

5. Particularities of mitigation of consequences of the subsoil use operations with due regard to their types are determined by the Special Part of this Code.

6. The procedure for acceptance of the results of the survey and work to eliminate the consequences of subsoil use operations is determined by the competent authority together with the authorized body in the field of environmental protection.

Footnote. Article 54 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 55. Financing the mitigation of subsoil use consequences

1. Liquidation measures are carried out at the expense of a subsoil user or a person that was the subsoil user immediately before termination of the relevant licence or subsoil use contract.

2. In the cases provided for by this Code, the subsoil user shall be obliged to provide security for the performance of its liquidation obligations. The provision by the subsoil user of such security does not relieve from the obligation to eliminate the consequences of subsoil use.

3. Security for performance of obligation to mitigate the consequences of subsoil use is made in favor of the Republic of Kazakhstan.

In case of failure to perform (improper performance) the obligation on mitigation within the period established according to this Code, the amount of provided security shall be subject to recovery in favor of the Republic of Kazakhstan by the state body either being a party to the contract and (or) the body that issued the subsoil use licence.

If the amount of relevant security is insufficient to cover the expenses under the relevant liquidation project, the State is entitled to receive the deficient amount from the property of the person that was obliged to mitigate the consequences of subsoil use.

4. Performance of the liquidation obligation by a subsoil user may be secured by guarantee, pledge of the bank deposit and (or) insurance.

5. Security is provided separately for each subsoil plot.

It is prohibited to conduct subsoil use operations that require mitigation of their consequences, without the security provided according to this Code.

6. Alienation of the subsoil use right (share in it) by the subsoil user to a third person does not exempt the subsoil user from the mitigation obligations until the acquirer of the subsoil use right (share in it) has provided security in the amount determined according to this Code.

7. In case of the provided security seizure to conform to the requirements of this code or its termination, for the reasons beyond the control of subsoil user,, the subsoil user is obliged to replace such security within sixty calendar days. If within the specified period such

replacement has failed to be made by the subsoil user, the latter shall immediately suspend subsoil operations. Resumption of subsoil use operations is allowed only after restoration or replacement of the security.

8. The provided security for the fulfillment of obligations to eliminate the consequences of subsoil use operations must comply with the requirements of this Code and other legislative acts of the Republic of Kazakhstan (appropriate security).

9. The procedure for submitting and accounting for the security of fulfillment of obligations to eliminate the consequences of subsoil use operations accepted by the state body is determined by the competent authority.

Footnote. Article 55 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 56. Guarantee as a security for performance of liquidation obligation

1. By virtue of the guarantee, the guarantor shall be liable to the Republic of Kazakhstan for the payment of the full amount of money determined in accordance with this Code, in the event that the subsoil user fails to perform its obligation to eliminate the consequences of subsoil use in accordance with this Code.

2. Any second-tier bank, foreign bank or organization the shares of which are circulating on the organized securities market may serve as a guarantor. If the guarantor is a foreign bank or an organization whose shares are traded on an organized securities market, such guarantors must meet the conditions for a minimum individual credit rating in foreign currency, determined by the competent authority, unless otherwise provided by this Code.

3. Obligation of the bank on the guarantee issued by it according to this Article shall terminate not earlier than completion of the liquidation.

4. Guarantee is provided in Kazakh and Russian according to the standard form approved by the competent authority.

Guarantee issued by a foreign person may be made up in a foreign language with mandatory translation into Kazakh and Russian the authenticity of which shall be notarized.

5. Peculiarities of guarantees provided as security for the performance of obligations to eliminate the consequences of subsoil use operations are established by the Special Part of this Code.

Footnote. Article 56 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 57. Pledge of the bank deposit as a security for mitigation

1. By virtue of the pledge of a bank deposit, in case of non-fulfillment by the subsoil user of the liquidation obligations the Republic of Kazakhstan a to receive satisfaction from the

amount of the pledged bank deposit, on a pre-emption basis before other creditors of the subsoil user.

2. Only a bank deposit placed with a second-tier bank of the Republic of Kazakhstan or with the National Postal Operator may be the subject of pledge in accordance with this Article .

4. The requirements to amount of the bank deposit, being a security, are established by this Code.

5. It is prohibited to repledge the bank deposit being a security.

6. In the event of the liquidation of a subsoil user being a legal entity, including its bankruptcy, subject of the pledge is not included in the bankruptcy estate, and the pledgee is not a creditor participating in satisfaction of its claims at the expense of other property of the subsoil user.

7. A bank deposit pledge agreement as a way to ensure the fulfillment of obligations to eliminate the consequences of subsoil use operations is concluded in Kazakh and Russian languages in accordance with the standard form.

The procedure for concluding a bank deposit pledge agreement and its standard form are approved by the competent authority.

Footnote. Article 57 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication).

Article 58. Insurance as a security for mitigation

1. To secure its obligations to mitigate the consequences of subsoil use, the subsoil user is entitled to conclude an insurance contract with an insurance organization, by virtue of which the failure of the subsoil user to fulfill obligations to liquidate the consequences of subsoil use under the procedure provided for by this Code (insurance event) entails the payment of the insurance amount in favor of the Republic of Kazakhstan (beneficiary).

The object of insurance is the property interest of a subsoil user associated with the fulfillment of its obligations to eliminate the consequences of subsoil use operations in the manner and within the time limits established by this Code.

The requirement to the insurance company to pay the sum insured is subject to unconditional and mandatory execution within one month from the date of receipt by the insurance company of such a demand. In case of non-fulfillment and (or) improper fulfillment or violation of the deadlines for the fulfillment of the specified requirement, the insurance company bears responsibility established by the laws of the Republic of Kazakhstan.

1-1. An insurance contract in order to ensure the fulfillment of obligations to eliminate the consequences of subsoil use operations is concluded in accordance with a standard form approved by the competent authority in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations. The term of the insurance contract must be:

1) for a license for exploration of solid minerals, at least eight years (when it is issued) or at least the remaining term of the license and an additional two years calculated from the date of expiration of the term of the license for exploration;

2) for a license for extraction of solid minerals for at least three years;

3) for a license for extraction of common minerals for at least three years;

4) for a license to use subsoil space for the purpose of locating and (or) operating facilities for accommodating techno-genic mineral formations of mining and (or) ore-dressing production for at least three years;

5) for a mining license for at least four years.

2. In the part not regulated by this Code, relations on insurance provided for by this article are regulated by the civil legislation of the Republic of Kazakhstan.

Footnote. Article 58 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

SECTION IV. STATE ADMINISTRATION IN THE SUBSOIL USE Chapter 9. SYSTEM OF STATE BODIES IN THE SUBSOIL USE

Article 59. Government of the Republic of Kazakhstan

In the subsoil use, the Government of the Republic of Kazakhstan shall:

1) arrange management of the subsoil as an object of the state property, develop the main directions of state policy in the subsoil use, strategic and tactical measures for its implementation;

2) establish restrictions and prohibitions on the use of subsoil in order to ensure national security, safety of the population life and health and environmental protection;

3) excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication);

4) perform other functions entrusted to it by the Constitution, this Code, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. Article 59 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (effective sixty calendar days after the date of its first official publication).

Article 60. Competent authority

For the purposes of implementation of the state policy and representation of the interests of the Republic of Kazakhstan in the subsoil use, the Government of the Republic of Kazakhstan determines the competent authority, which is the central executive body.

The competent authority represents the interests of the Republic of Kazakhstan and implements the state policy in the subsoil use on solid minerals and hydrocarbons through:

1) development and approval of the state subsoil fund management program;

2) development and approval of the legal acts in the subsoil use in cases provided for by this Code;

2-1) consideration of draft documents on standardization within the competence, as well as preparation of proposals for development, introduction of amendments, revision and cancellation of national, intergovernmental standards, national classifications of technical and economic information and recommendations on standardization for submission to the authorized authority for standardization;

2-2) implementation on the terms of voluntary participation of pilot projects on automation of monitoring of subsoil users' fulfillment of obligations under the subsoil use contract (license), the procedure of granting through information systems of the subsoil use right, registration of transfer or pledge of the subsoil use right and (or) objects related to the subsoil use right in the manner determined by the competent authority;

3) granting and termination of the subsoil use rights for hydrocarbon exploration and production, uranium production, exploration and production of solid minerals;

4) control over compliance of the subsoil users with the terms and conditions of contracts in the field of hydrocarbons and uranium production, as well as the terms of licences for exploration and production of solid minerals;

5) provision of access to information about subsoil use licences issued by it and contracts concluded;

6) submission of annual report to the Government of the Republic of Kazakhstan on the course of performing the terms of subsoil use contracts concluded and licences issued by it;

7) recovery of penalties for failure to perform the terms and conditions of subsoil use contract or licence;

8) exercising other powers provided for by this Code, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 60 as amended by the Law of the Republic of Kazakhstan № 184-VI dated 05.10.2018 (shall be enforced upon expiry of six months after its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Article 61. Authorized body in the solid minerals

The authorized body in the solid minerals implements the state policy on regulating the operations for exploration and production of solid minerals, except for uranium, through:

1) development and approval of the legal acts in regulation of the operations for exploration and production of solid minerals, except for uranium, in cases provided for by this Code and other laws of the Republic of Kazakhstan;

1-1) consideration of draft documents on standardization within the competence, as well as preparation of proposals for development, introduction of amendments, revision and cancellation of national, intergovernmental standards, national classifications of technical and

economic information and recommendations on standardization for submission to the authorized authority for standardization;

1-2) development and approval of technical regulations;

2) execution of the state control over observance by subsoil users of the procedure for acquiring goods, works and services at performance of operations on production of solid minerals, except for uranium;

3) excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021);

4) issue of permit for extraction of the rock mass and (or) displacement of the soil at exploration site in the volume exceeding one thousand cubic meters;

5) regulation of the operations for exploration and production of solid minerals, except for uranium production operations;

6) state control over the conduct of operations for exploration and production of solid minerals, except for the operations on production of uranium and commonly occurring minerals;

6-1) conclusion of agreements with the National Chamber of Entrepreneurs of the Republic of Kazakhstan and subsoil users to stimulate entrepreneurship;

6-2) development and approval of the rules for concluding, amending, supplementing and terminating an agreement on stimulating entrepreneurship, as well as monitoring their implementation, a standard form of an agreement on stimulating entrepreneurship together with authorized bodies in the field of hydrocarbons and uranium mining;

7) exercising other powers provided for by this Code, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 61 as amended by the Law of the Republic of Kazakhstan № 184-VI dated 05.10.2018 (shall be enforced upon expiry of six months after its first official publication); dated 30.12.2020 № 397-VI (shall be enforced six months after the day of its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 15.11.2021 № 72-VII (shall be enforced from 01.01.2022).

Article 62. Authorized body in the hydrocarbons

Authorized body in the hydrocarbons implements the state policy in the field of hydrocarbons through:

1) development and approval of the legal acts in the field of hydrocarbons in cases stipulated by this Code;

2) development and approval of the standard technical documents in the field of hydrocarbons;

2-1) consideration of draft documents on standardization within the competence, as well as preparation of proposals for development, introduction of amendments, revision and cancellation of national, intergovernmental standards, national classifications of technical and

economic information and recommendations on standardization for submission to the authorized authority for standardization;

3) regulation of the subsoil use operations on hydrocarbons;

3-1) monitoring the fulfillment by subsoil users of their obligations to purchase goods, works and services from Kazakhstani producers, attract Kazakhstani personnel, train Kazakhstani personnel, finance research, scientific, technical and (or) development works, as well as the acquisition by subsoil users and their contractors of goods, works and services used in hydrocarbon exploration or production operations;

3-2) formation and maintenance of a register of goods, works and services used in conducting subsoil operations on hydrocarbons, and their producers, including the criteria for their assessment for inclusion in this register in the order established by the competent authority in the field of hydrocarbons;

4) execution of the state control in the subsoil use operations on hydrocarbons;

5) execution of the state control over compliance with the provisions of project documents ;

6) maintaining the unified database of oil and raw gas production and turnover;

7) drafting of the schedules of the supply of oil for processing in the Republic of Kazakhstan and abroad to meet the needs of domestic market of petroleum products;

8) issuance of permits for creation and placement of marine facilities used for exploration and (or) production of hydrocarbons at sea;

9) issue of permits authorizations for flaring of the raw gas;

10) maintaining the national balance of production, sales and consumption of hydrocarbons;

11) execution of the state control over observance by subsoil users of the procedure for procurement of goods, works and services at performance of the operations on exploration and (or) production of hydrocarbon;

11-1) conclusion of agreements with the National Chamber of Entrepreneurs of the Republic of Kazakhstan and subsoil users to stimulate entrepreneurship;

11-2) development and approval of rules for concluding, amending, supplementing and terminating an agreement on stimulating entrepreneurship, as well as monitoring their implementation, a standard form of an agreement on stimulating entrepreneurship together with authorized bodies in the field of uranium mining and solid minerals;

12) development and approval of the national plan of preparedness and actions for oil spill response at sea and in the safety zone of the Republic of Kazakhstan jointly with authorized bodies in the civil protection and merchant shipping;

13) exercising other powers provided for by this Code, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 62 as amended by the Law of the Republic of Kazakhstan № 184-VI dated 05.10.2018 (shall be enforced upon expiry of six months after its first official publication); dated 15.11.2021 № 72-VII (shall be enforced from 01.01.2022); № 101-VII of 03.01.2022 (shall be put into effect sixty calendar days after the date of its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 63. Authorized body in the uranium production

Authorized body in the uranium production implements the state policy through:

1) development and approval of the legal acts in the uranium production in the cases provided for by this Code;

2) development and approval of the standard technical documents in the field of uranium production;

2-1) consideration of draft documents on standardization within the competence, as well as preparation of proposals for development, introduction of amendments, revision and cancellation of national, intergovernmental standards, national classifications of technical and economic information and recommendations on standardization for submission to the authorized authority for standardization;

3) regulation of the subsoil use operations on uranium production;

3-1) monitoring subsoil users' fulfillment of their obligations to purchase goods, works and services from Kazakhstani producers, attract Kazakhstani personnel, train Kazakhstani personnel, finance research, scientific, technical and (or) development works, as well as the purchase of goods, works and services used in uranium mining operations by subsoil users and their contractors;

3-2) development and maintenance of a register of goods, works and services used in uranium mining operations and their producers, including criteria for their assessment for inclusion in this register as determined by the uranium mining authority;

4) execution of the state control over uranium production operations;

5) execution of the state control over compliance with the provisions of project documents for uranium production;

6) execution of the state control over the rational and integrated use of the subsoil at uranium production;

7) execution of the state control over observance by subsoil users of the procedure for procurement of goods, works and services at performance of uranium production operations;

7-1) conclusion of agreements with the National Chamber of Entrepreneurs of the Republic of Kazakhstan and subsoil users to stimulate entrepreneurship;

7-2) development and approval of the rules for concluding, amending, supplementing and terminating an agreement on stimulating entrepreneurship, as well as monitoring their implementation, a standard form of an agreement on stimulating entrepreneurship together with authorized bodies in the field of hydrocarbons and solid minerals;

8) exercising other powers provided for by this Code, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 63 as amended by the Law of the Republic of Kazakhstan № 184-VI dated 05.10.2018 (shall be enforced upon expiry of six months after its first official publication); dated 15.11.2021 № 72-VII (shall be enforced from 01.01.2022); № 101-VII of 03.01.2022 (shall be entered into force sixty calendar days after the date of its first official publication).

Article 64. Authorized body for subsoil study

The authorized body for subsoil study implements the state policy in the geological survey of subsoil and subsoil space use through:

1) granting the subsoil use right for geological survey and subsoil space use;

2) planning of the state geological study of the subsoil;

3) regulation of operations on geological survey and subsoil space use;

4) execution of the state control over geological exploration operations, as well as operations on the subsoil space use;

5) execution of the state control over compliance with the requirements of this Code on accounting, storage, security and reliability of geological information;

6) organizing access to geological information that is not confidential, as well as to information on subsoil use licenses issued to them;

7) arrangement and maintenance of the state records with regard to existing objects of placement of man-made mineral formations;

8) organizing the conduct of state monitoring of the subsoil, collection, and generalization of geological information;

9) organizing the maintenance of the unified cadastre of the state subsoil fund;

10) excluded by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication);

11) participation in development of the program for management of the state subsoil fund;

12) development and approval of the map for identification of blocks with appropriate coordinates and individual codes;

13) interaction and coordination with the competent authority on determining the boundaries of the subsoil plots granted for use, the use of geological information and other issues provided for by this Code;

14) liquidation and conservation of abandoned emergency oil and gas wells;

15) approval of changes in the projects of prospecting and evaluation works on underground waters under the licences issued for geological survey of subsoil;

16) arrangement and conducting of the state expertise of reserves of underground waters sites;

16-1) development and approval of the instruction for classification of reserves of deposits and forecast resources of minerals, including those related to unconventional hydrocarbons;

16-2) development and approval of the methods for calculating mineral reserves, including those related to unconventional hydrocarbons;

17) development and approval of the statutory legal acts in geology and geological survey of subsoil in cases provided for by this Code and other laws of the Republic of Kazakhstan;

17-1) consideration of draft documents on standardization within the competence, as well as preparation of proposals for development, introduction of amendments, revision and cancellation of national, intergovernmental standards, national classifications of technical and economic information and recommendations on standardization for submission to the authorized authority for standardization;

17-2) development and approval of minimum requirements for exploration of solid mineral deposits;

18) control over compliance of subsoil users with terms of their licence for geological survey of subsoil and subsoil space use licence;

19) approving time norms and rates for carrying out works on the state geological study of the subsoil, as well as the methodology for their calculation;

20) acceptance and transfer of wells and technological units to the balance of a subsoil user;

21) exercising other powers provided for by this Code, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 64 as amended by the Law of the Republic of Kazakhstan № 184-VI dated 05.10.2018 (shall be enforced upon expiry of six months after its first official publication); dated 30.06.2022 № 130-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 65. Local executive bodies of a region, the city of republican significance, the capital

Local executive bodies of regions, cities of republican significance and capital participate in implementation of the state policy in subsoil use through:

1) granting the subsoil use right to conduct operations on production of commonly occurring minerals and artisanal mining;

2) control over the compliance of subsoil users with the terms of licences for production of commonly occurring minerals, artisanal mining and performing state control over operations for production of commonly occurring minerals, artisanal mining;

3) control over observance by subsoil users of the conditions of artisanal mining provided for by an artisanal mining licence and this Code;

4) granting the rights for, and reserving the land plots being in state ownership, according to the land legislation of the Republic of Kazakhstan for the purposes of subsoil use;

5) re-registration of the rights to for land plot in favor of a trustee on the basis of the contract for subsoil plot trust management to be concluded according to Article 108 of this Code;

6) regulation of development of the territories with mineral occurrences, keeping records of geological, geomorphological and hydrogeological objects of the state nature reserve fund of local significance and subsoil plots that are of special ecological, scientific, historical-cultural and recreational value, classified as specially protected natural areas of local significance;

7) excluded by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication);

8) provision of access to information on licences issued by them for production of commonly occurring minerals and artisanal mining;

8-1) consideration of draft documents on standardization within the competence, as well as preparation of proposals for development, introduction of amendments, revision and cancellation of national, intergovernmental standards, national classifications of technical and economic information and recommendations on standardization for submission to the authorized authority for standardization.

9) exercising, in the interests of municipal state administration, other powers vested to local executive bodies by the legislation of the Republic of Kazakhstan.

Footnote. Article 65 as amended by the Law of the Republic of Kazakhstan № 184-VI dated 05.10.2018 (shall be enforced upon expiry of six months after its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Chapter 10. SUPERVISION AND NOTIFICATIONS IN THE SUBSOIL USE

Article 66. Control over compliance by subsoil users with the terms and conditions of subsoil use contracts and (or) licences

1. Control over compliance by the subsoil users with the terms and conditions of their subsoil use contracts, including production sharing agreements, and (or) licences is carried out by the competent authority (state body that is a party to a subsoil use contract and (or) the body that issued a subsoil use licence).

Procedure for monitoring compliance with the terms and conditions of subsoil use contracts, including production sharing agreements, and (or) licences is determined by the competent authority.

2. Control over observance by subsoil users of the terms and conditions of subsoil use contracts, including production sharing agreements, and (or) licences, is carried out by monitoring compliance of subsoil users with their subsoil use contract (licence) and (or) visiting a subsoil user, as well as facilities on which subsoil use operations are (have been) conducted according to the terms of the subsoil use contracts and (or) licences.

Monitoring of the fulfillment by subsoil users of obligations under the subsoil use contract (license) shall be carried out by the competent authority (the state body that is a party to the contract and (or) that issued a license for subsoil use) through analysis of reports submitted by subsoil users in accordance with this Code, space monitoring data containing signs of violations of the legislation of the Republic of Kazakhstan, and information obtained from other sources in accordance with the legislation of the Republic of Kazakhstan.

Procedure for monitoring of compliance of the subsoil users with obligations under the subsoil use contract (licence) is determined by the competent authority.

Footnote. Article 66 as amended by the Law of the Republic of Kazakhstan dated 21.05.2024 № 86-VIII (effective sixty calendar days after the date of its first official publication).

Article 67. State control over compliance with the requirements of the legislation of the Republic of Kazakhstan on subsoil and subsoil use

1. The state control over compliance with the requirements of the legislation of the Republic of Kazakhstan on subsoil and subsoil use at performance of subsoil use operations is carried out by state bodies according to their competence in the following fields:

1) study and use of the subsoil;

2) performance of subsoil use operations on hydrocarbons and production of uranium.

2. State control in the areas specified in paragraph 1 of this Article shall be carried out in the form of inspection, preventive control with a visit to the subject (object) of control and preventive control without a visit to the subject (object) of control.

2-1. Inspection and preventive control with a visit to the subject (object) of control shall be carried out in accordance with the Entrepreneur Code of the Republic of Kazakhstan.

3. Preventive control without visiting the performer (target) of control is carried out in accordance with this Code and the Entrepreneur Code of the Republic of Kazakhstan

Footnote. Article 67 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (order of enforcement, see in subparagraph 3), paragraph 1 of Article 2); dated 06.04.2024 № 71-VIII (effective sixty calendar days after the date of its first official publication).

Article 67-1. Procedure for performance of preventive control without visiting the performer (target) of control

1. Preventive control without visiting the performer (target) of control is effected by the authorized body in subsoil study or its territorial subdivision with regard to subsoil users in accordance with sub-paragraphs 4) and 5) of Article 64 of this Code.

Targets of control are: the area of geological study and use of the subsurface space, as well as geological information.

2. The purposes of preventive control without visiting the control performer (target) are: the timely suppression and prevention of violations, granting to the control performers the right to independent elimination of the violations revealed by the authorized body in subsoil study or its territorial subdivision upon the results of preventive control without visiting the control performer (target), and reducing the administrative burden thereon.

3. Preventive control without visiting the performer (target) of control is performed by analysis of geological reports, reports on the extracted minerals and data on the normalized losses submitted to the authorized body for subsoil study in accordance with this Code, as well as of other information on the activity concerning the control performer.

In case of the violations revealing upon the results of preventive control without visiting the control performer (target) in the actions (omission to act) of control performers by officials of the authorized body in subsoil study or its territorial subdivision performing preventive control without visiting the performer (target) of control, information letter (notification) is formalized and sent to the subject of control within ten business days from the day when violations were revealed under the procedure envisaged by Article 68 of this Code.

4. The control performer hat has received the information letter (notification) on elimination of violations revealed upon the results of preventive control without visiting the performer (target) of control, within ten business days from the day following the day of its delivery is obliged to submit the plan of measures to eliminate violations with an indication of specific timeline of their elimination to the authorized body for subsoil study or its territorial subdivision.

In case of disagreement with the violations indicated in the information letter (notification), the control performer is entitled to send the objection to the authorized body for subsoil study or its territorial subdivision that has sent the information letter (notification) within five business days from the day following the day of delivery of the information letter (notification).

5. Failure to eliminate the violations revealed upon the results of preventive control without visiting the performer (target) of control within the established timeline, as well as failure to submit, in due time, the plan of measures to eliminate violations entail the appointment of the preventive control with a visit to the performer (target) of control by inclusion in the semi-annual list of conducting preventive control with a visit to the performer (target) of control.

6. Preventive control without visiting the performer (target) of control is executed no more than once a year.

Footnote. Chapter 10 is supplemented by article 67-1 in accordance with the law of the Republic of Kazakhstan dated 24.05.2018 No 156-VI (for the procedure, see subparagraph 3) paragraph 1 of Art. 2).

Article 68. Notifications in the subsoil use

1. Participants in relations regulated by this Code are informed by means of notices made in writing and (or) publications in periodicals distributed throughout the territory of the Republic of Kazakhstan, as well as by posting on the Internet resource of the relevant state body, in Kazakh and Russian.

2. Unless otherwise provided for by the legislation of the Republic of Kazakhstan, the notice sent according to this Code shall contain information about the person to whom it is addressed, the ground for sending the notice, content of the notice, information about the senders, their signature.

The person that sent the notice and not conforming to the first part of this paragraph is deprived of possibility to refer to the fact that it was sent in a proper way, unless they prove that the existing discrepancies were not material in view of the specific circumstances.

If the notice was sent by a representative of the person on behalf and for the benefit of which it was sent, the notice shall also contain information about the powers of the representative. The effect of this part does not apply to officials of state bodies acting according to official powers, determined by legal acts of the relevant state body and (or) the legislation of the Republic of Kazakhstan.

The notice must be sent in the form of an electronic document to the email address or through the unified subsoil use platform.

3. Unless otherwise provided by this Code, notifications addressed to an indefinite circle of persons shall be made by publication in periodical printed publications distributed throughout the territory of the Republic of Kazakhstan, as well as by posting on the internet resource of the state body.

Events reported in such notifications shall occur not earlier than fifteen calendar days from the date of publication, unless another time limit is contemplated by this Code.

4. Notifications may also be made using the information systems provided for by this Code, in the procedure determined by the competent authority.

Notifications, notices, and messages provided for in paragraph 5 of Article 106, paragraph 4 of Article 107, paragraphs 2, 4, and 5 of Article 133, paragraph 3 of Article 146, and paragraph 2 of Article 149 of this Code shall be sent through the unified state system for managing the fuel and energy complex in the procedure determined by the competent authority.

5. Applications and proposals provided for in paragraph 5 of Article 115, paragraph 4 of Article 117, paragraph 5 of Article 118, paragraph 8 of Article 119, paragraph 2 of Article

120, and paragraph 5 of Article 133 of this Code shall be submitted through the unified state system for managing the fuel and energy complex in the procedure determined by the competent authority.

Footnote. Article 68 as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (effective from 01.01.2024); dated 30.12.2025 № 249-VIII (procedure for entry into force see Article 2).

Article 68-1. Unified Subsoil Use Platform

1.The Unified Subsoil Use Platform is a state information system that ensures the provision of public services and information exchange between state bodies, subsoil users, and other interested persons in the field of subsoil use, including through integration with other information systems.

2.The Unified Subsoil Use Platform also contains:

1) electronic information resources containing information in the field of subsoil use in accordance with paragraph 2 of Article 7 of this Code, other documents and/or information to which open access is ensured by the state in accordance with the requirements of this Code;

2) information resources containing geographic coordinates and information on:

areas of subsoil plots granted for subsoil use operations;

areas of state geological study of the subsoil;

areas for carrying out liquidation of the consequences of subsoil use;

areas of block locations;

specially protected natural areas, areas of health-improving, recreational, and historical-cultural lands, and forest fund lands;

lands for defense and national security needs;

areas of settlements;

areas of water fund lands and water protection zones;

contours of deposits and groundwater areas that are used or may be used for drinking water supply;

other areas that are significant for granting subsoil use rights.

3. The procedure for the functioning of the Unified Subsoil Use Platform, as well as the list of its information resources, services, and functions, shall be determined by the authorized body in the field of solid minerals, in coordination with the authorized body in the field of hydrocarbons and the authorized body in the field of informatization.

4. Authorized state bodies participating in the consideration of issues provided for in subparagraph 2) of paragraph 2 of this Article shall promptly update information on the Unified Subsoil Use Platform, including spatial (geographic) data on restriction zones.

5. The Unified Subsoil Use Platform is state-owned.

The Unified Subsoil Use Platform shall not be subject to privatization or transfer into possession and use of organizations that are not subordinate organizations of state bodies of the Republic of Kazakhstan.

Footnote. Chapter 10 supplemented with Article 68-1 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Chapter 11. STATE SUBSOIL FUND

Article 69. Management of the state subsoil fund

1. The state subsoil fund consists of the subsoil plots being in use, as well as of the subsoil being not in use within the territory of the Republic of Kazakhstan.

2. Management of the state subsoil fund shall be carried out in accordance with the main directions of state policy in the field of subsoil use, strategic and tactical measures for its implementation, in the manner prescribed by this Code.

Footnote. Article 69 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 70. State subsoil fund management program

1. The state subsoil fund management program is developed with the purposes of implementing the state policy in the field of rational management of the state subsoil fund and reproduction of the mineral and raw material base of the Republic of Kazakhstan.

2. The state subsoil fund management program is developed on the basis of analysis of the prospects for development of the subsoil use and with due regard to:

1) the need to ensure national, environmental and energy security of the Republic of Kazakhstan;

2) international obligations of the Republic of Kazakhstan;

3) approved documents of the state planning system of the Republic of Kazakhstan;

4) the needs of the Republic of Kazakhstan in relevant types of minerals and (or) products of their processing;

5) the need to replenish and increase the mineral and raw material base of the Republic of Kazakhstan by types of minerals;

6) ecological and social economic prospects for the development of regions;

7) information of the unified cadastre of the state subsoil fund;

8) information on the possession by a single person or group of persons from one state of the aggregate share in the subsoil use rights and (or) objects linked to subsoil use right;

9) information of the state monitoring of subsoil;

10) generalization and analysis of geological information;

11) capabilities of the existing infrastructure;

12) the requirements of this Code.

3. The program for managing the state subsoil fund shall define the geographic coordinates of:

1) territories within which regional geological study, prospecting, and/or evaluation of mineral resources are carried out and planned in the course of the state geological study of the subsoil;

2) territories within which subsoil plots are to be granted for subsoil use operations on the basis of auctions, in cases provided for by this Code, except for territories granted under Article 189-1 of this Code;

3) territories within which subsoil plots are to be granted only to national companies in the field of hydrocarbons and uranium;

4) territories within which subsoil plots are granted for the extraction of common minerals ;

5) other information necessary for the implementation of state subsoil management policy and the provisions of this Code.

In addition to the information specified in subparagraphs 1) - 5) of this paragraph, the state subsoil fund management program may specify the territory (territories) within which subsoil use rights may be granted only to a national company for the exploration and production or production of hydrocarbons, as well as to a national company in the uranium sector for the exploration or production of uranium at a uranium deposit.

The indication in the program for managing the state subsoil fund of the territory, within which subsoil use rights are to be granted only to national companies in the hydrocarbon or uranium sectors, is limited to the following:

1) for the conclusion of a contract for the exploration and production or production of hydrocarbons through direct negotiations—three consecutive years from the date the relevant territory was included in the State Subsurface Fund Management Program;

2) for the issuance of a license for the exploration of solid minerals—a territory containing uranium-bearing ore and/or uranium deposits;

3) for the conclusion of a contract for the production of uranium—the presence of a uranium deposit.

The territories specified in subparagraphs 1), 2), and 3) of the third part of this paragraph shall be reclassified by the competent authority as territories designated for the granting of subsoil use rights to third parties through auction, by amending the State Subsoil Fund Management Program within six months after:

1) the expiration of three consecutive years for the conclusion of a contract for the exploration and production or production of hydrocarbons based on direct negotiations with a national hydrocarbon company;

2) the termination of subsoil use rights granted to national hydrocarbon or uranium companies as a result of their relinquishment of a subsoil block (or part thereof), revocation of a license, or termination of a subsoil use contract.

3-1. The formation of the program for managing the state subsoil fund shall be ensured taking into account the geographic coordinates and information on the territories provided for

in paragraphs six to ten of subparagraph 2) of paragraph 2 of Article 68-1 of this Code, in the procedure determined by the competent authority.

4. In the cases established by this Code, state subsoil fund management program contains minimum requirements for volumes and types of works at the subsoil plot provided for hydrocarbons exploration.

When holding an auction for granting subsoil use right for hydrocarbons, the competent authority is entitled to establish higher minimum requirements for volumes and types of work than those defined in the state subsoil fund management program.

5. The competent authority shall not grant subsoil plots for subsoil use operations in any other manner within the territories designated for such purposes in the state subsoil fund management program in accordance with paragraph 3 of this Article.

6. The program approved by the competent authority for managing the state subsoil fund, including with the incorporated amendments and additions, shall be posted in open access on the internet resource of the competent authority and on the Unified Subsoil Use Platform in Kazakh and Russian within two working days from the date of approval and/or amendment.

7. Excluded by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Footnote. Article 70 as amended by the Laws of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 71. Study of the state subsoil fund

1.The study of the state subsoil fund is aimed at providing the scientific, informational, and analytical basis for the conduct of subsoil use operations, as well as updating information on the mineral resource base of the Republic of Kazakhstan, the state of the subsoil, its geological structure, and the processes occurring therein.

2. The study of the state subsoil fund includes:

1) state geological study of the subsoil;

2) state monitoring of the subsoil;

3) maintenance of the unified cadastre of the state subsoil fund;

4) collection, systematization, generalization, and analysis of geological information obtained as a result of state monitoring of the subsoil, state geological study of the subsoil, and subsoil use operations;

5) creation, operation, and development of infrastructure for the storage, analysis, and provision of geological information that is owned, possessed, or used by the state.

3. The study of the state subsoil fund shall be carried out by the national operator in the field of geology with the involvement of accredited scientific organizations in the manner determined by the authorized body for subsoil study.

4. Control over the study of the state subsoil fund shall be exercised by the authorized body for subsoil study in the procedure determined by it.

5. Financing of activities for the study of the state subsoil fund shall be carried out from the republican budget, including not less than fifty percent of the funds received in the reporting financial year from the amounts of signature bonuses established by the Tax Code of the Republic of Kazakhstan, except for organizations of the oil sector, as well as other sources not prohibited by the legislation of the Republic of Kazakhstan.

6. The use and allocation of the funds provided for in paragraph 5 of this Article shall be carried out by the national operator in the field of geology.

Footnote. Article 71 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 72. Unified cadastre of the state subsoil fund

1. Unified cadastre of the state subsoil fund contains:

1) information on the state accounting of minerals, their manifestations and on the objects of the subsoil space;

2) information on subsoil plots granted for use for geological survey of subsoil, exploration and (or) production of hydrocarbons, solid minerals, commonly occurring minerals, subsoil space use, as well as artisanal mining.

3) information on liquidated production facilities of hydrocarbon and solid minerals, commonly occurring minerals, artisanal mining, burial of harmful substances, radioactive waste and discharge of sewage into the subsoil;

4) information on state registration of operating facilities for the placement of man-made mineral formations.

2. The state accounting of minerals contains information on deposits of minerals, the quantity and quality of the main and jointly occurring minerals, the components contained therein, mining engineering, hydrogeological, ecological and other characteristics of the deposit of industrial significance, their location, degree of study, extent of industrial development, production, losses and mineral endowment of industry, as well as changes in the assessment of resources and reserves of minerals for the reporting year as a result of their production or re-assessment of resources and (or) reserves of minerals.

For each manifestation of minerals, geological and economic data on the forecast (perspective) resources of minerals, hydrogeological and other characteristics of their manifestation are recorded.

Information on the objects of the subsoil space includes data on the location coordinates and characteristics of the cavity of the subsoil, the possibility of placing industrial, economic and other objects and substances therein and the implementation of technological and other processes therein.

3. Identification characteristics which allow to determine the subsoil plot within its spatial boundaries, its size and location, information on the subsoil user, documents based on which the subsoil use right was granted, information on the pledge of the subsoil use right, reporting and other documentation submitted by the subsoil user, geological information are recorded for each subsoil plot

4. Information on liquidated production facilities of hydrocarbons, solid minerals, commonly occurring minerals includes plans for the disposal of liquidated production facilities, liquidation acts and other data on the liquidation of the consequences of production.

5. Formation of the information of unified cadastre of the state subsoil fund is ensured by conducting state geological survey, monitoring of subsoil, reporting and other information provided by subsoil users according to this Code.

6. The provision of information on the state accounting of mineral reserves shall be determined by the authorized body for subsoil study in the procedure established by it.

7. The maintenance of the unified cadastre of the state subsoil fund shall be carried out for the purpose of accounting for the state of the mineral resource base of the Republic of Kazakhstan in the procedure determined by the authorized body for subsoil study.

8. Inclusion in the state accounting of minerals of information on the quantity and quality of main and along with them occurring minerals shall be made by the authorized body on subsoil study in the order determined by the Government of the Republic of Kazakhstan, with regard to the provisions of this Code.

8-1. Accounting of losses in the mining of solid minerals shall be based on the data on standardized losses provided for by technical projects for the development of deposits, which are annex to mining plans.

Technical projects of field development specified in part one of this paragraph shall be subject to approval by the authorized body on subsoil study in the procedure determined by it.

Within fifteen working days after submission of the technical project of field development with the data on normalized losses and substantiating documents, the authorized body for subsoil study has the right to send a reasoned objection to the subsoil user on the amount of normalized losses. If such an objection is sent within the specified period, the authorized body for subsoil study shall determine the normalized losses independently on the basis of available data on normalized losses for similar projects or on the basis of previously submitted data.

9. The data on resources and reserves contained in the report on evaluation of resources and (or) reserves of solid minerals, prepared by a competent person in accordance with Kazakhstan Code for the Public Reporting of Exploration Results, Mineral Resources and

Mineral Reserves, (KAZRC Code) and submitted to the authorized body on subsoil study, shall be subject to inclusion in the state registration of minerals in the following order:

1) the report on evaluation of resources and (or) reserves of solid minerals received by the authorized body on subsoil study is considered within thirty calendar days;

2) within the period specified in subparagraph 1) of this paragraph, the authorized body for subsoil study shall make a decision on accepting the report on evaluation of resources and (or) reserves of solid minerals and inclusion of the resources and (or) reserves of solid minerals in the state accounting of minerals or on returning the report on the evaluation of resources and (or) reserves of solid minerals with a motivated objection to it;

3) if within the period specified in subparagraph 1) of this paragraph, the authorized body returned the report on evaluation of resources and (or) reserves of solid minerals with a motivated objection, the applicant for the license for the production of solid minerals or the subsoil user shall have the right to rework it or appeal the objection of the authorized body for the subsoil study in accordance with the legislation of the Republic of Kazakhstan;

4) if in the report on evaluation of solid minerals resources and (or) reserves the amount of resources including with account of production and losses has decreased by more than twenty-five percent compared to the previously approved reserves of industrial categories, the authorized body on subsoil study shall conduct a hearing of the subsoil user, competent persons who prepared and verified the report on evaluation of solid minerals resources and (or) reserves on the validity of such changes and issue a reasoned conclusion on acceptance or rejection of the report on evaluation of solid mineral resources and (or) reserves. The conclusion of the authorized body on subsoil study may be appealed by interested parties in accordance with the legislation of the Republic of Kazakhstan.

The hearing of the subsoil user, the competent persons who have prepared and verified the report on evaluation of solid mineral resources and (or) reserves, shall be held in accordance with the procedure determined by the authorized body for subsoil study.

Article 72 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 06.04.2024 № 71-VIII (effective from 01.01.2023); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 73. State monitoring of subsoil

1. The state monitoring of the subsoil is a system for observing the state of the subsoil, including using Earth remote sensing data, to ensure the rational management of the state subsoil fund and timely detection of changes in them, assessment, prevention and elimination of the consequences of negative processes.

2. The procedure for implementation of state monitoring of subsoil is determined by the authorized body for subsoil study.

Footnote. Article 73 as amended by the Law of the Republic of Kazakhstan dated 21.12.2022 № 167-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 74. State geological study of the subsoil

1.State geological study of the subsoil is a set of fundamental, applied, thematic, field, and laboratory studies conducted for the purpose of studying the earth's crust and the processes occurring therein, aimed at obtaining, updating, and systematizing information on the geological structure, composition, condition, and resources of the subsoil, identifying patterns of formation and distribution of mineral resources, as well as determining the mineral resource potential of the country's territory.

2. State geological study of the subsoil shall be carried out taking into account the systematization, generalization, and analysis of geological information owned, possessed, and used by the state.

3. State geological study of the subsoil shall be conducted within the framework of state planning documents.

4. State geological study of the subsoil shall be carried out for the purposes of:

1) updating geological information on the subsoil within the territory of the works;

2) creating geological maps;

3) identifying prospective (forecast) mineral resources.

5. Organization and conduct of state geological study of the subsoil shall be carried out by the national operator in the field of geology in the manner determined by the authorized body for subsoil study.

Planning and conduct of state geological study of the subsoil for the purpose of identifying prospective (forecast) mineral resources on territories where mineral exploration operations are carried out shall be prohibited.

Organization and conduct of state geological study of the subsoil concerning groundwater shall be carried out by the national operator in the field of geology in the manner determined by the authorized body for subsoil study jointly with the authorized body in the field of protection and use of the water fund.

6. State geological study of the subsoil shall be carried out throughout the territory of the Republic of Kazakhstan, including subsoil plots granted for use in accordance with this Code. Conduct of works on state geological study of the subsoil shall not impede the activities of entities carrying out subsoil use operations.

7. The territory where state geological study of the subsoil is planned shall be determined on the Unified Subsoil Use Platform, indicating the purposes, objectives, nature, and timing of the works.

8. The results of state geological study of the subsoil shall be posted in open access on the Unified Subsoil Use Platform within two months from the date of signing the act of completed works upon completion of the state geological study of the subsoil.

9. State geological study of the subsoil shall be carried out in accordance with the rules of staging of geological exploration works, determined by the authorized body for subsoil study.

Footnote. Article 74 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 75. Geological information

1. Geological information is the information on material composition, geological structure and history, geological, geochemical, geophysical, hydrogeological, geomorphological and tectonic features of subsoil and their sites, deposits and manifestations of minerals recorded on any carrier and having the requisites to identify such information.

The natural carriers of geological information include well core, samples of minerals, carbon dioxide, mercaptans, water, specimens of rocks and minerals, samples and collections of stone material, thin sections, polished sections, mineral solutions and pulps.

The artificial carriers of geological information include logs of field observations, sampling, analysis of samples, registration of geophysical observations, geological reports, reports on the results of geological exploration, reports on the assessment of resources and reserves of minerals, paper and electronic media of primary field data and the results of processing, interpretation, analysis and generalization of geological information.

2. Geological information is owned by the state (state geological information) if it is received from the budgetary funds or transferred to the state according to this Code.

Geological information obtained at the expense of subsoil user funds is privately owned (proprietary geological information).

Proprietary geological information contained in geological reports and other documentation submitted to state bodies under the procedure contemplated by this Code is transferred to the state for perpetual possession and use.

3. Accounting for and storage of geological information owned, possessed, and used by the state shall be carried out by the authorized body for subsoil study.

Systematization, generalization, and provision of geological information owned, possessed, and used by the state shall be carried out by the national operator in the field of geology.

Ensuring the functioning of the Unified Subsoil Use Platform, except for the unified state system for managing the fuel and energy complex, shall be carried out by the national operator in the field of geology.

The procedure for accounting for, storing, systematizing, generalizing, and providing geological information owned, possessed, and used by the state shall be determined by the authorized body for subsoil study.

Ensuring accessibility and providing geological information in electronic form shall be carried out through the Unified Subsoil Use Platform.

The national operator in the field of geology shall collect geological information owned, possessed, and used by the state for subsequent provision to interested persons in the manner established by this Code.

The national operator in the field of geology is a subordinate organization of the authorized body for subsoil study and shall not be subject to privatization.

4. A subsoil user is obliged to ensure availability, accounting and preservation of geological information and its media obtained as a result of subsoil use operations, as well as unhindered access to them to representatives of the authorized body for subsoil study for the purposes of research or verification. The procedure for storage and accounting by subsoil users of geological information and its media obtained as a result of subsoil use operations is determined by the authorized body for subsoil study. Subsoil user that carries out operations for the exploration and (or) production of hydrocarbons or solid minerals, commonly occurring minerals, shall not be entitled to alienate the natural carriers of geological information obtained as a result of subsoil use operations during the period of the subsoil use contract or licence, except for cases stipulated by this Article. Subsoil user is entitled to export natural carriers of geological information in the form of cores, specimens of rocks and minerals, samples, collections of stone material, thin sections, polishing sections, mineral solutions and pulps outside the Republic of Kazakhstan solely for the purposes of the study and analysis. The results of such study and analysis shall be included in the geological reports submitted to the authorized body for subsoil study according to this Code.

The subsoil user intending to export natural carriers of geological information in the form of specimens of rocks and minerals, collections of stone material, thin sections, polished sections, mineral solutions and pulps outside the Republic of Kazakhstan is obliged to notify the authorized body for subsoil study thereof in writing one month prior to the date of the proposed export. The notice shall contain information on the nature of study of the exported natural carriers, the proposed duration of the study, time limit for preparation of the report on the results of study, and the organization conducting the study.

Alienation of natural carriers of geological information by the subsoil user in the form of samples and (or) exporting samples outside Kazakhstan is carried out with the permission of the authorized body for subsoil study. To obtain a permit, the subsoil user files to the authorized body for subsoil study the application that shall contain information on the volume of the samples exported and the nature of its study, proposed duration of the study, time limit for preparing the report on the study results and the organization conducting the study.

The authorized body for subsoil study within ten business days from the date of receiving the application adopts a decision to issue a permit or refuse to issue a permit.

The authorized body for subsoil study refuses to issue a permit on the following grounds:

1) application for permit fails to comply with this paragraph requirements;

2) volume of the alienated and (or) exported sample is clearly inconsistent with the nature of study projected;

3) projected studies are conducted in the Republic of Kazakhstan;

4) geological reports containing information on the results of study and analysis of samples carried out under the previously issued permit have not been provided.

5. A subsoil user intending to alienate or destroy the cores belonging to it shall be obliged to notify the authorized body for subsoil study in writing not later than one month in advance. The authorized body for subsoil study is entitled to demand in writing from the subsoil user to transfer the specified cores on the gratuitous basis to the ownership of the former within the time limit specified in the written demand This period cannot be less than one month.

Three months prior to the expected termination of subsoil use operations at the relevant subsoil plot, the subsoil user is obliged to notify the authorized body for subsoil study in writing about available field observation logs, sampling, analysis of geophysical observations, paper and electronic carriers of primary field data of geological information or well cores. Within a month after receiving such notification, the authorized body for subsoil study shall be entitled to demand in writing from the subsoil user to transfer these carriers of geological information on the gratuitous basis to the ownership of the former. This demand shall be satisfied within a month from the date of its receipt.

Export of cores outside the territory of the Republic of Kazakhstan is carried out with the permission of the authorized body for subsoil study, issued under the procedure provided for by parts 3, 4 and 5 of paragraph 4 of this Article.

6. Export of geological information on artificial carriers outside the Republic of Kazakhstan is carried out without restrictions, unless otherwise provided for by the legislation of the Republic of Kazakhstan on state secrets.

7. Restrictions stipulated by this Article shall not apply to subsoil users that are conducting artisanal mining and subsoil space use operations.

Footnote. Article 75 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 01.01.2027).

Article 76. Reporting by the subsoil user

1. Subsoil users, in the cases provided for by this Code, are obliged to submit reporting on subsoil use operations.

Reporting submitted by the subsoil user may be of periodic or one-time nature.

The periodic reporting submitted to the state body contains information on results of the subsoil user’s activities during a certain period (reporting period).

One-time reporting is submitted by the subsoil user for the purposes of informing the state body of the result of the work done on a specific issue.

Composition of the reporting and the procedure for its submission with due regard to the types of subsoil use operations are determined by the provisions of the Special Part of this Code.

2. Subsoil user is obliged, at the written request of the competent authority, to submit for verification the documents confirming the works performed and subsoil use expenses, within a period not later than twenty business days from the date of such request receipt.

3. Subsoil users engaged in exploration and production of minerals, except for artisanal mining and operations on production of commonly occurring minerals, are obliged to submit to the competent authority the reporting provided for by the Extractive Industries Transparency Initiative standard, which is confirmed by a person being an auditor under the Law of the Republic of Kazakhstan on Audit Activity.

The form of such reporting and the guidelines for its completion are developed and approved by the state body authorized to implement the standard of the Extractive Industries Transparency Initiative in the Republic of Kazakhstan.

4. Subsoil users whose activities have resulted in the preparation of reports on the assessment of resources and/or reserves of solid minerals are obliged to submit electronic copies of such reports to the national operator in the field of geology.

The said reports and the information contained therein shall not be confidential and shall be subject to disclosure in accordance with this Code.

Footnote. Article 76 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 77. Provision of access to information on subsoil use licences and contracts

1. Open access to information on granted subsoil use rights shall be ensured on the Unified Subsoil Use Platform.

2. Information on the subsoil use right with due regard to the type of subsoil operations, shall contain the following information:

1) content of the issued subsoil use licence and the concluded contract for subsoil use;

2) persons and organizations controlling the subsoil user, including:

the form and way of control belonging to them (it);

for individuals–surname, first name and patronymic (if specified in the identity document) , citizenship;

for legal entities–name and location;

3) total amount of the expenses incurred by the subsoil user by years, according to the submitted reporting;

4) on the paid amounts of fee for use of land plots (rental payments) by years;

5) security of mitigation of the consequences of subsoil use operations, including: type of security, amount of security, the term of its operation and name of the organization that issued the security;

6) registered pledge of subsoil use right (share in it), including:

date of the pledge registration;

for individuals–surname, first name and patronymic (if specified in the identity document) and citizenship of the pledge holder;

for legal entities–name, location of the pledge holder;

7) transfer of the subsoil use right (share in it) which include:

the basis and date of the transfer;

amount of the acquired share in the subsoil use right;

for individuals–surname, first name and patronymic (if specified in the identity document) and citizenship of the acquirer;

for legal entities– name and location of the acquirer;

8) share of local content in the goods, works and services purchased by a subsoil user for subsoil use operations for the previous reporting period, if ensuring of share of local content in the goods, works and services is provided for by the relevant subsoil use contract or licence ;

9) total amount of expenses for Kazakhstan specialists training, research, scientific technical and development works in the Republic of Kazakhstan, social economic development of the region and development of its infrastructure, social economic support rendered by the subsoil user to local population, by years, if these expenses are in the scope of the subsoil user obligations.

3. Geological information contained in geological reports and other documents received by the state bodies according to this Code constitutes the commercial secret of the subsoil user and these bodies are obliged to take measures aimed at protection of its confidentiality.

The authorized body for subsoil study shall disclose the specified geological information by publishing it or providing open access to it:

1) upon the expiration of five consecutive years after the date of its receipt from the subsoil user that had carried out subsoil use operations based on the subsoil use licence

Upon written application of the subsoil use licence holder, the confidentiality period is extended for the period indicated in the application, but not more than for five years. Application for such extension may be filed before the expiry of the initial five-year period of confidentiality;

2) after termination of the subsoil use contract (for geological information received from the subsoil user under the subsoil use contract);

3) with the written consent of the subsoil user;

4) at the request of other state bodies, provided they has taken measures to protect confidentiality of the information received;

5) upon the expiration of three months from the date of return of the relevant subsoil plot, in respect of which such information was previously received;

6) if the information is obtained as a result of state geological survey of subsoil;

7) based on the results of the work program for the first three years of the contract term for the exploration and production of hydrocarbons in the subsoil plot located within poorly studied territories.

Disclosure of such information otherwise is prohibited.

4. Information concerning the fulfillment of contractual and licence obligations in terms of local content, planning and carrying out by the subsoil user of purchases of goods, works and services, expenses for training of the Kazakhstan specialists and the amount of expenses for research, scientific technical and development works in the Republic of Kazakhstan, as well as for the social and economic development of the region and development of its infrastructure is not acknowledged as confidential.

Persons the rights and legitimate interests of which are affected by this paragraph have the right to get acquainted with information on violations revealed and measures taken in the state bodies of the Republic of Kazakhstan that carry out the relevant state control.

Footnote. Article 77 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

SECTION V. DISPUTES RELATED TO SUBSOIL USE, LIABILITY FOR VIOLATION OF THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN ON SUBSOIL AND SUBSOIL USE, INTERNATIONAL COOPERATION OF THE REPUBLIC OF KAZAKHSTAN IN THE SUBSOIL USE AND PROTECTION OF SUBSOIL Chapter 12. SETTLEMENT OF DISPUTES RELATED TO SUBSOIL USE AND LIABILITY FOR VIOLATION OF THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN ON SUBSOIL AND SUBSOIL USE

Article 78. Procedure for settlement of the disputes related to subsoil use

1. Disputes related to the exercise, change or termination of the right to subsoil use are subject to settlement in accordance with the laws of the Republic of Kazakhstan and international treaties ratified by the Republic of Kazakhstan.

2. Disputes arising under a contract for the exploration and production or production of hydrocarbons for complex projects in accordance with its terms at the choice of the subsoil user are subject to resolution in the courts of the Republic of Kazakhstan or in arbitration in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) on territory of the Republic of Kazakhstan, including "Astana" International Financial Center, or outside it.

Footnote. Article 78 – as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 79. Liability for violation of the legislation of the Republic of Kazakhstan on subsoil and subsoil use

1. Violation of the legislation of the Republic of Kazakhstan on subsoil and subsoil use entails liability established by the laws of the Republic of Kazakhstan.

2. Administrative or criminal prosecution does not exempt the guilty persons from the obligation to eliminate the violations committed.

3. Persons who caused damage to subsoil resources as a result of violation of the requirements of the legislation of the Republic of Kazakhstan on subsoil and subsoil use or the right of state ownership of subsoil are obliged to compensate for the damage caused in the amount and in the manner established by this Code and other laws of the Republic of Kazakhstan.

The methodology for economic assessment of damage to subsoil resources is approved by the authorized body in the field of solid minerals together with the authorized bodies in the field of hydrocarbons and uranium mining.

4. Concealment or submission of knowingly unreliable (false) information about the subsoil and subsoil use in reports on the assessment of resources and/or reserves of solid minerals and other reporting or documentation submitted in accordance with this Code shall entail liability and other legal consequences provided for by this Code and other laws of the Republic of Kazakhstan.

Footnote. Article 79 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 80. Liability of a subsoil user for violation of obligations under subsoil use contracts and licences

1. Violation of obligations provided for in the subsoil use contract or licence shall entail the liability of a subsoil user according to the provisions of the Special Part of this Code.

2. Subsoil user may be held liable for violation of obligations under subsoil use contracts or licences within three years from the day when the state body exercising control over the compliance of subsoil users with the terms of contracts and licences learned or should have learned about the violation of these conditions. Transfer of the subsoil use right does not entail changes in the time limit and procedure of its calculation.

Chapter 13. OBJECTIVES, PRINCIPLES, MAIN AREAS AND TYPES OF INTERNATIONAL COOPERATION OF THE REPUBLIC OF KAZAKHSTAN IN THE SUBSOIL USE AND PROTECTION OF SUBSOIL

Article 81. Objectives of international cooperation of the Republic of Kazakhstan in the subsoil use

Objectives of international cooperation in the subsoil use are mutual assistance and coordination of joint actions of the Republic of Kazakhstan and other states and international organizations on the issues of subsoil study and subsoil use.

Article 82. Principles of international cooperation of the Republic of Kazakhstan in the subsoil use

1. Cooperation with other states and international organizations is based on the principles of mutual respect, trust, mutual assistance, compromise, non-discrimination, non-interference in each other's affairs, timely fulfillment of commitments, amicable settlement of disputes.

2. The State shall make efforts to create an environment favorable for attracting investments and applying modern technologies through the introduction of market approaches to arrangement of activities in the field of study, exploration and production of minerals and the use of underground spaces.

Article 83. Areas of international cooperation of the Republic of Kazakhstan in the subsoil use

Areas of international cooperation of the Republic of Kazakhstan in the subsoil use are:

1) implementing geological survey of subsoil on a mutually acceptable basis in order to increase the mineral and raw material base, to ensure the growth of production efficiency and the use of minerals and products of their processing, provided that the level of safety and minimum pollution of the environment are simultaneously increased;

2) developing new mechanisms for effective cooperation between bodies of state power and administration;

3) developing the market of mineral and raw material resources and products of their processing, including by creating favorable conditions for the establishment of mutually beneficial cooperative ties between economic agents of the countries participating in international cooperation;

4) developing and implementing the joint programs of work in the field of geological survey of subsoil, reproduction and qualitative improvement of the mineral and raw material base;

5) facilitating access to transport infrastructure for international transit of the flow of mineral and raw material resources, as well as products of their processing (conversion);

6) developing and implementing the joint work programs in the sphere of subsoil use safety aimed at achieving and maintaining a high level of safety;

7) cooperating in prevention and mitigation of the consequences of major accidents at enterprises of mining and processing (transformation) of mineral and raw material resources;

8) coordinating measures for improvement and harmonization of the normative and methodological documents regulating geological exploration based on requirements accepted in the world practice to the content of work by stages, classification of mineral reserves, form and content of geological reports, mineral resource balances and other geological information;

9) facilitating access to new technologies used in exploration, production, processing (conversion) and use of mineral and raw material resources;

10) participation in joint exploration and development of transboundary deposits and other transboundary resources of the subsoil.

SPECIAL PART SECTION VI. GEOLOGICAL SURVEY OF SUBSOIL Chapter 14. CONDITIONS AND ORDER OF GEOLOGICAL SURVEY OF SUBSOIL

Article 84. Licence for geological survey of subsoil

1. Under a licence for geological survey of subsoil, the owner is entitled for three years to use subsoil for geological survey and (or) geophysical works, as well as prospecting and evaluation works on underground waters.

2. A licence for geological survey of subsoil does not grant its holder the exclusive right to a geological survey site, unless otherwise stated by the resolution of the Government of the Republic of Kazakhstan.

Article 85. Territory of geological survey of subsoil

1. A licence for geological survey of subsoil may be issued within the entire territory of the Republic of Kazakhstan.

2. The licence holder is not entitled to carry out geological survey of the subsoil at the subsoil plot granted for use to another person for exploration and (or) production of minerals, without the consent of such a person, except for the cases of aero geophysical research.

Article 86 Application for issue of licence for geological survey of subsoil

1. A person interested in obtaining a licence for geological survey of subsoil shall submit a written application under the established form to the authorized body for subsoil study.

2. Application shall contain the following information:

1) for individuals–surname, first name and patronymic (if specified in the identity document) of the applicant, place of residence, citizenship, information on identity documents of the applicant;

for legal entities–name of the applicant, its location, information on state registration as a legal entity (an extract from the trade register or other legalized document certifying that the applicant is a legal entity under the laws of a foreign state), information on its executives;

2) reference to the block(s) composing the geological survey area.

3. The documents attached to the application are:

1) copies of the documents confirming the information provided for in subparagraph 1) of paragraph 2 of this article;

2) document confirming the authority of the person acting on behalf of the applicant when submitting the application, if such person is appointed by the applicant;

3) plan for geological survey of subsoil and (or) a project for prospecting and evaluation works on underground waters, developed and approved by the applicant under Article 88 of this Code.

4. Application and the documents attached thereto are submitted in Kazakh and Russian. Documents compiled in foreign language attached to the application are submitted with translation into Kazakh and Russian, authenticity of which is notarized.

Article 87. Consideration of an application for issue of licence for geological survey of subsoil

1. The authorized body for subsoil study considers the application within ten business days from the date of its receipt and issues a licence or refuses to issue it.

2. The authorized body for subsoil study refuses to issue a licence if the application or the documents attached thereto fail to comply with the requirements provided for in Article 86 of this Code.

3. The refusal to issue a licence shall be substantiated.

4. The applicant may appeal against the refusal to issue a licence according to the legislation of the Republic of Kazakhstan no later than ten business days after the date of applicant's notification about that.

5. The refusal to issue a licence does not deprive the applicant of reapplication.

6. The procedure for filing and reviewing applications for issue of licences for geological survey of subsoil is determined by the authorized body for subsoil study.

Article 88. Project documents on geological survey of subsoil

1. The project documents for conducting geological survey of subsoil are:

1) geological survey plan;

2) the project for prospecting and evaluation works on underground waters.

2. Geological survey plan is developed for geological survey and (or) geophysical works.

Project for prospecting and evaluation of underground waters is developed to search for and estimate deposits and underground water areas

3. Project documents for geological survey are developed and approved by the subsoil user.

Geological survey plan contains descriptions of the types and methods of geological survey and (or) geophysical works, approximate volumes, territories and terms of carrying out such works within a three-year period.

Project for prospecting and evaluation works on underground waters contains descriptions of the types, methods and ways of works on prospecting and evaluation of underground waters, the number of drilled wells and their characteristics, the duration of work within a three-year period, the measures to liquidate the consequences of prospecting and evaluation works and the assessment of their cost.

Composition, types, methods and ways of works on geological survey, the scope and timeline of their performance are determined in the project documents by the subsoil user independently under the instructions for drawing up project documents for geological survey of subsoil, developed and approved by the authorized body for subsoil study, upon the approval of the authorized body in environmental protection.

4. In cases of changes in the types, methods and (or) ways of planned work on the geological survey of subsoil, as well as in their scope, the subsoil user is obliged to introduce appropriate changes to the project documents and submit them to the authorized body for subsoil study.

If, in accordance with the environmental legislation of the Republic of Kazakhstan, these changes require obtaining an environmental permit or a positive conclusion of the state environmental expertise, the amended design documents for geological study are submitted to the authorized body for the study of subsoil after obtaining an environmental permit or, accordingly, a positive conclusion of the state environmental expertise.

5. Changes to the project for prospecting and evaluation works on underground waters introduced after the issue of licence for geological survey of subsoil are subject to approval by the authorized body for subsoil study. Such coordination is carried out within twenty business days after the date of the amended project submission.

The authorized body for subsoil study refuses to approve the changes to the project for prospecting and evaluation works on underground waters if such changes fail to correspond to the instructions for drawing up project documents for geological survey of subsoil.

The refusal to approve the project for prospecting and evaluation works for underground waters does not deprive the subsoil user of the right to re-apply for obtaining the approval.

The subsoil used may appeal against the refusal to approve the project for prospecting and evaluation works on underground waters according to the legislation of the Republic of Kazakhstan.

Footnote. Article 88 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 89. Procedure for performance of operations under the licence for geological survey of subsoil

1. Within the limits of a geological survey site, the subsoil user is entitled to perform works in compliance with the environmental and industrial safety requirements.

2. Works performed under a licence for geological survey of subsoil shall be documented. The documentation shall reflect all information required for reliable survey of subsoil.

3. At performance of a geological survey of subsoil, the subsoil user is obliged to ensure:

1) reliability and safety of geological information obtained in the course of operations performed, including laboratory research and analysis data;

2) timeliness and quality of keeping geological documentation;

3) submission to the authorized body for subsoil study that issued the licence, under the procedure and within the time limits provided for in this Code, of reports on works performed on the geological survey site and a geological report based on the results of such works.

4. At geological survey site, the subsoil user is not entitled to build capital construction, constantly store and keep explosives, create ditches, pits, trenches and other types of mine workings, as well as to conduct overburden removal works.

The subsoil user is entitled to drill wells at the geological survey site only for purposes related to geophysical research and prospecting and evaluation works on underground waters.

Upon the decision of the Government of the Republic of Kazakhstan, the subsoil user is entitled to drill the parametric wells at the geological survey site.

5. The reserves of the underground waters site are subject to state expertise conducted by the state commission for the expertise of subsoil. The procedure for conducting state expertise of subsoil, the regulations on the state commission for the expertise of subsoil and its composition are determined by the authorized body for subsoil study.

Positive conclusion of the state expertise of the reserves of the underground waters site constitutes the ground for state registration of these reserves as underground waters according to the water legislation of the Republic of Kazakhstan.

Groundwater withdrawal and use shall be carried out in accordance with the water legislation of the Republic of Kazakhstan.

Footnote. Article 89 as amended by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 90. Reporting of the subsoil user on geological survey of subsoil

1. Under a licence for geological survey of subsoil, the subsoil user is obliged to submit periodic geological reports.

2. Periodic geological reports shall be submitted annually for the previous calendar year no later than on April 30 of each year.

Reports for an incomplete calendar year are submitted for the actual period of subsoil use.

Reports for the last incomplete calendar year of the period of subsoil plot use are submitted no later than two months after the end of the specified period.

3. After termination of the licence, the person that was its owner is obliged to submit to the authorized body for subsoil study the final report on the results of the geological survey not later than three months from the date of termination of the licence.

4. Geological reports are based on the materials of the primary geological information and contain data on the status and results of scientific research, testing and studies in the field of geology, hydrogeological drilling for underground waters, the activity on collection and testing of soil, surface rock and mineral samples.

5. Reports provided for in this Article shall be submitted to the authorized body for subsoil study according to the form approved by it.

Article 91. Rights to geological information

1. The holder of licence for geological survey of subsoil is entitled to freely disposal of geological information obtained as a result of geological survey.

2. Geological information received by the subsoil user as a result of geological survey according to this Article shall be subject to gratuitous transfer for use to the authorized body for subsoil study within one month after the licence expiry date.

The authorized body for subsoil study discloses the received geological information upon the expiration of five years from the date it was received (confidentiality period).

Article 92. Revocation of licence for geological survey of subsoil and its procedure

1. Licence for geological survey of subsoil is subject to revocation by the authorized body for subsoil study in the following cases:

violation of the provisions of paragraph 4 of Article 89 of this Code;

failure to pay for subscription bonus for issue of licence for geological survey of subsoil in the amount and within the time limits set out by the tax legislation of the Republic of Kazakhstan.

2. If any violation is revealed, the authorized body for subsoil study shall notify the subsoil user thereof in writing.

3. The subsoil user is obliged to eliminate the violation revealed within twenty business days from the date of notice receiving from the authorized body for subsoil study.

The subsoil user within the time limit contemplated in this paragraph shall notify the authorized body for subsoil study about elimination of the violation with the attachment of documents confirming such elimination.

In case of failure to eliminate the violation within the prescribed period, the authorized body for the study of the subsoil shall revoke the license in accordance with paragraph 4 of this article.

4. Revocation of licence by the authorized body for subsoil study by sending to the subsoil user the written notice about revocation of the licence.

The licence is terminated in ten calendar days from the day the subsoil user receives the licence revocation notice.

5. The subsoil user is obliged to immediately stop the works under the revoked licence from the day of receiving the licence revocation notice and to remove all the structures, materials and equipment located on the territory of the geological survey from such a territory

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6. The subsoil user is entitled to appeal against the licence revocation in a judicial proceeding from the day of receiving the licence revocation notice. In the period of such challenge, the period specified in paragraph 4 of this Article shall be extended until the court decision comes into force.

SECTION VII. EXPLORATION AND PRODUCTION OF HYDROCARBONS Chapter 15. PECULIARITIES OF GRANTING AND DISPOSITION OF THE RIGHT TO SUBSURFACE USE OF HYDROCARBONS Paragraph 1. Granting the right to subsurface use of hydrocarbons on the basis of auction

Article 93. Requirements applicable to individuals, aspiring to obtain the right to subsurface use of hydrocarbons

1. When granting the right to subsoil use for hydrocarbons, the person applying for the right to subsoil use for hydrocarbons:

1) be not in the stage of liquidation (for legal entities), corporate restructuring (for legal entities) or bankruptcy;

2) not have outstanding debt on tax payment and other obligatory payments to the budget;

3) in the case of obtaining the right to subsurface use for exploration and production of hydrocarbons, have financial assets, adequate to fulfill the minimal requirements to volumes and types of work on subsurface site during the exploration period.

2. To confirm the availability of financial resources sufficient to meet the minimum requirements for the volume and types of work on the subsoil plot during the exploration period, in the cases provided for by this Code, shall submit one of the following documents:

1) information on the presence and number of a bank account and an extract on the balance of the bank account in an amount sufficient to meet the minimum requirements for the volume and types of work on the subsoil site during the exploration period;

2) a copy of the agreement on the loan of money or on the financing of hydrocarbon exploration activities, which provides for the purpose of the loan to finance the activities of a person claiming to obtain the right to subsoil use for hydrocarbons in an amount sufficient to meet the minimum requirements for the volume and types of work on the subsoil site during the exploration period.

If, as a document confirming the availability of financial capabilities of a person applying for the right to subsoil use for hydrocarbons, a copy of an agreement on a loan of money or on financing activities for hydrocarbon exploration, documents are additionally submitted confirming that the lender has financial capabilities provided for in subparagraph 1) of part one of this paragraph.

In case of insufficiency on the bank account of the person claiming to obtain the right to subsoil use for hydrocarbons, the financial resources necessary to perform the minimum requirements for the volume and types of work on the subsoil plot during the exploration period, the documents provided for in subparagraph 2) of part one of this paragraph are additionally submitted.

3. To obtain the subsoil use right on the subsoil site at sea, in addition to the requirements specified in paragraph 1 of this article, an individual must have positive experience in conducting subsoil use operations on the territory of the continental shelf of the Republic of Kazakhstan or at sea outside the territory of the Republic of Kazakhstan.

For legal entities, the requirement specified in part 1 of this paragraph shall be considered as fulfilled if the individual has an appropriate experience and owns not less than twenty five percent of stocks (participation interests) of such legal entity.

Footnote. Article 93 as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 94. Application for holding an auction

1. A person interested in obtaining a subsoil use right for hydrocarbons shall submit to the competent authority an application for an auction for granting a subsoil use right for hydrocarbons, which must contain:

1) for individuals – the surname, first name and patronymic (if it is indicated in the identity document) of the applicant, individual identification number;

2) for legal entities – the name of the applicant, information on state registration as a legal entity, business identification number;

2-1) information on persons, states, international organizations controlling the applicant, also on persons, states, international organizations, which are not controlling the persons, holding participatory interests, shares of the applicant, with disclosure of information on the stake and ownership mode;

3) the name and geographic coordinates of the requested subsoil plot or subsoil plot located within the poorly studied territories specified in the State Subsoil Fund Management Program as being made available through auction for the exploration and production or production of hydrocarbons.

For the purposes of this paragraph, the territory of the subsoil plot must be entirely located within the territory specified in paragraphs 1–5 of Article 36 or subparagraph 2 of part one of paragraph 3 of Article 70 of this Code.

For the purposes of this Chapter, ownership of participatory interests, shares shall mean ownership by an individual, state or international organization of participatory interests, shares of the applicant and (or) participatory interests, shares of a legal entity and (or) organization holding participatory interests, shares of the applicant, including through ownership of participatory interests, shares of another legal entity and (or) other organization. In this case, ownership shall mean the right to a participatory interest, ownership of shares, units and other forms of equity participation, including securities confirming the ownership right or convertible into shares or units.

The requirement of subparagraph 2-1) of this paragraph on providing information on persons, states, international organizations holding participatory interests, shares of the applicant who are not controlling persons shall not apply to the said persons, states, international organizations holding such participatory interests, shares through shares and (or) securities traded in the organized securities market.

2. An application for holding an auction shall be subject to consideration within twenty working days from the date of its receipt by the competent authority, and an application for holding an auction for a subsoil plot located within poorly studied territories – within ten working days from the date of its receipt by the competent authority.

Based on the results of consideration of the application for holding an auction, the competent authority shall:

1) publish a notice of holding an auction in accordance with Article 95 of this Code no more than four times a year, except for subsoil plots, located within poorly studied territories;

2) refuse to consider an application for holding an auction in cases, if:

within three years prior to the submission of the application, the applicant submitted another application for holding an auction, but did not register as an auction participant;

the designated plot does not meet the requirements of paragraph 1of this Article;

3) refuse to consider an application for holding an auction for the subsoil plot, located within poorly studied territories, for the purposes of exploration and production of hydrocarbons, within five working days from the date of expiration of the period for consideration of the application established by the first part of this paragraph, unless the applicant was refused consideration of the application in accordance with subparagraph 2) of this part.

In case of publication of a notice of an auction, applications for participation in the auction shall be submitted in accordance with the requirements set forth in Article 96 of this Code.

Footnote. Article 94 - as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 95. Terms and conditions of auction

1. An auction for each plot shall be held by the competent authority upon an application for an auction, as well as in the cases provided for in part two of paragraph 3 of Article 103 of this Code.

The notice of the auction and the conditions for its conduct shall be posted on the information system of the electronic auction operator for granting subsoil use rights for hydrocarbons and on the Unified Subsoil Use Platform in Kazakh and Russian.

Persons interested in participating in the auction shall have the right to receive information related to the auction procedure.

2. Notification of holding the auction on granting the right to subsoil use of hydrocarbons shall contain:

1) date and time of its holding;

2) term of filing the application for participation.

A term for filing the applications for the subsoil plot, located within poorly studied territories shall be determined within ten working days from the date of publication of the notice;

3) indication and brief description of subsoil (field) plot in relation to which the right of subsoil use is put up for auction;

4) types of subsoil use operations;

5) amount of contribution for participation in auction and bank account details for its payment;

5-1) the amount of the guarantee fee and bank details for its payment;

6) in case of granting the right to subsoil use for exploration and production of hydrocarbons - the minimal requirements to scopes and types of work on the subsoil plot during the period of exploration subject to the requirements of paragraph 3-1 of this Article, and their estimated value as well;

7) initial amount of subscription bonus estimated based on the amount of minimal subscription bonus for each block, established by the tax legislation of the Republic of Kazakhstan;

8) amount of expenses for training of the Kazakhstan staff in the period of production;

9) amount of expenses for research, scientific-technical and development works in the territory of the Republic of Kazakhstan during production period;

10) amount of expenses for the social and economic development of the region and the development of its infrastructure during production period;

11) minimum in-country value commitments in goods, works, services, personnel;

12) information about recorded entitlements on the land plots granted for the subsoil use purposes;

13) in case of granting the right to subsoil use for exploration and production of hydrocarbons - reference to the condition provided for by paragraph 7 of Article 119 of this Code;

14) duration of exploration period or preparation period under the subsoil use contract. For a subsoil plot located within poorly studied territories, the initial exploration period is set at three years.

Date of the auction holding shall be not later than two months following the last day of the term provided for filing of application for participation in auction, except for the auction for a subsoil plot located within poorly studied territories.

An auction for a subsoil plot located within poorly studied territories, shall be held within ten working days after the last day of the term provided for consideration of applications for participation in auction.

2-1. A notice of an auction for the granting of the right to subsurface use of hydrocarbons in subsurface areas related to complex projects, in addition to the information specified in paragraph 2 of this article, with the exception of subparagraphs 11), 13) and 14) of part one of paragraph 2 of this article, must also contain a requirement to determine the person interested in participating in the auction, in his application for participation in the auction, the minimum obligation for intra-country value in personnel in accordance with paragraph 5-1 of Article 36 of this Code.

3. In case of holding of the auction on subsoil plot for which the subsoil use contract was terminated earlier, the notification of auction holding shall additionally contain:

1) if the subsoil plot was transferred for trust management to the national company engaged in the field of hydrocarbons:

the condition on reimbursement to the trustee of the costs incurred in accordance with the trust management agreement, as well as payment of remuneration to him, except for cases stipulated by this Code;

the condition on reimbursement to the former subsoil user of the cost of the property transferred under subparagraph 1) of paragraph 8 of Article 107 of this Code;

a condition to reimburse the state for the value of the transferred property acquired and (or) received by the trustee in the course of trust management;

2) in cases provided for by paragraph 19 of article 119 of this Code, - conditions based on the amount and term of repaying to the former subsoil user the expenses incurred for detection and estimation;

3) in cases provided for by subparagraph 2) and 3) of paragraph 4 of article 107 of this Code, - information about the amount of collateral of the former user.

3-1. In the event of an auction for the exploration and production of hydrocarbons for a subsoil plot located within poorly studied territories, the work program must include:

1) a minimum scope of geological mapping and/or geophysical work during the initial exploration period, including two-dimensional seismic surveys covering an area comprising at least thirty percent of the subsoil plot;

2) a minimum scope of exploration work during the exploration period immediately following the initial exploration period, including the drilling of at least one exploration well.

A person who, on the date of the auction, is a party to a contract for the exploration and production of hydrocarbons for a subsoil plot located within poorly studied territories, a person who, as of the date of the auction, is a party to a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, or is a person controlling the subsoil user under a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, shall not be permitted to participate.

4. The term provided for application to participate in auction, accounts to two months following the date when the notice of its holding was published.

5. The amount of the fee for participation in the auction is one hundred times the monthly calculation index established by the law on the republican budget and valid on the date of placement of the notice of the auction.

6. The fee for participation in the auction shall be paid to the operator of electronic auctions for granting the right to subsoil use for hydrocarbons and is non-refundable.

The fee for participation in the auction within three working days shall be transferred by the operator of electronic auctions for granting the right to subsoil use for hydrocarbons to the state revenue.

7. The guarantee fee shall be paid to the operator of electronic auctions for granting the right to subsoil use for hydrocarbons and is a security for the performance of the obligation of the winner of the auction to pay the signature bonus.

The amount of the guarantee fee is determined by the competent authority and shall be:

1) in case of granting the right to subsoil use for the exploration and production of hydrocarbons - an amount equal to two times the size of the starting size of the subscription bonus, determined in accordance with the tax legislation of the Republic of Kazakhstan;

2) in the case of granting the right to subsoil use for the production of hydrocarbons - an amount equal to a one-time size of the starting size of the subscription bonus, determined in accordance with the tax legislation of the Republic of Kazakhstan.

8. The guarantee fee of the applicants of the auction, whose applications were refused by the competent authority on the grounds provided for by this Code, shall be returned within three working days after the application for the return of the guarantee fee is submitted.

An application for the return of the guarantee fee shall be submitted to the operator of electronic auctions for granting the right to subsoil use for hydrocarbons.

9. The guarantee fee of the auction participants admitted to participate in the auction, with the exception of the auction winner and the auction participant who offered the next largest amount of the signature bonus after the auction winner, shall be returned within three working days after submitting an application for a refund of the guarantee fee based on the results of the auction.

An application for the return of the guarantee fee shall be submitted to the operator of electronic auctions for granting the right to subsoil use for hydrocarbons.

10. The guarantee fee of the auction winner, as well as the guarantee fee of the auction participant who offered the next largest amount of the signature bonus after the auction winner, shall be returned to them within three working days after submitting an application for the return of the guarantee fee, provided that the auction winner performs the requirements provided for in paragraph 3 of Article 100 of this Code.

On meeting the requirements, provided for in paragraph 3 of Article 100 of this Code by the winner of the auction, the competent authority, within three working days from the date of receipt from the auction winner of confirmation of payment of the signature bonus, shall notify the auction participant who offered the next largest amount of the signature bonus after the auction winner.

The guarantee fee of the auction winner, the auction participant who offered the next largest amount of the signature bonus after the auction winner, upon his application, may be transferred by the operator of electronic auctions for granting the right to subsoil use for hydrocarbons in performance of the obligation of the auction winner to pay him the signature bonus.

11. In case of non-compliance with the requirements provided for in paragraph 3 of Article 100 of this Code, the guarantee fee of the auction winner is not returned and within

three working days from the date of expiration of the subscription bonus payment period, the guarantee fee shall be transferred to the state revenue, as well as in the cases of:

1) non-performance by the auction participant, who offered the next largest amount of the signature bonus after the winner of the auction, the requirements provided for in paragraphs 3 and 5 of Article 100 of this Code, the guarantee fee is not returned to him and within three working days from the date of expiration of the subscription bonus payment period, the guarantee fee is transferred to the state revenue;

2) performance by the auction participant who offered the next largest amount of the signature bonus after the winner of the auction, the requirements provided for in пунктами 3 and 5 of Article 100 of this Code, within three working days after submitting an application for a refund of the guarantee fee, the guarantee fee is returned.

Footnote. Article 95 as amended by Law of the Republic of Kazakhstan № 297-VI dated 30.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); от 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 96. Application for participation in auction

1. A person interested in participating in an auction for granting the right to subsoil use of hydrocarbons shall submit an application to the competent authority for participation in the auction in the form of an electronic document certified by means of an electronic digital signature by using the informatization object of the operator of electronic auctions for granting the right to subsoil use of hydrocarbons.

2. Application for participation in auction shall contain:

1) for individuals - surname, first name and patronymic (if it is indicated in the identity document) of the applicant, citizenship, information on the applicant's identity documents;

2) for legal entities - name of the applicant, information on state registration as a legal entity (extract from the commercial register or other legalized document certifying that the applicant is a legal entity under the legislation of a foreign state), information on the directors;

2-1) information on persons, states, international organizations controlling the applicant, also on persons, states, international organizations, which are not controlling the persons, holding participatory interests, shares of the applicant, with disclosure of information on the stake and ownership mode.

The requirement of this subparagraph to provide information on persons, states, international organizations holding participatory interests, shares of the applicant who are not controlling the persons shall not apply to the said persons, states, international organizations

holding such participatory interests, shares through shares and (or) securities traded on the organized securities market;

3) excluded by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023);

4) reference to the subsoil plot specified in the notification of auction holding;

5) information about the payment by the applicant of the fee for participation in the auction;

6) information on the payment of the guarantee fee by the applicant.

3. The documents additionally attached to application are:

1) obligation of the applicant to fulfill the conditions for granting the right to subsoil use, indicated in notification;

2) excluded by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023);

3) documents confirming correspondence of applicant to requirements established by Article 93 of this Code;

4) properly certified documents confirming information indicated in application;

4-1) a schematic description of the applicant's control structure, indicating the persons, states, international organizations controlling the applicant, as well as persons, states, international organizations, which are not controlling the persons, holding participatory interests, shares of the applicant, with disclosure of information on the stake and ownership mode;

5) excluded by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023);

6) in case of granting the right to subsoil use in subsoil plots related to complex projects, the minimum obligations for in-country value in personnel, determined by the applicant in accordance with paragraph 5-1 of Article 36 of this Code.

4. The application and the documents attached thereto shall be executed in Kazakh and Russian. If the application is submitted by a foreigner or a foreign legal entity, the documents attached thereto may be drafted in another language with a mandatory attachment of translations into Kazakh and Russian to each document and notarization of their authenticity.

The documents and information provided for by this article shall be submitted in the manner determined by the competent authority in accordance with paragraph 5 of Article 99 of this Code.

Footnote. Article 96 as amended by the Laws of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); от 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 06.04.2024 № 71-VIII (effective sixty calendar days after the date of its first official publication).

Article 97. Procedure for consideration of application for participation in auction

1. Application for participation in auction for granting the right to subsoil use of hydrocarbons is subject to consideration within ten business days from the date of receipt into the relevant authority.

2. Upon the application review, the competent authority shall admit the applicant to participation in the auction, refuse the applicant's admission to participation in the auction or notify on the need to eliminate the identified discrepancies.

If upon the application review it was established that the applicant cannot be admitted to participation in the auction on the grounds specified in subparagraphs 2), 4), 6), 9) and 10) of paragraph 3 of this Article, the competent authority shall deny admission of the applicant to the auction.

2-1. Except for cases stipulated by part two of paragraph 2 of this Article, if, upon review of the application submitted within the established time, its non-compliance with the requirements of Article 96 of this Code is revealed, the competent authority shall notify the applicant thereof, indicating the revealed non-compliance.

The applicant shall be entitled to eliminate the identified discrepancies, specified in the notification of the competent authority within three working days from the date of notification by the competent authority.

After elimination of the identified discrepancies, the applicant shall repeatedly submit the application to the competent authority. Such application should be submitted before expiration of the time limit established for elimination of discrepancies, specified in part two of this paragraph. The application, submitted repeatedly in accordance with this part, shall be subject to review by the competent authority within five working days. According to the results of the review, the competent authority shall admit the applicant to participation in the auction, or deny admission.

Expiration of the deadline for applications for participation in the auction, specified in the notification of the auction, shall not be grounds for refusal to accept and examine a repeated application in accordance with this paragraph, if it is submitted within the period idicated in part two of this paragraph.

3. The competent authority shall deny admission to the auction if:

1) the applicant has not eliminated the identified discrepancies of the application for participation in the auction, specified by the competent authority, within the established deadline;

2) the application is submitted later than the deadline for applications for participation in the auction;

3) excluded by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication);

4) within three years before the application filing, the relevant authority early terminates the subsoil use contract which has been concluded between the applicant and the person directly or indirectly controlling the applicant or being under control of the applicant;

5) the applicant being a subsoil user has outstanding breaches of obligations on other subsoil use contract, indicated in notification from the relevant authority;

6) the applicant was earlier selected as winner of auction for granting the right to subsoil use of hydrocarbons, but did not pay the subscription bonus;

7) to exclude by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023);

8) excluded by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication);

9) granting the right to subsoil use entails a threat for national security of the country including concentration of rights within the contract and (or) concentration of rights of subsoil use;

10) the applicant does not meet the requirements of part two of paragraph 3-1 of Article 95 of this Code.

4. Denial of admission to the auction on the grounds provided for in subparagraphs 4), 6) and 9) of paragraph 3 of this article shall deprive the applicant of the right to reapply for the current auction.

5. Denial of admission to the auction shall contain the reasons for the denial, except for the case provided for by subparagraph 9) of paragraph 3 of this article.

Footnote. Article 97 as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 98. Commission for Granting Subsoil Use Rights for Hydrocarbons

Footnote. Article 98 was excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 99. Holding an auction

1. If the only person registered as an auction participant is the person who submitted an application for holding an auction, then within three working days from the date of completion of consideration of applications for participation in the auction, the auction shall be canceled and a contract for subsoil use shall be concluded with such person in accordance with the procedure, established by Article 100 of this Code, subject to the condition that such person pays the starting size of the signature bonus.

2. Applicants admitted to participate in the auction and registered at the object of informatization of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons as auction participants participate in the auction.

3. The auction shall be held on the day according to the date specified in the notice of the auction.

4. Excluded by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023).

5. The auction is organized by the competent authority and conducted using the object of informatization of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons in electronic form in accordance with the procedure, determined by the competent authority.

The operator of electronic auctions for granting the right to subsoil use for hydrocarbons is a legal entity, determined by the competent authority, carrying out auctions for granting the right to subsoil use for hydrocarbons in accordance with the procedure, prescribed by this Code.

Criteria for determining the operator of electronic auctions for granting the right to subsoil use for hydrocarbons are approved by the competent authority.

6. The operator of electronic auctions for granting the right to subsoil use for hydrocarbons shall ensure:

1) registration of applicants admitted by the competent authority to participate in the auction;

2) integration of the object of informatization of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons with the relevant state and other information systems in order to obtain in electronic form the documents and information provided for in paragraph 3 of Article 96 of this Code;

3) acceptance of documents from applicants for registration at the informatization facility of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons;

4) consulting on work at the informatization facility of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons;

5) equal access conditions for auction participants at the informatization facility of the electronic auction operator for granting the right to subsoil use for hydrocarbons;

6) conducting auctions remotely using the informatization object of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons;

7) formation of a register of auction results;

8) publication of the register of results of electronic auctions at the informatization facility of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons;

9) maintenance of a complex of technical means, system and technological software in a constant working condition for:

proper functioning of the object of informatization of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons;

preventing interference of third parties, including employees of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons, in the process of holding auctions for granting the right to subsoil use for hydrocarbons on the day of the auction;

10) compliance with the technical requirements for the object of informatization of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons, including requirements for the protection of information and requirements for protection from outside interference in the auction process;

11) submission of records of all actions performed at the object of informatization of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons on the day of the auction, at the request of the competent authority;

12) development and approval of internal technical documents regulating the holding of auctions;

13) interaction with the competent authority on the issues of holding auctions;

14) placement of a notice of holding auctions at the informatization facility of the operator of electronic auctions for granting the right to subsoil use for hydrocarbons;

15) organization of development of new and (or) modernization of existing software for holding auctions;

16) suspension, postponement or cancellation of auctions in the manner determined by the competent authority.

Footnote. Article 99 as amended by Law of the Republic of Kazakhstan № 297-VI dated 30.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023).

Article 100. Summing up the auction results and conclusion of the contract for exploration and production or production of hydrocarbons

1. The auction winner becomes the participant who offered the largest amount of the subscription bonus.

If only one participant was admitted to the auction for a subsoil plot located within poorly studied territories, that participant shall be declared the winner of the auction provided that such person pays the initial subscription bonus.

2. Auction results are automatically compiled based on the registry of electronic auction results on the electronic auction operator’s information system for the granting of hydrocarbon subsoil use rights on the day the auction is held.

The results of the auction shall be posted on the Unified Subsoil Use Platform in Kazakh and Russian within one working day from the date of its conduct.

3. The auction winner, within twenty business days from the day of its results publication shall:

1) pay the subscription bonus;

2) send to the competent authority a confirmation of payment for the subscription bonus and a countersigned contract on exploration and production or production of hydrocarbons, developed in accordance with the standard contract on exploration and production or production of hydrocarbons, approved by the competent authority.

In case of granting the right to subsoil use of exploration and production of hydrocarbons, the auction winner additionally shall develop a programme of works containing the scope, description and deadlines for the work during the exploration period and complying with the minimal requirements to the scope and types of work on the subsoil plot in the exploration period and attach it to the contract on exploration and production as its integral part.

When granting subsoil use rights for a subsoil plot located within poorly studied territories, the work program shall be developed in accordance with the requirements of part 1 of paragraph 3-1 of Article 95 of this Code.

If the auction winner, at the stage of submitting an application to participate in the auction , proposed minimum obligations for in-country value in works and services of more than seventy percent, the proposed obligations shall be fixed in the exploration and production or production contract for hydrocarbons.

If at the stage of submitting the application the auction winner offered the minimal liabilities on local content in works, services more than fifty percent, offered obligations shall be attached to the contract on exploration and production or production of hydrocarbons.

4. The competent authority within twenty business days from the date of receipt of the contract and payment confirmation for subscription bonus from the winner, concludes a contract on exploration and production or production of hydrocarbons and sends his signed copy to the winner.

5. In in case if the auction winner has not paid the signature bonus within the period specified in paragraph 3 of this Article and (or) has not submitted to the competent authority a subsoil use contract signed on its part, such a person shall be deprived of the right to conclude a contract, while the right for the conclusion of a contract for the relevant subsoil plot, a written notification of the competent authority, sent within three working days after the expiration of the period provided for in paragraph 3 of this Article, is transmitted to the auction participant who offered the next largest amount of the signature bonus after the auction winner.

Within twenty working days from the date of sending a written notification from the competent authority, the auction participant who offered the next largest amount of the signature bonus after the auction winner must perform the requirements for the auction winner, provided for in paragraph 3 of this Article. At the same time, the signature bonus provided for in subparagraph 1) of part one of paragraph 3 of this Article is paid by the auction participant who offered the next largest amount of signature bonus after the auction winner, in the amount proposed by such auction participant.

If, within twenty working days from the date of sending a written notice from the competent authority, by the auction participant who offered the next largest amount of the signature bonus after the auction winner, the requirements for the auction winner, provided for in paragraph 3 of this Article, such person is deprived of the right to conclude a contract, and a subsoil plot is repeatedly put up for auction.

Footnote. Article 100 as amended by Law of the Republic of Kazakhstan № 297-VI dated 30.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); от 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 101. Procedure and grounds to declare the auction void

1. The auction for granting the right to subsoil use is declared void and the repeated auction is not held, if there are less than two participants registered at the day of holding the auction.

This paragraph shall not apply to the auction held for a subsoil plot, located within poorly studied territories.

2. The announcement that the auction has been declared unsuccessful shall be posted on the Unified Subsoil Use Platform in Kazakh and Russian within one working day from the date of completion of the auction.

Footnote. Article 101 as amended by Law of the Republic of Kazakhstan № 297-VI dated 30.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 102. Declaration of the auction for granting the right to subsoil use of hydrocarbons as invalid

1. The court can declare the auction for granting the right to subsoil use of hydrocarbons invalid upon request of a participant or a competent authority.

2. The grounds for declaring the auction invalid are:

1) violation of rules for auction holding established by this Code, which affected on selecting the auction winner;

2) establishment of facts that the person, with whom the subsoil use contract was concluded based on the auction results, had submitted the misleading information to the competent authority, that affected on the decision of such person allowance to the auction.

3. The auction participants have right to appeal against the auction results according to the legislation of the Republic of Kazakhstan on the grounds, indicated in subparagraph 1) of paragraph 2 of this Article within three months from the date of the results publication.

4. In case of disputing the validity of auction before the contract conclusion, the contract conclusion term shall be suspended till adjudication on the merits by the court.

5. Declaration of the auction invalid leads to invalidity of the contract concluded based on the results of auction.

6. In case of declaring the auction invalid on the ground indicated in subparagraph 1) of paragraph 2 of this Article, the person selected as the winner of such auction may call in return of the subscription bonus paid.

Paragraph 2. Granting the right to subsoil use of hydrocarbons to the national company engaged in the field of hydrocarbons on the bases of direct negotiations

Article 103. Conditions for granting the right to subsoil use of hydrocarbons to the national company in the field of hydrocarbons on the basis of direct negotiations

1. National company in the field of hydrocarbons is recognized as a Joint Stock Company, established by decision of the Government of the Republic of Kazakhstan, in which the controlling interest is owned by the the state or national managing holding, operating in the field of subsoil use of hydrocarbons.

2. National company engaged in the field of hydrocarbons is entitled to obtain the right on exploration and production or production of hydrocarbons on general grounds in the order provided for by this Code, excluding the cases indicated in this Code.

3. The subsoil plot located in the territory, included in the program of management of the state subsoil fund, within the limits of which the right to subsoil use is granted to national company engaged in the field of hydrocarbons, can be granted for use to such national companies on the basis of direct negotiations.

An application for a subsoil use right through direct negotiations shall be submitted by a national hydrocarbon company no later than three years from the date the relevant territory is included in the State Subsoil Fund Management Program. If an application for direct negotiations has not been submitted within the specified time limit, the territory for which subsoil use rights were not granted through direct negotiations shall be put up for auction in accordance with paragraph 1 of this chapter.

4. The subsoil plot located in the territory, included in the program of management of the state subsoil fund, within the limits of which the right to subsoil use for exploration and production or production of hydrocarbons is granted on the ground of auction, can be granted for use to the national company engaged in the field of hydrocarbons on the basis of direct negotiations only prior to submission of application for auction holding by the person concerned.

5. The contract on exploration and production or production of hydrocarbons on subsoil plots granted to the national company in the field of hydrocarbons on the basis of direct negotiations, can be concluded with the national company both individually and with the strategic partner.

At the same time, a mandatory condition for granting the subsoil use right on the basis of direct negotiations on large fields is equity participation of the national hydrocarbons company as a subsoil user under the relevant subsoil use contract in the size of fifty percent or more.

6. A legal entity or a consortium of legal entities may be recognized as a strategic partner of the national hydrocarbons company, that meet the requirements established by the national hydrocarbons company and have undertaken obligations to provide investment financing under a hydrocarbons exploration and production contract or obligations to reimburse the signature bonus under a hydrocarbons production contract.

The strategic partner shall be determined by the national company when applying for direct negotiations.

7. Financing of exploration according to the contract (agreement) on joint activities and (or) agreement of financing, concluded with the aim of granting the right to subsoil use on the basis of direct negotiations between international companies or the legal entity, fifty and more percents of voting shares (of the interest in the charter capital) directly or indirectly are in possession of such a national company and strategic partner in the order and under conditions established by this Code is recognized as the investment financing.

Joint activity agreement shall provide for the obligation of strategic partner on payment of subscription bonus or refund of subscription bonus sum, paid by the national company.

8. Right to subsoil use (share of the right to subsoil use) granted to the national company in the field of hydrocarbons on the basis of direct negotiations, may not be transferred within two years from the date of registration, excluding the cases of its transfer to legal entity, if fifty and more percents of voting shares (participation share) are directly or indirectly possessed by the national company in the field of hydrocarbons.

At that, such legal entity does not have the right to transfer the right granted to subsoil use (share of the right to subsoil use) within two years from the date of contract registration.

Reduction of the equity participation size of the national hydrocarbons company or a legal entity, whose fifty and more percent of voting shares (participatory interests) are directly or indirectly held by the national hydrocarbons company under the subsoil use contract on large fields, shall be made provided that the national hydrocarbons company or a legal entity, whose fifty and more percent of voting shares (participatory interests) are directly or indirectly held by the national hydrocarbons company, retain their control over the decision-making by subsoil users under the subsoil use contract.

Footnote. Article 103 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its

first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 104. Application of the national company in the field of hydrocarbons for direct negotiations conducting.

1. The national company engaged in the field of hydrocarbons, intending to obtain for use the subsoil plot for exploration and production or production of hydrocarbons on the basis of direct negotiations, sends to the competent authority an application with indication of boundaries of the subsoil plot for which the national company engaged in the field of hydrocarbons puts in a claim.

2. In case of intending to obtain the right to subsoil use on exploration and production of hydrocarbons, the national company in the field of hydrocarbons attaches to the application the program of works, containing volumes, description and period of work execution during exploration and the program shall correspond to the minimal requirements on volumes and types of works on the subsoil plot during the period of exploration.

3. In case of the strategic partner involvement by the national company in the field of hydrocarbons, the application shall contain:

1) name of a strategic partner, its location, information about state registration as a legal entity (extract from the commercial register or other legalized document, identifying, that the applicant is a legal entity by the legislation of the foreign state), information on management team, information on legal entities, persons, states and international organizations, directly or indirectly, controlling the applicant;

2) information on previous activities of the strategic partner, including the list of states, in which the strategic partner conducted business for the last three years;

3) properly certified joint venture agreement and (or) a financial agreement concluded between the national company in the field of hydrocarbons or a legal entity, which directly or indirectly holds fifty and more voting shares (of shares in charter capital) and the strategic partner.

4. The application and all the documents attached to it shall be written in Kazakh and Russian. In case of the foreign strategic partner involving by the national company in the field of hydrocarbons, such documents may be executed in other language, with the compulsory attachment of translation into Kazakh and Russian to each document and notarization of their authenticity.

Article 105. Procedure for direct negotiations conducting with the national company in the field of hydrocarbons

1. Direct negotiations on granting of the right for subsoil use to the national company in the field of hydrocarbons are conducted between competent authorities of the national company in the field of hydrocarbons and working group of the competent authority. Provision on the working group and its composition are approved by the competent authority.

2. Direct negotiations are conducted during two months from the day of application submission to the competent authority. Terms of direct negotiations can be extended by the competent authority decision.

3. According to results of direct negotiations the competent authority shall take the decision concerning conclusion of the contract or refusal of its conclusion.

4. In case of decision on conclusion of the contract on subsoil use, within twenty business from the date of making it:

1) the national company or its strategic partner pays the subscription bonus, determined by the results of direct negotiations;

2) the national company sends to the competent authority a confirmation of the payment of the subscription bonus and a countersigned (in case of the strategic partner involvement- from its part, too) contract on exploration and production or production of hydrocarbons, developed in accordance with the standard contract on exploration and production or production of hydrocarbons, approved by the competent authority.

In case of granting the right to subsoil use for exploration and production of hydrocarbons , the national company shall additionally develop the program of works, containing volumes, description and period of the work execution during exploration determined according to the results of direct negotiations and attach such program to the contract on exploration and production as its integral part.

The exploration period shall be fixed in the contract for exploration and production of hydrocarbons and its duration is determined based on the results of direct negotiations.

The preparation period shall be fixed in the contract for exploration and production of hydrocarbons and its duration is determined based on the results of direct negotiations.

The contract on exploration and production or production of hydrocarbons shall contain an annex to the contract constituting the integral part thereof, establishing a subsoil plot according to the article 110 of this Code, where the national company has a right to conduct operations on exploration and (or) production of hydrocarbons.

5. The competent authority concludes the contract on exploration and production or production of hydrocarbons within twenty business days from the date of the contract gaining and confirmation of payment for subscription bonus and sends to the national company its signed copy (copies).

6. Concluding additional agreements to the contract, stipulating decrease or exclusion of obligations, declared by the national company in the program of works.

Paragraph 3. Termination of the right to subsoil use of hydrocarbons

Article 106. Early termination of the subsoil use contract

Footnote. The title of Article 106 is in the wording of the Law of the Republic of Kazakhstan dated December 29, 2022 № 174–VII (effective after ten calendar days after the date of its first official publication).

1. The subsoil use contract for hydrocarbons shall be prematurely terminated in the following cases:

1) if at the end of the exploration period under a contract for the exploration and production of hydrocarbons for a complex project, the subsoil user has not identified a field, the report on the calculation of the reserves of which received a positive conclusion from the state examination of the subsoil provided for by this Code;

2) early termination of the subsoil use contract by the competent authority unilaterally in the cases provided for in this Article;

3) return by the subsoil user of the entire subsoil plot before the expiration of the contract;

4) in other cases provided for by this Code.

1-1. The competent authority shall prematurely terminate the subsoil use contract unilaterally in the following cases:

1) entry into force of a court decision to ban subsoil use activities;

2) carrying out operations on subsoil use for hydrocarbons without the relevant examinations of project documents approved by the subsoil user and having received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan;

3) violation of the requirements of paragraph 1 of Article 44 of this Code, entailed a threat to national security;

4) non-fulfillment by the subsoil user of an investment obligation under a subsoil use contract for a depleting field in accordance with paragraph 3 of Article 153-1 of this Code;

5) failure to implement the work program provided for the initial exploration period under a contract for exploration and production of hydrocarbons in a subsoil area located within poorly studied territories.

2. The competent authority has the right to early terminate the powers of the subsoil use contract unilaterally in case of the subsoil user's failure to rectify, within the established period:

1) one of the violations, provided for in sub-paragraphs 1) and 2) of paragraph 2, article 133 of this Code;

2) more than two breaches of other obligations established by the subsoil use contract.

3. By decision of the Government of the Republic of Kazakhstan, the competent authority has the right to early terminate the subsoil use contract unilaterally, including concluded before the enactment of this Code, in case the subsoil user’s actions during the operation of subsoil use on a subsoil plot, which has a strategic importance, lead to amendment in the economic interests of the Republic of Kazakhstan, creating a threat to national security.

In case of a unilateral termination of the contract on the specified basis, the competent authority shall notify the subsoil user of this no later than two months.

4. If the actions of a subsoil user in conducting subsoil use operations on a subsoil plot of the strategic importance, lead to change in the economic interests of the Republic of Kazakhstan, posing a threat to national security, the competent authority may call for making

amendments and (or) additions to contract terms, including the contract concluded before this Code entry into force, in order to restore the economic interests of the Republic of Kazakhstan.

The competent authority has the right to early terminate such a subsoil use contract unilaterally if:

1) within a period of two months from the date of the notification receipt from the competent authority of the amendment and (or) addition to the contract terms, the subsoil user does not confirm in writing his consent to negotiate the amendment and (or) addition to the terms of the contract or refuses to conduct them;

2) within the time limit up to four months after the date of receipt of the consent from the subsoil user to conduct negotiations on the amendment and (or) addition to the contract terms, the parties will not reach an agreement on the amendment and (or) addition to the contract terms and conditions;

3) within the time limit up to six months after the date of reaching an agreed decision to restore the economic interests of the Republic of Kazakhstan, the parties will not sign the amendment and (or) addition to the terms of the contract.

5. Early termination of the subsoil use contract is unilaterally executed by the competent authority by sending to the subsoil user a written notice of such contract termination.

The contract shall be terminated upon the expiry of two months from the date of such notice receipt by the subsoil user.

6. The subsoil user has the right to dispute the legality of the early termination by the competent authority of the subsoil use contract in court within two months from the date of the notification receipt. In case of the subsoil user bringing the matter before the court, the term specified in paragraph 5 of this article shall be suspended until the court decision enters into legal force.

Footnote. Article 106 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 107. Subsoil plots and property upon termination of subsoil use

1. From the day of termination of the contract for the subsoil use, the subsoil plot, enshrined in such a contract, is returned to the state.

2. From the date of the exploration period completion, the exploration site is considered to be returned to the state, excluding the subsoil plot, indicated in registered annex to the contract on exploration and production of hydrocarbons, stipulating securing the site and exploration period or preparation period, and containing an annex to the contract, establishing according to the article 110 of this Code the site of production of hydrocarbons.

3. From the date of the mining period completion the production site (s) is (are) returned (returned) to the state.

If in the subsoil use contract there are two or more mining sites, then from the day the mining period ends in one of the mining sites, such site is returned to the state.

4. Upon termination of the subsoil use right concerning to the subsoil plot (sites), the competent authority notifies a subsoil user about one of the following decisions:

1) to mitigate consequences of subsoil use on such subsoil plot;

2) to perform the conservation of the subsoil plot for subsequent transfer to another person ;

3) to transfer the subsoil plot for trust management of the national company in the field of hydrocarbons.

5. Notification is sent in the following cases and terms:

1) if the subsoil use contract is terminated at the expiry mining period, not later than two months prior to such termination;

2) in the event of early termination by the competent authority of the subsoil use contract unilaterally -simultaneously with the notification of early termination of the subsoil use contract;

3) in case of termination of the subsoil use contract by agreement of the parties - simultaneously with the signing of the agreement on termination of the contract.

4) in case, provided for by subparagraph 2) of paragraph 16, article 119 of this Code - simultaneously with sending the notification of refusal in conclusion of annex to the subsoil use contract.

6. The person having received notification of the competent authority about the decision to mitigate the consequences of subsoil use on the subsoil plot or to preserve the subsoil section for subsequent transfer to other person:

1) is obliged to stop subsoil use operations in the subsoil plot, except for operations immediate termination of which is associated with the threat of emergency situations. Such operations shall be stopped within two months from the date of notification receipt;

2) is obliged to start works on eliminating the consequences of subsoil use or preserving a subsoil site in accordance with the liquidation or preservation project within the timeframes stipulated by subparagraph 1-1) of paragraph 3 of Article 126 and subparagraph 1-1) of paragraph 3 of Article 127 of this Code;

3) within six months from the date of the notification receipt, shall have the right to remove from the subsoil plot the mined hydrocarbons, as well as equipment and other property in its ownership. Equipment and other property not brought out within a specified period shall be subject to liquidation or preservation in accordance with the requirements established by this Code.

7. In the absence of the previous subsoil user or evasion from the fulfillment of the obligation provided for in subparagraph 2) of paragraph 6 of this article, carrying out works

on the mitigation of the consequences of subsoil use or preservation of the subsoil plot are carried out at the expense of the support funds.

8. The person having received notification of the competent authority about the decision to transfer the subsoil plot to the trust management of the national company in the field of hydrocarbons:

1) is obliged, within one month from the date of receipt of the notification, to draw up and approve with the competent authority a list of equipment and other property that ensure the continuity of the technological process and industrial safety in the subsoil area, which are subject to transfer to the trust management of the national company in the field of hydrocarbons for a period until the transfer of the property to the new subsoil user.

In case of absence of the previous subsoil user or the latter's failure to compile and/or approve a list of equipment and other property ensuring the continuity of the technological process and industrial safety at the subsoil plot, such a list shall be compiled independently by the national hydrocarbons company;

1-1) shall, within fifteen calendar days from the date of approval by the competent authority of the list of equipment and other property ensuring the continuity of the technological process and industrial safety at the subsoil site, conclude a trust management agreement with the national hydrocarbons company in accordance with paragraph 2 of Article 108 of this Code.

In the event that the former subsoil user is absent or refuses to transfer to the national hydrocarbon company the equipment and other property necessary to ensure the continuity of the technological process and industrial safety at the subsoil site, the competent authority shall act as its agent with respect to such equipment and other property and shall transfer them to the national hydrocarbons company pursuant to an act specifying the condition of the transferred equipment and other property that ensure the continuity of the technological process and industrial safety at the subsoil site, in accordance with the list specified in the second part of subparagraph 1) of this paragraph;

2) shall have the right, within six months from the date of receipt of the notice, to remove from the subsoil plot the hydrocarbons it has extracted, as well as any property owned by it, with the exception of the equipment and other property specified in subparagraph 1) of this paragraph.

8-1. In the cases provided for in paragraphs 6 and 8 of this Article, the person who received the notification from the competent authority shall send a report on the work done.

9. In case, provided for by subparagraph 3) of paragraph 4 of this article:

1) the trustee arranges conducting an inspection of the condition and availability of equipment and other property specified in subparagraph 1) of paragraph 8 of this Article;

1-1) the trustee arranges valuation of the equipment and other property, specified in subparagraph 1) paragraph 8 of this Article, according to methods agreed between the trustee and the person, who received the notification of the competent authority.

In the event that the trustee and the person who received the notification from the competent authority are unable to reach an agreement on the valuation method for equipment and other property within one month from the date of conclusion of the trust management agreement for equipment and other property, or if the previous subsoil user is absent or refuses to conclude the trust management agreement, the competent authority shall have the right to determine the method for valuing the equipment and other property based on tax accounting data, using the value of fixed assets as of the end of the tax period preceding the tax period in which the transfer of the equipment and other property takes place;

2) the equipment and other property, referred to in subparagraph 1) of paragraph 8 of this Article, as well as the property acquired and (or) received by the trustee in the process of trust management, from the date of conclusion of the subsoil use contract shall be transferred into the ownership of the new subsoil user, who shall pay the former owner the cost of such equipment and property ensuring the continuity of the production process and industrial safety at the subsoil site, in accordance with the procedures and deadlines specified in the subsoil use contract. The trustee shall transfer such property to the new subsoil user under an act containing the list of the transferred property and information on its condition.

9-1. For the purposes of Section VII of this Code, “equipment and other property ensuring the continuity of the technological process and industrial safety at the subsoil site” shall be understood to mean a set of interrelated items, property rights, and intangible assets constituting a property complex used to conduct hydrocarbon production operations, the absence or loss of which leads to a halt or reduction in the level of production achieved prior to the termination of the subsoil use right, taking into account the indicators in the project documents, and (or) creates or may create a threat to the industrial safety of subsoil use operations. In particular, such equipment and property shall include wells, processing facilities, pipelines, facilities for the storage and purification of raw materials, buildings and structures located on subsoil plots and land plots provided for subsoil use operations, as well as infrastructure facilities, inventory, raw materials, software, technical and other documentation, intangible assets, and other elements of the property complex that directly support the technological process and industrial safety of subsoil use operations.

10. In cases provided for by sub-paragraphs 2) and 3) of paragraph 4 of this article:

1) the competent authority shall conduct an auction to grant a subsoil use right for hydrocarbons in such a subsoil block or shall grant the subsoil use right through direct negotiations with a national hydrocarbon company;

1-1) the competent authority for strategic subsoil areas grants subsoil use rights to a national hydrocarbon company through direct negotiations;

2) the competent authority within ten business days from the date of conclusion the subsoil use contract sends a notification of necessity to transfer the rights according to the bank deposit contract constituting the subject of a pledge to secure the mitigation of subsoil use consequences to a new subsoil user and terms of such transfer;

3) the previous subsoil user within the terms indicated in notification, transfers the rights according to the bank deposit contract constituting the subject of a pledge to secure the mitigation of subsoil use consequences to a new subsoil user.

11. The provisions of this Article shall not apply to cases of termination of subsoil use rights for a subsoil block comprising part of a discovered hydrocarbon deposit or field, followed by the inclusion of such subsoil block in another contract for the exploration and production or production of hydrocarbons in accordance with paragraphs 4, 5, and 6 of Article 151 of this Code.

Footnote. Article 107 as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (shall be enforced from 01.01.2023); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 108. Trust management of subsoil plot upon termination of the subsoil use right

1. In the case provided for by sub-paragraph 3) of paragraph 4 of Article 107 of this Code, the competent authority within five business days from the date of sending notification of the decision to transfer the subsoil plot to the trust management of the national company in the field of hydrocarbons for subsequent submission to another person concludes with the national company in the field of hydrocarbons trust agreement for such a subsoil plot.

2. Contract of trust management of a subsoil plot is developed and concluded in accordance with the Civil Code of the Republic of Kazakhstan and grants to the trustee the right to:

1) implement subsoil use operations without concluding contract on subsoil use operations;

2) obtain a land plot on the right of land use for the implementation of trust management of a subsoil plot.

3. The trustee is entitled to reimburse of expenses incurred during the trust management of a subsoil plot and confirmed in the prescribed manner, at the expense of income from its use when submitting documents confirming the necessity of incurred expenses.

In case of such reimbursement of expenses, the new subsoil user shall not reimburse the expenses of the trustee previously reimbursed in accordance with this article.

In case of no income or its insufficiency, reimbursement of expenses is carried out at the of the founder's(beneficiary) expenses.

4. Incomes from trust management, other than amounts directed to reimbursement of expenses of a trustee and payment of taxes related to the performance of a trust management agreement, shall be sent to the founder (beneficiary) as a result of the termination of the trust management agreement.

5. Procurement of goods, works and services within the framework of an agreement on trust management of a subsoil plot is carried out without complying with the requirements stipulated by this Code.

6. The trustee shall be liable with his property for obligations arising from transactions made by him in excess of the authority granted to him by the contract of trust management of the subsoil plot, or in violation of established restrictions.

7. The land plot is officially reregistered to the trustee for the validity term of the trust agreement of the subsoil plot, but not more than ten years from the date of its conclusion.

Article 109. Specifics of foreclosure on subsoil use right and (or) objects related to the subsoil use right

Footnote. The title of Article 109 as amended under the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication).

1. In case of foreclosure on subsoil use right (share in the subsoil use right) and (or) objects, related to the subsoil use rights, including pledge, the corresponding accomplishment (sale) of subsoil use right (shares in in subsoil right) and (or) objects, related to the subsoil use right, is executed by conducting the public sales, if other is not established by this Code.

At conclusion of a transaction on alienation of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right, including collateral, based on the bidding results, the person who is the winner in the bidding shall be obliged to obtain permission of the competent authority for transfer of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right in accordance with Article 45 of this Code, except for cases provided for by paragraph 2 of Article 44 of this Code.

Provisions of this paragraph are also used for the cases of property mass sale upon execution of bankruptcy procedures.

2. Satisfaction of a claim of the pledge holder from the value of the pledged subsoil use right (share in subsoil use right) and facilities related to the subsoil use right, is executed in a legal process.

3. Prior to announcement of bids on realization (sale) of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right, the tender initiator is obliged to request information from the competent authority on the subsoil use right (share in the subsoil use right), which is put up for auction or is related to the relevant object to be put up for auction.

The competent authority shall, within ten working days after receipt of the request, send information to the tender initiator on the subsoil use right (share in the subsoil use right), which shall include:

1)type of subsoil use operations;

2) information on the term of the subsoil use right, including the remaining term of the subsoil use right;

3) information on the presence of notifications on breaching the subsoil use contract conditions;

4) information on fulfillment of conditions under the subsoil use contract according to the submitted reports;

5) other information affecting the conditions of subsoil use operations.

After receiving the information referred to in the second part of this paragraph, in the announcement on holding the bids the bids initiator shall also publish information on the subsoil use right (share in the subsoil use right) received from the competent authority.

4. When the auction for realization (sale) of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right is declared void, the pledge holder has the right to convert the pledged property into his ownership (become the holder of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right) or require appointment of a new auction.

5. Conditions of contracts concerning pledges and other agreements, conflicting with provisions of this article are void.

6. The auction on realization (sale) of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right, conducted in violation of the requirements of this article, shall be recognized invalid.

The competent body shall deny a permit for the transfer of the subsoil use right (share in the subsoil use right) and (or) objects related to the subsoil use right, if such transfer is carried out in violation of the requirements of this article.

Footnote. Article 109 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Chapter 16. SUBSOIL PLOTS FOR EXPLORATION AND PRODUCTION OF HYDROCARBONS

Article 110. Subsoil plots, granted for operations on subsoil use of hydrocarbons

1. The subsoil plots, included in the program of management of the state subsoil fund may be provided for exploration and production or production of hydrocarbons:

1) by holding an auction;

2) to national company in the field of hydrocarbons on the grounds of direct negotiations.

One and the same site can not be used simultaneously for various subsoil use contracts for hydrocarbons.

At the same time, the full or partial conjunction of territories is accepted.

2. The spatial boundaries of the subsoil plot, where the subsoil user has the right to carry out operations for the exploration or production of hydrocarbons in accordance with the contract for the exploration and production or production of hydrocarbons, are established in the appendix to such a contract, which is its integral part, taking into account the following:

1) the initial spatial boundaries of a hydrocarbon exploration or production site under a contract for exploration and production or production of hydrocarbons are determined in accordance with the program for managing the state subsoil fund;

2) the spatial boundaries of the exploration site (sites) when extending the exploration period under the contract for the exploration and production of hydrocarbons in order to assess the discovered deposit (aggregate of deposits), as well as when moving to the appraisal stage under the contract for the exploration and production of hydrocarbons for a complex project, include blocks in within which the proposed contours of discovered deposit (aggregate of deposits) are completely or partially located, requiring evaluation;

3) the spatial boundaries of the exploration site (sites) when extending the exploration period under a contract for the exploration and production of hydrocarbons for the purpose of trial operation of discovered deposit (aggregate of deposits) include blocks within which the proposed contours of a deposit (aggregate of deposits) are located in whole or in part on which (which) it is planned to conduct trial operation;

4) the spatial boundaries of the hydrocarbon production plot (plots) (with the exception of the upper boundary) are established on the basis of the field contours, determined in accordance with the approved subsoil user and the report on the calculation of geological reserves that received a positive conclusion from the state examination of the subsoil.

If several separate fields are discovered within the exploration plot, the spatial boundaries of the subsoil plot shall be established for each individual field;

5) the spatial boundaries of the subsoil plot requested for the purpose of increasing the initial subsoil plot under a contract for exploration and production or production of hydrocarbons are determined in agreement with the authorized body in the field of subsoil study (in terms of the vacancy of the requested subsoil plot of subsoil use) in accordance with the approved subsoil user and received positive conclusions of expert examinations provided for by this Code and other laws of the Republic of Kazakhstan in addition to the relevant basic project document, establishing the proposed contours of discovered deposit (aggregate of deposits);

6) spatial boundaries of the hydrocarbon exploration or production site remaining with the subsoil user after the reduction of the subsoil plot by returning to the state in accordance with статьей 114 of this Code, shall be determined by the subsoil user;

7) spatial boundaries of exploration or production sites in the event of allocation of a subsoil plot under a contract for the exploration and production of hydrocarbons in accordance with статьей 115 of this Code (the main and allocated subsoil plots) shall be determined:

when allocating a part of the exploration site - in accordance with approved by the subsoil user and having received positive conclusions provided for by this Code and other laws of the

Republic of Kazakhstan, examinations of additions to the exploration project, providing for the evaluation of the relevant discovered deposits (aggregate of deposits) in the main and allocated subsoil plots;

when allocating an exploration or production site - on the basis of data on the relevant subsoil plots specified in the contract for the exploration and production or production of hydrocarbons from which the allocation is made.

Information on the spatial boundaries of the subsoil plot (plots) provided for in subparagraphs 1) - 4), 6) and 7) of part one of this paragraph is sent by the competent authority in a notification manner to the authorized body in the field of subsoil study.

3. In case of providing of subsoil plot situated (partly situated) within the land plot possessed or being in use of another person, the upper spatial boundary of a subsoil plot inside of such a land plot is considered to be set to the depth of thirty meters from the lowest point of the earth surface of such a land plot.

4. In case of providing of a subsoil plot, partly situated within the lands of specially protected natural areas or areas of water reserve lands, the upper spatial boundary of a subsoil plot inside of such areas is considered as set to the depth of thirty meters from the lowest point of the earth surface of such land plot.

5. In case of providing of a subsoil site, situated (partly situated) in the down of a subsoil site of another subsoil user entitled to subsoil use of hydrocarbons, the upper spatial boundary of a subsoil site within the area of subsoil site of such subsoil user is defined on his lower spatial boundary.

6. For the exploration sites, on which the period of exploration was prolonged on the grounds, indicated in paragraphs 2 and 3 of article 117 of this Code, and also for the production sites, a lower spatial boundary is set, being determined by the depth of occurrence of discovered deposit (aggregate of deposits) or mining of hydrocarbons.

7. The size of the exploration plot (plots) under a single subsoil use contract for hydrocarbons may not exceed two thousand four hundred blocks, and under a standard contract for the exploration and production of hydrocarbons, as provided for in subparagraph 3-1) of paragraph 1-1 of Article 36 of this Code, may not exceed five hundred blocks.

Footnote. Article 110 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 111. Provision of a subsoil plot

1. From the date of subsoil use contract registration, the subsoil plot is transferred for use to the subsoil user.

2. The conclusion of a contract for the production of hydrocarbons or an addendum to the contract for the exploration and production of hydrocarbons, which provides for fixing the site and the period of production or the preparatory period, the transition to the production

period under the contract for the exploration and production of hydrocarbons, is the basis for granting the subsoil user the right to land use on the land plot he needs in in accordance with the land legislation of the Republic of Kazakhstan.

Upon the termination of the subsoil use contract, the temporary compensated land use (lease) agreement concluded with the subsoil user on the basis of such contract shall be terminated in accordance with the land legislation of the Republic of Kazakhstan within the boundaries of the subsoil plot specified in the terminated subsoil use contract.

Footnote. Article 111 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 112. Concept and types of transformation

Transformation of subsoil plots is the change in their spatial boundaries made by:

1) extension of the subsoil plot;

2) reduction of the subsoil plot;

3) allocation of the subsoil plot (a part thereof) under one subsoil use contract by concluding a new subsoil use contract.

Article 113. Extension of the subsoil site

1. Extension of the subsoil plot under the contract for exploration and production or production of hydrocarbons is made on the application of a subsoil user at simultaneous observance of the following terms:

1) a subsoil user has discovered deposit (aggregate of deposits), expected contours of which overrun the boundaries of subsoil plot and are set in approved by the subsoil user and having received positive conclusions of expertises, provided by this Code and other laws of the Republic of Kazakhstan base project document.

2) the requested subsoil site is free from subsoil use on hydrocarbons, except for the case when the subsoil site is in use under a contract for subsoil use on hydrocarbons by the same person;

3) the subsoil plot is requested in blocks, within which the expected contours of discovered deposit (aggregate of deposits) are located, established in the approved by the subsoil user and having received positive opinions the project document provided for by this Code and examinations by other laws of the Republic of Kazakhstan;

4) all breaches of obligations under the subsoil use contract indicated by the notification of the competent authority are eliminated.

1-1. The expansion of a subsoil plot by deepening its lower spatial boundary to five thousand meters, without altering the closed contours (boundaries) on the earth’s surface (within the territory of the subsoil plot) under a contract for exploration and production or for

the production of hydrocarbons, for the purpose of carrying out additional exploration of the lower horizons, shall be carried out upon the submission of an application by the subsoil user, provided that the following conditions are simultaneously met:

1) the subsoil use plot for which an increase in the lower spatial boundary of the subsoil use plot is requested pertains to a production plot and does not pertain to a major deposit;

2) the lower spatial boundaries of the expandable part of the subsoil use plot are free from hydrocarbon subsoil use, and no prohibition on conducting subsoil use operations has been established thereon;

3) there are no unrectified breaches by the subsoil user of the obligations under the subsoil use contract, as specified in the notice of the competent authority;

4) the obligations set forth in paragraph 1 of Article 129 of this Code shall be assumed with respect to subsoil use contracts concluded prior to the entry into force of this Code and which have not been transitioned to the terms of the standard contract for exploration and production or production of hydrocarbons approved by the competent authority.

The terms of the assumed obligations shall not be less favorable for the Republic of Kazakhstan than the terms on which the subsoil use right was granted;

5) an obligation shall be assumed to carry out exploration work on the lower horizons within the expanded part of the subsoil plot for a period of up to three years based on the field development plan (amendments and additions thereto).

The discovery of a hydrocarbon deposit (group of deposits) as a result of exploration work on the lower horizons within the expanded part of the subsoil plot shall be confirmed by the authorized body for subsoil study in accordance with the procedure provided for in Article 123 of this Code, prior to the expiration of the period specified in subparagraph 5) of the first part of this paragraph.

2. Application for extension of the subsoil plot shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) registration date and number of the subsoil use contract;

3) indication of requested subsoil plot, on which it is expected to increase the initial subsoil plot.

3. The following documents shall be additionally attached to the application submitted in accordance with paragraph 1 of this Article:

1) in case of the extension of exploration site - supplementary works program, approved by the subsoil user and containing volumes, description and terms of works, which the subsoil user is obliged to perform on the requested subsoil plot, proportionally corresponding to the minimal requirements to volumes and types of work on the subsoil plot during the exploration , which was set by the applicant to subsoil use right;

2) addendum to the contract signed by the subsoil user providing for:

extension of a subsoil plot (in the form of addendum to the contract, establishing the extended subsoil plot according to article 110 of this Code);

obligation of subsoil user on execution the program of additional works, indicated in sub-paragraph 1) of this paragraph and attached to the contract as its integral part.

In the case provided for by subparagraph 2) of paragraph 1 of this Article, if the entire subsoil area to be expanded or a part thereof is located within the boundaries of another subsoil area used under a contract for subsoil use on hydrocarbons by the same person, an addendum to the subsoil use contract providing for a commensurate reduction of the subsoil area shall also be attached to the subsoil use contract.

3-1. The following documents shall be additionally attached to the application submitted in accordance with paragraph 1-1 of this Article:

1) a field development plan (amendments and additions thereto) which has received a positive conclusion from the state expert review of basic design documents and which provides for work on additional exploration of lower horizons in the expanded part of the subsoil plot;

2) an addendum to the contract, signed by the subsoil user, providing for:

the deepening of the lower spatial boundary of the subsoil plot (as an annex to the contract);

the obligations of the subsoil user to carry out work on additional exploration of lower horizons in the expanded part of the subsoil plot within a period not exceeding three years from the date of conclusion of the addendum to the contract providing for the deepening of the lower spatial boundary of the subsoil plot;

the obligations of the subsoil user to return the expanded part of the subsoil plot upon expiry of the period specified in subparagraph 5) of paragraph 1-1 of this Article, in the absence, within such plot, of a discovered deposit (group of deposits) of hydrocarbons based on the results of additional exploration of lower horizons, as confirmed by the authorized body for subsoil study.

4. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority. Based on the results of consideration of the application, the competent authority shall:

1) make decisions on extension of subsoil plots and reject its extension;

2) notify an applicant of the decision made.

5. The competent authority rejects the extension of a subsoil plot in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the conditions established in paragraph 1 of this article.

Refusal of the competent authority to extend the area of the subsoil does not deprive the subsoil user of the right to reapplication.

6. Within twenty business days from the date of receipt of confirmation of payment of the subscription bonus from the applicant, the competent authority concludes with the applicant the addendum to the subsoil use contract and sends the signed copy to the applicant.

7. Extension of subsoil plot does not constitute a ground for extension of the periods of exploration, preparation and production under the subsoil use contract.

Footnote. Article 113 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced from 03.06.2025).

Article 114. Reduction of the subsoil plot

1. At any time prior to extension of a period of exploration and production of hydrocarbons, the subsoil user is entitled to reduce a subsoil plot by returning to the state any of its part upon simultaneous adherence of the following conditions:

1) completion of work on elimination of consequences of subsoil use on the returned subsoil plot, as well as work on conservation of the subsoil plot, provided that conservation is carried out by the national company in the field of hydrocarbons or by a legal entity fifty or more percent of whose voting shares (participatory interests) are directly or indirectly owned by the national company in the field of hydrocarbons, prior to the date of return, in accordance with the procedure established by this Code;

2) in case of partly returning of exploration site, such return is executed in blocks;

3) there is a preliminary consent of the pledger for return if the subsoil use right is encumbered with a pledge;

2. Application for reduction of a subsoil plot shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) registration date and number of the subsoil use contract;

3) reference to the subsoil plot (plots), which is expected to be returned to the state;

4) reference to the subsoil site (sites), remaining in the subsoil user's possession.

3. The documents additionally attached to application are:

1) a copy of the report on elimination of consequences of subsoil use or the report on conservation, if conservation was carried out on the returned subsoil plot(s) by a subsoil user that is the national company in the field of hydrocarbons or a legal entity fifty or more percent of whose voting shares (participatory interests) are directly or indirectly owned by the national company in the field of hydrocarbons;

2) Addendum to the contract, signed by the subsoil user, containing an annex to the contract, establishing the reduced subsoil plot (plots) according to article 110 of this Code.

4. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority. According to the results of application consideration, the competent body makes a decision on reduction of a subsoil plot or rejects the reduction.

5. The competent authority rejects reduction of the subsoil plot in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the conditions established in paragraph 1 of this article.

The refusal of the competent authority to reduce the area of the subsoil does not deprive the subsoil user of the right to reapplication.

6. Within twenty business days from the date of adopting decision to reduce a subsoil plot , the competent authority concludes an Addendum to the contract with an applicant for its subsoil use and sends to the applicant a signed copy.

7. Return of the entire site by a subsoil user leads to termination of the subsoil use contract.

8. Provisions of this Article shall not apply to events of exploration site reduction in respect of:

1) fixing of subsoil plot (plots), consisting of the blocks, within which the expected contours of discovered deposit (aggregate of deposits), set in amendments to project of exploration, approved by the subsoil user and having received positive conclusions of expertises, provided by this Code and other laws of the Republic of Kazakhstan on prolongation of exploration period, are located;

2) fixing of the production site (sites);

3) increase of a subsoil site in accordance with part two of paragraph 3, Article 113 of this Code.

Footnote. Article 114 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 115. Allocation of the subsoil plot

1. Allocation of the subsoil plot under the contract for exploration and production of hydrocarbons shall be performed upon the request of subsoil user in the following events:

1) allocation of a part of the exploration site - if there are located the expected contours of discovered deposits (aggregates of deposits) inside of each part, established in amendment to project of exploration works, approved by the subsoil user and having received positive conclusions of expertises, provided by this Code and other laws of the Republic of Kazakhstan, which provides the evaluation works of such deposits (aggregates of deposits);

2) allocation of exploration site - if there are two or more exploration sites fixed in the contract for exploration and production and within each of them the expected contours of discovered deposit (aggregates of deposits), established in amendment to project of exploration works, approved by the subsoil user and having received positive conclusions, provided by this Code and other laws of the Republic of Kazakhstan examinations, which provides the works of estimating of such deposits (aggregates of deposits) are located;

3) allocation of a production site - if not less than one exploration site and not less than one production site are secured in the contract for exploration and production;

4) allocation of a production site - if two or more sites are fixed in the contract for exploration and production;

5) allocation of a production site in cases provided for in paragraphs 18-2 and 18-3 of Article 119 of this Code;

6) allocation of a mining site related to depletable fields in accordance with Article 153-1 of this Code.

2. The allocation of a subsurface area that is not related to complex projects is carried out with the simultaneous observance of the following conditions:

1) a contract for exploration and production under which a subsoil block is allocated was concluded after the entry into force of this Code, including a contract concluded before the entry into force of this Code and transferred during the exploration period to the terms of a standard contract for the exploration and production of hydrocarbons, approved by the competent authority;

2) there is a preliminary consent of the pledger for allocation, if the subsoil use right is encumbered with a pledge;

3) All breaches of obligations under the subsoil use contract indicated by the notification of the competent authority are eliminated.

For the purposes of sub-paragraph 4) of paragraph 1 of this Article, the additional condition for production site allocation is an obligation for disposition of the subsoil use right on allocated site to the person, not affiliated with the subsoil user.

The requirements of subparagraph 1) of the first and second parts of this paragraph do not apply to the allocation of a subsoil plot (or plots) within a deposit (or deposits) classified as depleted in accordance with Article 153-1 of this Code.

The requirement of part two of this paragraph shall not apply to the allocation of subsoil plots in the cases provided for in paragraphs 18-2 and 18-3 of Article 119 of this Code.

3. Allocation of the subsoil plot is formalized by making amendments to the subsoil use contract, under which the allocation of site is performed, and by conclusion of separate subsoil use contract on allocated subsoil plot.

4. The exploration period, preparation period or production period and other conditions of subsoil use contract on allocated subsoil plot shall comply with subsoil use contract conditions, under which the allocation of site was performed.

5. The application for allocation of site shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) registration date and number of the subsoil use contract;

3) reference to a subsoil plot (its part), which is expected to be allocated to the separate subsoil use contract.

6. Application shall be additionally attached by:

1) an addendum to the contract signed by the subsoil user, containing an annex to the contract, establishing in accordance with Article 110 of this Code a reduced main subsoil plot, as well as a work program reduced by the types and volumes of work related to the allocated subsoil plot in the event that a part of the exploration site is allocated;

2) a contract signed by the applicant for the exploration and production or production of hydrocarbons, developed in accordance with a model contract for the exploration and production or production of hydrocarbons, approved by the competent authority, and complying with the requirements of paragraph 4 of this Article, as well as a program of work containing the types and scope of work related to the allocated subsoil plot in case of allocation of part of the exploration site.

At the same time, the types and volumes of work provided for by the work program of the contract for exploration and production prior to the allocation of a part of the exploration site cannot be less than the types and volumes of work provided for in the addendum to the contract for exploration and production for the main subsoil plot and the contract for exploration and production, concluded for the allocated subsoil plot.

7. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority. According to the results of consideration of application the competent authority makes a decision about allocation of subsoil plots or refuses to allocate a site.

8. The competent authority refuses to allocate the subsoil plot in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the conditions established in this article.

The refusal of the competent authority to reduce the area of the subsoil does not deprive the subsoil user of the right to reapplication.

9. Within ten business days from the date of adopting decision to allocate a subsoil plot, the competent authority concludes with an applicant an Addendum to the subsoil contract, separate subsoil contract on allocated subsoil plot and sends to the applicant the signed copies .

Footnote. Article 115 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (enacted sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Chapter 17. PERIODS OF EXPLORATION AND PRODUCTION OF HYDROCARBONS

Article 116. Period of hydrocarbons exploration

1. The maximum duration of the exploration period under a contract for the exploration and production of hydrocarbons for a subsoil plot that does not relate to complex projects, as well as under a contract for the exploration and production of hydrocarbons for a subsoil plot

located within poorly studied territories, shall be no more than six consecutive years. During the said period, the subsoil user shall have the right to conduct any work related to the search and assessment of deposits on the exploration plot, including their pilot production

Within the time limits, provided for in part one of this paragraph, the exploration period under the contract for the exploration and production of hydrocarbons shall be established by the competent authority in the notice of the auction or as a result of direct negotiations with the national company in the field of hydrocarbons.

Under a contract for the exploration and production of hydrocarbons for a subsoil plot located within poorly studied territories, the initial exploration period shall be established for a term of three years.

2. The duration of the exploration period when concluding a contract for the exploration and production of hydrocarbons for a complex project amounts to eighteen years and includes :

1) initial exploration stage of nine years;

2) appraisal stage equal to six years;

3) trial operation stage equal to three years.

During the initial exploration stage, the subsoil user is entitled to carry out any work on the search and evaluation of the discovered deposit (field) at the exploration site, including trial operation.

During the appraisal stage, the subsoil is entitled to carry out any work on the evaluation of discovered deposit (field) at the exploration site, including trial operation.

During the trial operation stage, the subsoil user is entitled to carry out any work on trial operation of discovered deposit (field) at the exploration site.

The transition to the appraisal stage shall be carried out at the request of the subsoil user, which must be submitted before the completion of the initial exploration stage, by signing an addendum to the exploration and production contract for a complex project in accordance with paragraph 5 of this Article.

If the subsoil user has not proceeded to the appraisal stage, in this case the exploration period does not include the appraisal stage and the trial operation stage and consists only of the initial exploration stage.

The transition to the trial operation stage shall be carried out at the request of the subsoil user, which must be submitted before the completion of the appraisal stage, by signing an addendum to the contract for exploration and production for a complex project in accordance with paragraph 5 of this Article.

If the subsoil user has not transited to the trial operation stage, in this case, the exploration period does not include the trial operation stage and consists of the initial exploration stage, as well as the appraisal stage.

3. The application for the transition to the consists stage under the contract for the exploration and production of hydrocarbons for a complex project shall be attached with:

1) program of additional works approved by the subsoil user and containing the volume, description and deadlines for the implementation of additional works by years, which the subsoil user undertakes to perform at the relevant subsoil plot at the appraisal stage;

2) an addendum to the contract signed by the subsoil user, which provides for the establishment of the boundaries of the exploration plot(s)), consisting (consisting) of blocks, within which (which) the proposed contours of discovered deposit (aggregate of deposits) are located, including the establishment of the boundaries of the exploration plot(s)) in depth;

3) conclusion of the authorized body for the study of subsoil on the discovery of hydrocarbons within the subsoil plot of deposits (aggregate of deposits), issued in accordance with paragraph 3 of Article 121 of this Code, indicating the expected contours of deposit (aggregate of deposits), where the appraisal is planned.

4. The application for the transition to the stage of trial operation under a contract for the exploration and production of hydrocarbons under a complex project shall be attached with:

1) additional work program approved by the subsoil user and containing the scope, description and deadlines for performing additional work by year, which the subsoil user undertakes to perform at the relevant subsoil plot at the stage of trial operation;

2) a report on the operational calculation of geological reserves approved by the subsoil user and received a positive conclusion from the state expertise of the subsoil.

5. A statement on the transition to the assessment stage or the pilot production stage under a contract for the exploration and production of hydrocarbons for a complex project shall be reviewed within twenty working days. Based on the results of its review, provided there are no grounds for refusal to transition to the assessment stage or the pilot production stage, within ten working days from the date of the decision to review the subsoil user's statement, the competent authority shall sign an addendum to the contract, providing for the obligations of the subsoil user to carry out the program of additional works at the assessment stage or the pilot production stage, as well as for the establishment of the boundaries of the exploration plot(s) in accordance with subparagraph 2) of the first part of paragraph 2 of Article 110 of this Code.

The competent authority shall refuse the subsoil user the transition to the assessment stage or the pilot production stage under a contract for the exploration and production of hydrocarbons for a complex project in the following cases:

1) documents required in paragraph 3 (when proceeding to the appraisal stage) or 4 (when moving to the trial operation stage) of this Article were not submitted;

2) the application was submitted after the deadline.

6. When proceeding to the appraisal stage under a contract for the exploration and production of hydrocarbons for a subsoil plot under a complex project, blocks that are not included in the spatial boundaries of the exploration area are excluded from the subsoil plot.

7. If, during the exploration period under a contract for the exploration and production of hydrocarbons for a subsoil plot that does not relate to complex projects, as well as under a

contract for the exploration and production of hydrocarbons for a subsoil plot located within poorly studied territories, the presence of at least one of the criteria specified in subparagraphs 2) and 3) of paragraph 1-2 of Article 36 of this Code on the subsoil plot is confirmed as a result of well drilling, the duration of the exploration period under such contract shall be established in accordance with the first part of paragraph 2 of this Article, minus the actual exploration period elapsed, upon the subsoil user's statement. In this case, the terms of the contract shall be amended in accordance with the conditions provided for in subparagraph 1) of paragraph 1-1 of Article 36 of this Code.

An application for classifying a subsoil plot as a complex project and changing the terms of a contract shall be submitted to the competent authority attached with the following documents:

1) draft addendum to the contract, providing for the presentation of the contract for exploration and production in a new version in accordance with the standard contract for exploration and production of hydrocarbons for a complex project;

2) one of the documents specified in paragraph 1-3 of Article 36 of this Code, confirming the presence on the subsoil plot of at least one of the criteria provided for in paragraph 1-2 of Article 36 of this Code.

8. An application to classify a subsoil plot as a complex project and change the terms of the contract shall be subject to consideration within twenty working days from the date of its receipt by the competent authority.

Based on the results of consideration of the application, the competent authority shall sign an addendum to the contract or refuse to classify the subsoil plot as complex projects and amend the terms of the contract if the application does not meet the requirements established by this Code.

The refusal of the competent authority to classify the subsoil plot as complex projects and change the terms of the contract shall not deprive the subsoil user of the right to file a re-application during the exploration period.

9. The exploration period is calculated from the date of registration of the contract for the exploration and production of hydrocarbons.

10. The subsoil user is entitled to terminate the exploration period ahead of schedule by returning the entire exploration site in the manner and on the conditions established by this Code.

11. f, prior to the completion of the exploration period under a contract for the exploration and production of hydrocarbons for a complex project, an application was not submitted to proceed to the production stage in accordance with part three of paragraph 8 of Article 119 of this Code and an addendum to the contract was not concluded in accordance with paragraph 18-4 of Article 119 of this Code, the contract shall be prematurely terminated.

Footnote. Article 116 – as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its

first official publication); as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 117. Extension of exploration period under the contract for exploration and production of hydrocarbons at the subsoil plot, not related to complex projects as well as under the contract for exploration and production of hydrocarbons at the subsoil plot located within poorly studied territories

Footnote. The title of Article 117 – as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

1. In case if the initial period of exploration under a contract for the exploration and production of hydrocarbons at the subsoil plot that is not related to complex projects is less than the maximum values of the terms provided for in paragraph 1 of Article 116 of this Code , the exploration period shall be subject to extension at the request of the subsoil user within such terms.

The initial exploration term under a contract for exploration and production of hydrocarbons in a subsoil area unrelated to complex projects may be extended beyond the term provided for in paragraph 1 of Article 116 of this Code, taking into account possible extensions pursuant to part one of this paragraph in accordance with the procedure and on the terms provided for in paragraph 3-2 of this Article.

The initial exploration period under a hydrocarbon exploration and production contract for a subsoil plot located within poorly studied territories may be extended within the time limit provided for by part one of paragraph 1 of Article 116 of this Code, upon the application of the subsoil user, provided that the work program of the initial exploration period has been fully performed.

The exploration period under the contract for exploration and production of hydrocarbons at the subsoil plot located within poorly studied territories, may be extended beyond the period provided for in paragraph 1 of Article 116 of this Code, taking into account the possible extension in the manner and under the conditions provided for in paragraph 3-2 of this Article.

2. In order to assess a discovered deposit (group of deposits), including its pilot production, the exploration period under a hydrocarbon exploration and production contract for a subsoil plot that does not relate to complex projects, as well as under a hydrocarbon exploration and production contract for a subsoil plot located within poorly studied territories, shall be subject to a one-time extension for each discovered deposit (group of deposits) upon

the subsoil user's application for a period of up to three years. The specific period for the assessment of the discovered deposit (group of deposits) shall be determined on the basis of an addendum to the exploration work project.

Herewith, such extension is allowed only for a subsoil plot (plots), consisting of blocks, within which the expected contours of discovered deposit (aggregate of deposits) set in approved by the subsoil user and having received positive conclusions of expertises, provided for by this Code and other laws of the Republic of Kazakhstan, amendments to the exploration work project, are located.

Based on the results of extensions of the exploration period(s) in accordance with this paragraph, the duration of the exploration period(s) under the contract for the exploration and production of hydrocarbons may not exceed nine years.

2-1. In order to assess a discovered deposit (or group of deposits), the exploration period under a hydrocarbon exploration and production contract for a subsoil plot that is not a complex project, as well as under a hydrocarbon exploration and production contract for a subsoil plot located within poorly studied territories, may be extended beyond the term provided for in the first part of paragraph 2 of this Article, in accordance with the procedure and under the conditions set forth in paragraph 3-2 of this Article. In such case, the duration of the exploration period (or periods) under the hydrocarbon exploration and production contract for a subsoil plot that is not a complex project, as well as under the hydrocarbon exploration and production contract for a subsoil plot located within poorly studied territories, shall not exceed twelve years.

3. In order to conduct a trial operation of discovered deposit (aggregate of deposits), the exploration period under a contract for the exploration and production of hydrocarbons for the subsoil plot that is not related to complex projects, as well as under the contract for exploration and production of hydrocarbons at the subsoil plot located within poorly studied territories, shall be subject to a single extension at the request of the subsoil user for a period of up to three years with a corresponding reduction in the maximum duration of the production period specified in paragraph 1 of Article 119 of this Code. The specific period of trial operation shall be determined on the basis of the trial operation project.

At the same time, such an extension shall be allowed only for the subsoil plot (s) formed (formed) on the basis of the proposed contours of discovered deposit (aggregate of deposits) established in the approved by the subsoil user and received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan examinations trial operation project.

Based on the results of the extension of the period (s) of exploration in accordance with this paragraph, the maximum duration of the period (s) of exploration under the contract for the exploration and production of hydrocarbons may not exceed twelve years.

3-1. When extending the exploration period, blocks that are not included in the spatial boundaries of the exploration area, established by in accordance with Article 110 of this Code , shall be excluded from the exploration area.

3-2. The exploration period under a contract for the exploration and production of hydrocarbons for the subsoil plot that is not related to complex projects, as well as under the contract for exploration and production of hydrocarbons at the subsoil plot located within poorly studied territories, may be extended once for a period exceeding the maximum terms provided for by part one of paragraph 1 of Article 116 of this Code or by part one of paragraph 2 of this Article, but no more than three years, upon the subsoil user's application under simultaneous compliance with the following conditions:

1) seismic survey and drilling of independent wells provided for by the work program of the exploration term have been completed in full;

2) there are no uncorrected breaches of obligations indicated in the notification of the competent authority;

3) the exploration term under the contract has not previously been extended in accordance with this paragraph.

The work program attached to the addendum to the contract shall provide for:

1) drilling of well(s);

2) volumes, description and terms of works that the subsoil user undertakes to perform on the relevant subsoil site for the duration of the extension period by years.

Before applying for extension of the exploration term, the subsoil user shall place money on its bank account in a second-tier bank of the Republic of Kazakhstan in the amount of seven hundred and fifty thousand times the monthly calculation index established for the relevant financial year by the law on the republican budget as of the date of the application for extension of the exploration time on escrow account terms.

The use of the said funds shall be allowed only for the performance of exploration works stipulated by the work program. In case of failure to implement the work program during the extension period, the money placed on such bank account shall be transferred to the budget of the Republic of Kazakhstan.

In case of use of the funds placed on the bank account in accordance with this paragraph for the purposes not provided by the work program for the extension period, the subsoil user is obliged to pay such amounts to the budget of the Republic of Kazakhstan.

4. Application for extension of exploration period shall be submitted to the competent authority within exploration period.

A subsoil user shall have the right to apply for extension of the deadline for an application for extension of the exploration term under a subsoil use contract for twelve months, calculated from the date of completion of the previous exploration term, subject to the following conditions:

1) seismic exploration and drilling of independent wells provided for by the work program of the exploration term have been completed in full;

2) there are no uncorrected breaches of obligations indicated in the notification of the competent authority;

3) there is a confirmation of the authorized body for subsoil exploration of the discovery issued in accordance with paragraph 8 of Article 123 of this Code (when extending the exploration term for the purpose of evaluation of the discovered deposit (s), or an operational calculation of reserves (when extending the exploration term for the trial exploitation purpose);

4) the application shall be filed before the expiration of the exploration term.

Application for extending the deadline for filing an application for extension of the exploration term under the contract for subsoil use shall be examined by the competent authority within fifteen working days.

The competent authority shall decline extension of the deadline for filing an application for extension of the exploration term, if the conditions specified in part two of this paragraph are not met under the subsoil use contract.

In the absence of grounds for refusal, the competent authority shall extend the deadline for filing an application for extension of the exploration term by twelve months. An application for extension of the exploration term must be submitted before the expiration of the period specified in the decision to extend the deadline for filing an application for extension of the exploration period, in accordance with paragraph 6 of this article. With such an extension of the exploration term, the number of full months that have elapsed after the expiration of the exploration term and before the date of filing the application for extension of the exploration term shall be excluded from the maximum period of extension of the exploration term.

5. Application for extension of exploration period shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the contract for exploration and production of hydrocarbons;

3) reference to the subsoil site (sites), on which the extension of exploration period is requested;

4) the ground for, and requested term of extension of exploration period;

5) the requested period for the extension of the exploration period, determined on the basis of the relevant project documents for a subsoil plot that is not related to complex projects.

6. The following documents shall be annexed to the application for extension of the exploration period under contracts that are not classified as complex projects, as well as under

the contract for exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories:

1) the program of additional works, approved by a subsoil user and containing volumes, description and terms of work execution, which are obliged to be executed by a subsoil user on corresponding subsoil site in case of extension of exploration period;

2) addendum to the contract signed by the subsoil user providing for:

extension of exploration period;

in cases, provided for by paragraphs 2 and 3 of this Article, - annex to the contract that, according to the Article 110 of this Code, establishes exploration site (sites), consisting of blocks, inside of which the expected contours of discovered deposits (aggregates of deposits), including setting of site (sites) boundaries of exploration in depth, are located;

Obligation of subsoil user on execution of the program of additional works, indicated in sub-paragraph 1) of this paragraph and attached to the contract as its integral part.

3) in the case provided for by paragraph 2 of this Article - approved by a subsoil user and having received positive conclusions of expertises, provided by this Code and other laws of the Republic of Kazakhstan, an amendment to the project of exploration works, providing evaluation works of discovered deposits (aggregates of deposits);

4) in the case provided for by paragraph 3 of this Article - the project of trial operations approved by the subsoil user and having received positive conclusions of expertises, provided by this Code and other laws of the Republic of Kazakhstan;

5) in the case stipulated by paragraph 3-2 of this article:

an addendum to the exploration works project approved by the subsoil user and that received positive conclusions of expert examinations stipulated by the present Code and other laws of the Republic of Kazakhstan;

a statement from the second-tier bank of the Republic of Kazakhstan on the availability of the appropriate sum of money in the bank account of the subsoil user on the terms of the escrow account.

6-1. The following documents shall be annexed to the application for extension of the initial exploration period under contract for exploration and production of hydrocarbons at the subsoil plot located within poorly studied territories:

1) a program of additional work approved by the subsoil user, containing the scope, description, and deadlines for the additional work that the subsoil user undertakes to perform on the relevant subsoil plot in the event of an extension of the exploration period, taking into account the requirements of subparagraph 2) of part one of paragraph 3-1 of Article 95 of this Code;

2) an amendment to the contract signed by the subsoil user, providing for:

the extension of the exploration period in accordance with Part three of paragraph 1 of this Article;

obligation of subsoil user on execution of the program of additional works specified in subparagraph 1) of this paragraph, which is appended to the contract as an integral part thereof;

3) a report on the results of exploration works, approved by the authorized body for subsoil study in accordance with paragraph 16 of Article 123 of this Code, in the event of an extension of the initial exploration period.

7. If within the period of consideration of application for subsoil site by the competent authority specified in the application, the exploration period is completed, the contract for exploration and production of hydrocarbons remains in effect in relation to such subsoil site for the period of application consideration.

In the event of a decision to extend the deadline for filing an application for extension of the exploration term in accordance with paragraph 4 of this article, the contract for exploration and production of hydrocarbons shall remain in force until the expiration of the deadline for submitting an application for extending the exploration term, and in case of an application for extension of the exploration term, also during the period of examination of such an application. At the same time, during the said period the subsoil user shall be prohibited to conduct subsoil use operations on the subsoil area specified in the application.

8. The application shall be considered within twenty business days from the date of receipt by the competent authority. Based on the results of consideration of the application, the competent authority decides on the extension or refuse in such an extension.

9. The competent authority refuses to extend the exploration period in the following cases:

1) non-compliance of the application with the requirements established by this Code;

2) the absence of grounds for the extension of the exploration period provided for in paragraphs 1, 2, 2-1, 3 and 3-2 of this Article;

3) there are breaches of obligations committed and not eliminated by the subsoil user under subsoil use contract indicated in the notification from the competent authority;

4) the failure to fully perform the work program of the initial exploration period under the contract for exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories.

The refusal of the competent authority to extend the exploration period does not deprive the subsoil user of the right to reapplication within the exploration period.

10. Within twenty business days from the date of adopting decision on extension, the competent authority concludes with an applicant a corresponding Addendum to the contract for exploration and production of hydrocarbons and sends to the applicant his signed copy.

11. If, upon completion of the exploration period under a contract for the exploration and production of hydrocarbons in a subsoil block that is not designated or a hydrocarbon exploration and production contract for a subsoil plot located within poorly studied territories, a production area and production period or a preparatory period have not been established, such a contract shall be terminated.

12. In case of extension of the exploration term in accordance with paragraph 3-2 of this article, the maximum period of the production term under the exploration and production contract shall be reduced by the period for which the exploration term is extended.

Footnote. Article 117 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (effective ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 118. Preparation period

1. Under contracts for the exploration and production of hydrocarbons for a subsoil plot that is not related to complex projects, as well as under the contract for exploration and production of hydrocarbons at the subsoil plot located within poorly studied territories, after the completion of the exploration period and before fixing the production period, at the request of the subsoil user, it shall be allowed to fix the production plot(s) and the preparatory period (preparatory periods).

Under hydrocarbon production contracts unrelated to complex projects, the production site and the preparatory period shall be fixed at the time of their conclusion.

2. Within preparation period a subsoil user is entitled to perform:

1) development, approval and conduct of expertises, provided by this Code and other laws of the Republic of Kazakhstan, of deposit development project;

2) if necessary - installation of the hydrocarbon field facilities and development of infrastructure thereof;

3) production of hydrocarbons at a level not exceeding the design average daily production volumes during the trial operation of such field, drilling, reactivation of wells, sampling and testing of facilities based on the approved field development project.

At the same time, the subsoil user is obliged to supply belonging to him hydrocarbons in full volume to the internal market of the Republic of Kazakhstan, excluding the hydrocarbons , used for own technological needs or incinerated according to provisions of this Code.

3. Duration of preparation period is no more than three years with corresponding reduction of maximum duration of production period, specified in paragraph 1 of the Article 119 of this Code.

Within the time limits provided for in part one of this paragraph, the preparation period under the contract for exploration and production of hydrocarbons is determined by a subsoil user individually in application for securing the production site and preparation period, and under the contract for production of hydrocarbons - it is established by the competent authority in notification about holding an auction or on the base of results of direct negotiations with the national company in the field of hydrocarbons.

4. A mandatory condition for fixing the production site and preparation period under the contract for exploration and production of hydrocarbons is receiving by a subsoil user of the

positive conclusion of the state subsoil expertise concerning the report on geological reserves calculation.

5. The application for fixing of the production site and preparation period shall be submitted by a subsoil user to the competent authority within exploration period.

If within the period of consideration of an application by the competent authority on subsoil site, indicated in the application, the exploration period was terminated, the contract for exploration and production remains an effect concerning such a subsoil site within the term of consideration of application.

6. An application for fixing of the production site and preparation period shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the contract for exploration and production of hydrocarbons;

3) reference to production site (sites);

4) duration of preparation period.

7. The application shall be additionally attached by:

1) Addendum to the contract signed by a subsoil user, providing for fixation of the preparation period (preparation periods) and containing annex to the contract, which establishes a production site according to the Article 110 of this Code;

2) Report on calculation of geological reserves approved by a subsoil user and having received positive conclusions of the state subsoil expertise.

8. The application shall be considered within twenty business days from the date of receipt by the competent authority.

9. Based on the results of consideration of the application, the competent authority makes a decision on fixing of the production site and the production period or reject such fixation.

10. The competent authority refuses to fix the production site and preparation period in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) there are breaches of obligations committed and not eliminated by subsoil user under the subsoil use contract indicated in the notification from the competent authority.

The competent authority rejection of fixing of production site and preparation period shall not deprive the subsoil user of the right to reapplication within the exploration period.

11. Within twenty business days from the date of adopting decision on securing of production site and preparation period, the competent authority concludes with an applicant a corresponding Addendum to the contract for exploration and production of hydrocarbons and sends to the applicant the signed copies.

If upon completion of preparation period within the framework of the contract for exploration and production or production of hydrocarbons the production period was not secured, the effect of such a contract shall be terminated.

Footnote. Article 118 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 119. Period of hydrocarbons production

1. The maximum duration of the production period for a subsoil plot that is not related to complex projects shall be no more than twenty-five years, and for large fields - no more than forty-five years.

For a subsoil plot that is not related to complex projects, the duration of the production period is established when concluding a production contract or an addendum to the contract for exploration and production, which provides for fixing the production period.

1-1. The production period for a subsoil plot related to complex projects shall be forty-five years for large fields and twenty-five years for non-large fields. In the event that none of the discovered fields under one contract for the exploration and production or production of hydrocarbons under a complex project meets the criteria for a large field provided for in Article 14 of this Code, the production period established in such a contract shall be twenty-five years by signing an addendum to the contract for exploration and production or production of hydrocarbons under a complex project.

The transition to the production period under a contract for the exploration and production of hydrocarbons for a complex project shall be carried out by concluding an addendum to the contract, which establishes the boundaries of the subsoil area in accordance with subparagraph 4) of part one of paragraph 2 of Article 110 of this Code.

2. In the cases provided for in paragraph 1 of this Article, the period of hydrocarbon production shall be determined on the basis of the initial field development project approved by the subsoil user and having received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan of expertise.

Consequent change in timeline of commercial hydrocarbons production in the field development project does not constitute the ground for relevant changes of production period in the contract for subsoil use.

3. The period of production at a subsoil plot is calculated from the date of registration of a contract for the production of hydrocarbons or an amendment to the contract for the exploration and production of hydrocarbons.

4. The subsoil user is entitled to early terminate production period by returning the whole the site in order and conditions, established by this Code.

5. In case if several production plots are formed under a contract for the exploration and production of hydrocarbons in accordance with Article 110 of this Code, the production period shall be determined individually for each such plot.

At the same time, in case of production period expiration on one of the subsoil sites, the subsoil use contract will remain in effect only in relation to the rest subsoil sites.

6. For contracts under which the exploration period and the production period are simultaneously valid, the rights and obligations of the subsoil user provided for by this Code and the contract for the production period shall apply only to such a production plot(s), and the rights and obligations of the subsoil user provided for by this Code and the contract for exploration period, - only in relation to the exploration area.

7. If the volumes of initial geological reserves of deposits the report on calculation of which has received positive conclusion of the state subsoil expertises, provided for by this Code and the provisions of the contract for exploration exceed one hundred millions of tons of oil or fifty billions of cubic meters of natural gas, the provisions of the contract for exploration and production in relation to such deposit shall contain one of the following subsoil user obligations:

1) independent creation of processing production facilities by foundation of a new legal entity or jointly with other persons;

2) modernization or reconstruction of existing extractive industries;

3) modernization or reconstruction of existing processing industries;

4) provision of extracted hydrocarbons for processing at processing enterprises (plants) in the territory of the Republic of Kazakhstan on contractual terms;

5) implementation of other investment project or the project aimed at social-economic development of a region, independently by creating a new legal entity or jointly with other persons.

Under a contract for exploration and production or production of hydrocarbons under complex projects specified in subparagraph 1) of paragraph 1-2 of Article 36 of this Code, one of the obligations specified in part one of this paragraph shall apply twenty calendar years from the date of commencement of export of hydrocarbons produced under the relevant subsoil use contract.

Under a contract for exploration and production of hydrocarbons at a subsoil plot located within poorly studied territories, in addition to the assumption of the obligations provided for by part one of this paragraph, a condition for securing the production period shall be the equity participation of the national company in the hydrocarbons sector in the subsoil use contract in the amount of fifty percent or more. In this case, the national company in the hydrocarbons sector shall reimburse the subsoil user for the share of exploration costs incurred according to the subsoil user’s tax accounting data as of the date of filing the application for the transition to the production period, proportionally to the share transferred in favor of the national company in the hydrocarbons sector. The procedure and conditions for the reimbursement of costs shall be determined by the agreement of the parties. In the event that such an agreement is not reached, the said costs shall be reimbursed within six months from the date of transfer of the share in the subsoil use contract in favor of the

national company in the hydrocarbons sector. Costs incurred after the production period has been secured shall be allocated proportionally to the shares of the subsoil users in the subsoil use contract.

8. An application for fixing a site and a production period under a contract for a subsoil plot that is not related to complex projects shall be submitted by the subsoil user to the competent authority during the exploration period.

An application for fixing the production period under a contract for a subsoil plot that is not related to complex projects shall be submitted by the subsoil user to the competent authority during the preparatory period.

An application for the transition to the production period under a contract for a subsoil block related to complex projects must be submitted before the expiration of the exploration period.

If within the period of the application consideration by the competent authority regarding the subsoil site, indicated in application, the exploration period or preparation period are completed the contract remains in effect in relation to such subsoil site for the period of consideration of the application, and in the cases provided for by subparagraph 2) of paragraph 12 of this Article - additionally for the period of performing the actions provided for by paragraphs 15-18 of this Article. At that, subsoil use operations on such subsoil site are prohibited.

9. An application for fixing a site and a production period or only a production period under a contract for a subsoil plot that is not related to complex projects must contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the contract for exploration and production or production of hydrocarbons;

3) reference to production site (sites);

4) duration of the production period (periods)

10. Application shall be additionally attached by:

1) the signed by a subsoil user addendum to the contract, providing fixing of the site (sites) and production period (periods) or production period (periods), excluding the cases, provided by paragraph 7 of this Article. At that, with the purpose of fixing the production site (sites), addendum to the contract shall contain the annex to the contract, establishing a production site according to the Article 110 of this Code.

2) Report (reports) on calculation of geological reserves approved by a subsoil user and having received positive conclusions from the state subsoil expertise.

3) The field development project approved by a subsoil user and having received positive conclusions of the expertises provided for by this Code and other laws of the Republic of Kazakhstan on expertises of the field development.

11. The application shall be considered within twenty business days from the date of receipt by the competent authority.

12. Based on the results of consideration of the application, the competent authority takes one of the following decisions:

1) for fixing the site and production period or only production period - excluding the cases , provided for by paragraph 7 of this Article;

2) in case, provided by paragraph 7 of this Article, on negotiations with a subsoil user in terms and order, provided for by this Article;

3) decision on the refusal to fix the site and production period or production period.

13. The competent authority refuses to assign a site and a production period or a production period under a contract for a subsoil plot that is not related to complex projects, to the extent as follows:

1) if the application fails to comply with the requirements established by this Code;

2) there are breaches of obligations committed and not eliminated by subsoil user under the subsoil use contract indicated in the notification from the competent authority.

The refusal of the competent authority to fix the site and production period or production period does not deprive the subsoil user of the right to reapplication within exploration period or preparation period, respectively.

14. In case provided for by subparagraph 1) of paragraph 12 of this Article, the competent authority, within twenty working days from the date of the decision to secure the site and the production period or the production period, concludes with the applicant an amendment to the subsoil use contract for a subsoil plot that is not related to complex projects, and sends the applicant a signed copy.

15. In the case provided for by subparagraph 2) of paragraph 12 of this Article, the competent authority within twenty-four months from the date of adopting such decision shall conduct negotiations with a subsoil user on determining conditions and order of fulfilling obligations provided for by paragraph 7 of this Article.

In the case provided for by part three of paragraph 7 of this article, the subsoil user and the national company in the field of hydrocarbons shall agree on the terms for the transfer of a share in the contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, or in the contract for the production of hydrocarbons, prior to the expiration of the period specified in part one of this paragraph.

16. According to the results of negotiations the competent authority within five business days adopts and notifies a subsoil user about one of the following decisions:

1) on the conclusion of an addendum to the subsoil use contract for a subsoil plot not related to complex projects, providing for fixing the site and the production period or production period, as well as the conditions and procedure for performing the obligation provided for in paragraph 7 of this Article;

2) rejection of the conclusion of Addendum to the contract.

17. In the case provided for by subparagraph 1) of paragraph 16 of this Article, a subsoil user, within twenty business days from the date of notification receipt, sends to the competent authority signed Addendum to the contract for exploration and production of hydrocarbons, providing securing of a site and production period or production period, as well as conditions and order of fulfilling obligation, provided by paragraph 7 of this Article. At that, with the purpose of securing a production site, the addendum to the contract shall contain the annex to the contract establishing a production site according to Article 110 of this Code.

In the case provided for by part three of paragraph 7 of this article, an addendum to the contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, or the contract for the production of hydrocarbons, shall also be signed by the national company in the field of hydrocarbons.

18. The competent authority, within twenty working days from the date of receipt of the addendum to the subsoil use contract for the subsoil plot not related to complex projects, signs such an addendum and sends the signed copy to the subsoil user.

18-1. An application for the transition to the production period under an exploration and production contract for a subsoil plot related to complex projects is submitted to the competent authority during the exploration period, which must contain:

1) surname, name, patronymic (if it is indicated in the identity document), name of the subsoil user;

2) number and date of registration of the contract for exploration and production of hydrocarbons;

3) indication of the plot(s) of production.

The application shall be attached with a draft addendum to the contract signed by the subsoil user, establishing the boundaries of the production plot(s), and a copy of the report approved by the subsoil user and received a positive conclusion from the state examination of the subsoil on the calculation of geological reserves at the production plot(s). If the field is not classified as a major field, the addendum project must also provide for a twenty-five year mining period.

18-2. If an application is submitted in accordance with paragraph 18-1 of this Article for a subsoil plot(s) where exploration has not been confirmed to meet any of the complex project criteria, the terms of the contract relating to the production period must be aligned in accordance with the terms of a standard production contract established in accordance with subparagraph 4) of paragraph 1-1 and paragraph 2 of Article 36 of this Code, and in the case of allocation of a production site that is not related to a complex project, a production contract is concluded in relation to such a site on the terms specified in accordance with subparagraph 4) of paragraph 1-1 and paragraph 2 of Article 36 of this Code.

18-3. If an application for the transition to the production period is submitted under an exploration and production contract concluded in the form of a standard contract specified in subparagraph 3) of paragraph 1-1 of Article 36 of this Code, in respect of the subsoil plot, as

a result of exploration of which confirmation of its compliance was received criteria for a complex project, the terms of such a contract relating to the period of production shall be subject to alignment with the conditions established in accordance with subparagraph 2) of paragraph 1-1 of Article 36 of this Code, and in cases of allocation of a production plot that is a complex project, in relation to such a site a subsoil contract is concluded on the terms specified in accordance with subparagraph 2) of paragraph 1-1 of Article 36 of this Code.

18-4. An application for the transition to the production period, submitted in accordance with paragraphs 18-1, 18-2 and 18-3 of this Article, shall be subject to consideration within twenty working days from the date of its receipt by the competent authority.

Based on the results of consideration of the application, the competent authority signs an addendum to the contract in relation to the relevant subsoil plot, taking into account the provisions of paragraphs 18-2 and 18-3 of this Article, or refuses to proceed to the production period under the contract for the subsoil area related to complex projects, in case of non-compliance applications to the requirements established by this Code.

The refusal of the competent authority to proceed to the production period does not deprive the subsoil user of the right to file a re-application during the exploration period.

19. In the case provided for by subparagraph 2) of paragraph 16 of this Article, after termination of the subsoil use contract the former subsoil user is entitled to reimburse the costs for discovery and evaluation.

Such reimbursement is made by a new subsoil user in the form of the lump sum payment of the full amount of the relevant costs with due regard to inflation, determined on the basis of official statistical information of the authorized body based on the state statistics data.

The period for reimbursement of such costs shall be established by the competent authority and not exceed twelve months after the date of the contract conclusion with a new subsoil user.

A new subsoil user is entitled to audit the costs subject to reimbursement. In the event of the dispute on amount of reimbursable costs between the new and former subsoil users, such dispute is subject to settlement in the court.

Footnote. Article 119 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 120. Extension of the period of hydrocarbons production

1. The mining period shall be extended by the competent authority upon the request of the subsoil user for a period of up to twenty-five consecutive years.

2. An application for extension of the production term shall be submitted by the subsoil user to the competent authority no later than one month before the end of the extended

production term, and for the fields specified in paragraph 5 of this article – no later than six months before the expiration of the subsoil use contract.

3. The application for extension of the production period shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the contract for exploration and production or production of hydrocarbons;

3) indication of the subsoil plot(s) for which (by which) the extension of the production period is requested;

4) the requested time limit for extension of the production period.

4. The documents additionally attached to the application are:

1) Excluded by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

2) approved by the subsoil user and received positive conclusions of expertises, provided by this Code and other laws of the Republic of Kazakhstan, a project of deposit development, providing the development of deposit within requested term of extension the production period.

5. If the initial geological reserves of a hydrocarbon deposits, the report on the calculation of which has received a positive conclusion of the state examination provided for by this Code in terms of the state expertise of subsoil, exceed the value of one hundred million tons of oil or fifty billion cubic meters of natural gas, the provisions of the contract upon extension of the production period shall be amended by one of obligations indicated in paragraph 7 of Article 119 of this Code.

If the subsoil use right related to such deposit is is granted to other person the subsoil use contract shall contain one of obligations indicated in paragraph 7 of Article 119 of this Code

6. Application shall be subject to consideration within two months from the date of its receipt by the competent authority and on deposits, indicated in paragraph 5 of this Article, - within twenty-four months. Based on the results of consideration of the application, the competent authority makes the decision on the extension or rejects such extension.

7. The competent authority rejects the extension of the production period in the following cases:

1) if the application is submitted after the deadline established by paragraph 2 of this article;

2) if the application fails to comply with the requirements established by this Code;

3) if the field development project provides for the time limit less than requested in the application;

4) if there are the breaches of obligations committed and not eliminated by the subsoil user under the subsoil use contract indicated by the notification from the competent authority;

5) if the competent authority does not intend to extend the contract, including in case of failure to reach an agreement with the subsoil user on its commitment to implement an industrial and innovative project involving the production of high value-added products (higher value added and processing) or other investment obligations, including those provided for in paragraph 7 of Article 119 of this Code.

The refusal of the competent authority to extend the production period does not deprive the subsoil user of the right to reapplication, other than the cases provided for by subparagraph 1) and 5) of this Article.

8. The extension of production period is performed only for subsoil site (sites), indicated in the application.

9. If the contract corresponds to a model contract for exploration and production or production of hydrocarbons approved by the competent authority, when extending the production term, an addendum to the contract for exploration and production or production of hydrocarbons providing for the extension of the production term shall be concluded between the subsoil user and the competent authority within one month from the date of the decision on extension.

10. If the contract fails to comply with the standard contract for exploration and production or production of hydrocarbons, approved by the competent authority, upon extension of the production period agreed between a subsoil user and the competent authority within two months from the date of adopting decision for extension the contract for exploration of hydrocarbons shall be concluded in restatement, developed according to the standard contract for exploration of hydrocarbons.

11. If the period of hydrocarbons production under the contract is set for a period of not less than twenty years when the production period is extended, the contract terms and conditions shall be subject to alignment with the laws of the Republic of Kazakhstan applicable on the day of such extension.

Footnote. Article 120 as amended by Law of the RK № 87-VII of 27.12.2021 (shall come into effect ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Chapter 18. CONDITIONS OF EXPLORATION AND PRODUCTION OF HYDROCARBONS

Article 121. General conditions for exploration and production of hydrocarbons

1. Portion of subsoil that contains isolated natural accumulation of hydrocarbons in a trap formed by a reservoir rock and a tire made of impermeable rocks is recognized as a hydrocarbon reservoir.

2. Reservoir or aggregate reservoirs belonging to one or several traprocks controlled by a single structural element and located on the same local area, the report on the calculation of reserves of which received a positive conclusion provided for by this Code of state expertise of the subsoil.

3. Discovery of a new reservoir (aggregate deposits) by means of documented receipt of hydrocarbon inflow from a well, including when testing it with a reservoir tester, and (or) laboratory studies of the reservoir rock on oil and gas saturation confirmed by the authorized body for the study of the subsoil in order and terms established by this Code, shall be recognized as a discovery.

4. Set of activities related to the search and evaluation of the hydrocarbon fields including trial operations thereon.

5. Exploratory work recognizes work carried out in order to detect hydrocarbon deposits, determine the estimated resources, their preliminary geological and economic assessment and justify further exploration works.

6. The works carried out for the purposes of delineation and evaluation of discovered deposits, calculation of reserves by industrial categories and evaluation of their feasibility in industrial development are recognized as evaluation works.

7. The works carried out to specify the available information and obtaining additional information concerning geological and field characteristics of reservoirs and deposits, integrated geological, geophysical and hydrodynamic study of wells to schedule the field development project. Trial operation provides for temporary operation of wells and the production of hydrocarbons for research purposes.

8. Set of activities related to the extraction of hydrocarbons from the subsoil to the surface is considered as production of hydrocarbons

9. Use of individual subsoil plots for exploration and production operations or the extraction of hydrocarbons may be restricted or prohibited by the decision of the Government of the Republic of Kazakhstan in order to ensure national security, safety of life and health, and environmental protection.

10. The subsoil use for exploration and production or production of hydrocarbons in the territories of settlements, suburban areas, industrial facilities, transport and communications may be partially or completely prohibited by decision of the Government of the Republic of Kazakhstan in cases where such use may endanger life and (or) human health, cause environmental damage or damage to economic facilities.

11. Requirements for prospecting and evaluation works including trial operation, as well as work on the development of hydrocarbon fields are established in uniform rules for the rational and integrated use of mineral resources approved by the authorized body in the field of hydrocarbons.

12. The Republic of Kazakhstan has a priority right over other persons to purchase hydrocarbons at prices not exceeding the prices applied by the subsoil user in transactions that were established at the date of the transaction, less transportation costs and expenses for the sale of hydrocarbons.

If the information on prices for hydrocarbons used by the subsoil user in transactions is not available, the prices applied are those that do not exceed the prices prevailing on world

markets at the date of the state's acquisition of hydrocarbons, minus transportation costs and hydrocarbon sales costs.

The maximum amount of hydrocarbons purchased and the type of payment are determined by the subsoil use contract.

13. The procedure for exercising of the preemptive right of the Republic of Kazakhstan to purchase hydrocarbons is determined by the Government of the Republic of Kazakhstan.

14. Encumbrance of the subsoil use right (share in the subsoil use right) for hydrocarbons, as well as encumbrance of shares (stakes in the authorized capital) of organizations, directly or indirectly controlling the person, holding the subsoil use right for hydrocarbons, not prohibited by this Code, shall be carried out with the permission of the competent authority at the request of the subsoil user or the holder of shares (stakes in the authorized capital) subject to encumbrance.

An application for permission to encumber the subsoil use right (share in the subsoil use right) for hydrocarbons, shares (stakes in the authorized capital) of organizations directly or indirectly controlling the person holding the subsoil use right for hydrocarbons shall contain:

1) information on the applicant and the person(s) in whose favor the encumbrance is made :

for individuals - surname, first name and patronymic (if it is indicated in the identity document), citizenship, information on the applicant's identity documents;

for legal entities - name, information on state registration as a legal entity (extract from the commercial register or other legalized document certifying that the applicant is a legal entity under the laws of a foreign state), information on persons, states, international organizations controlling such legal entity;

2) information on occurrence and (or) acquisition of the subsoil use right (share in the subsoil use right);

3) information on shares (stakes in the authorized capital) subject to encumbrance;

4) the basis of encumbrance;

5) if the encumbrance arises by virtue of a monetary claim - indication of the amount of the claim, other claim - description of such claim.

The original document on the basis of which the encumbrance arises or its notarized copy shall be attached to the application for authorization to encumber the subsoil use right (share in the subsoil use right) for hydrocarbons, shares (stakes in the authorized capital) of organizations directly or indirectly controlling the person holding the subsoil use right for hydrocarbons.

The application and the documents attached thereto must be drawn up in the Kazakh and Russian languages. If the application is submitted by a foreigner or a foreign legal entity, the documents attached thereto may be drawn up in another language with obligatory attachment to each document of a translation into Kazakh and Russian, the accuracy of which shall be certified by a notary.

The application is subject to consideration within fifteen working days.

The competent authority refuses to issue a permit for encumbrance of the subsoil use right (share in the subsoil use right), shares (stakes in the authorized capital) of organizations, directly or indirectly controlling the person holding the subsoil use right, on the following grounds:

the application does not contain the information provided for in part two of this paragraph ;

the documents provided for in parts three and (or) four of this paragraph are not attached to the application;

if the encumbrance arises on the basis of the pledge agreement for subsoil use right (share in the subsoil use right) under the loan, the terms of which do not provide for its use for the purposes of subsoil use or for subsequent redistribution in the territory of the Republic of Kazakhstan in accordance with paragraph 15 of this article;

if encumbrance of the subsoil use right (share in the subsoil use right) and (or) encumbrance of shares (participation interests in the authorized capital) of organizations directly or indirectly controlling the person holding the subsoil use right for hydrocarbons entail non-compliance with the requirements to ensure national security, including concentration of subsoil use rights.

15. Loan obtained on the security of the subsoil use right for hydrocarbons should be used for subsoil use or for organizing subsequent redistribution in the territory of the Republic of Kazakhstan provided for by a subsoil use contract by the subsoil user or a subsidiary with a 100% share of the subsoil user in its share capital.

16. In contracts with the obligatory share participation of the national company in the field of hydrocarbons, the participation share of the national company in the authorized capital of the operator shall initially be at least fifty percent.

Subsequently, the specified size of the participation of the national company in the authorized capital of the operator can be reduced, provided that the national company retains its control over the decisions on the contract by the subsoil users.

The provisions of this paragraph shall not apply to contracts for the exploration and production or production of hydrocarbons for complex projects.

17. Operation of wells including that during the exploration period, and the implementation of geological and technical measures shall be documented. The documentation is kept by the subsoil user until the end of the production period.

Footnote. Article 121 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Article 122. Protection of subsoil and environment, rational and integrated use of subsoil in exploration and production of hydrocarbons

1. Mandatory conditions for the exploration and production of hydrocarbons are:

1) ensuring of the protection of subsoil resources;

2) rational and cost-effective use of the subsoil through the use of high technologies and positive practice of subsoil use;

3) compliance with the requirements of the environmental legislation of the Republic of Kazakhstan.

Good practice of subsoil use is understood to be the generally accepted international practice used in the conduct of subsoil use operations, which is rational, safe, necessary and cost-effective.

2. Protection of the subsoil and the environment includes a system of legal, organizational , economic, technological and other measures aimed at:

1) protection of life and health of the population;

2) preservation of natural landscapes and the restoration of disturbed lands, other geomorphological structures;

3) preservation of the properties of the energy state of the upper parts of the subsoil in order to prevent earthquakes, landslides, flooding, subsidence of the soil;

4) ensuring the preservation of the natural state of the water body

3. The requirements in the field of rational and complex use and protection of the subsoil in the exploration and production of hydrocarbons are:

1) ensuring the completeness of the advanced geological study of the subsoil for a reliable assessment of the size and structure of hydrocarbon reserves, fields and subsoil plots provided for carrying out operations on subsoil use;

2) ensuring the rational and cost-effective use of subsoil resources at all stages of subsoil use operations;

3) ensuring the completeness of extraction of mineral resources from the depths;

4) maintaining reliable records of reserves and produced hydrocarbons, associated components;

5) prevention of accumulation of industrial and household waste in the catchment areas and in the groundwater used for drinking or industrial water supply;

6) prevention of pollution of the subsoil during underground storage of hydrocarbons or other substances and materials, burial of harmful substances and waste;

7) compliance with the established procedure for suspension, termination of subsoil use operations, liquidation of the consequences of subsoil use, conservation of subsoil areas, as well as liquidation and conservation of certain technological facilities;

8) ensuring environmental and sanitary-epidemiological requirements for the storage and disposal of waste;

9) maximum use of raw gas through its processing in order to obtain strategically important energy carriers or raw materials for the petrochemical industry and minimize environmental pollution.

4. Subsoil users, when designing and conducting exploration and development of hydrocarbon fields, are obliged to comply with the requirements for the rational and integrated use and protection of the subsoil established by this Code.

5. The amount of damage caused due to violation of the requirements for the rational and complex use of subsoil, established in accordance with this Code, is determined by the authorized body in the field of hydrocarbons in the manner prescribed by it.

6. The subsoil user is obliged to take on the balance all previously drilled wells located in the area of the subsoil, to monitor them.

7. The subsoil user is obliged to ensure the organization of the monitoring of the subsoil status and control over the field development.

Footnote. Article 122 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 123 Hydrocarbon exploration conditions

1. Search and evaluation work should be carried out in accordance with the project exploration.

2. The subsoil user during the period of exploration and subject to the restrictions established by this Code, has the right to carry out any type of hydrocarbon exploration works , except as provided by part two of this paragraph.

Under a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, the subsoil user shall be prohibited from drilling wells until such time as the work program prescribed for the first three years of the exploration period has been fully performed. Such prohibition shall not apply in the event of early completion of the work program prescribed for the first three years of the exploration period and upon coordination with the authorized body for subsoil study of the report on the results of geological exploration works in accordance with paragraph 16 of this Article.

3. Works on the exploration of hydrocarbons shall be carried out by methods and methods stipulated by the project of exploration and (or) the project of trial operation, in accordance with the positive practice of subsoil use.

4. During the exploration of hydrocarbons, drilling of wells provided for by the exploration project and (or) the test operation project is allowed.

5. At each discovery of new deposit (aggregate of deposits), the subsoil user within one month from the date of such discovery sends to the authorized body for the study of the subsoil an application for confirmation of detection.

6. An application for confirmation of discovery shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) registration date and number of the subsoil use contract;

3) indication of the location and proposed contours of a discovered deposit (aggregate of deposits).

7. The application shall be supplemented with at least one of the following documentary evidences of the discovery:

1) documentary confirmation of receipt by the subsoil user of inflow of hydrocarbons from the well, including during its testing by the formation tester;

2) properly prepared results of laboratory studies of the reservoir rock, confirming the oil or gas saturation with a coefficient not less than thirty percent.

8. The application is subject to consideration within twenty business days from the date of its receipt by the authorized body for the study of the subsoil. Based on the results of consideration of the application, the authorized body for the study of the subsoil makes a decision on confirmation of the discovery or refuses to confirm it.

9. The authorized body for the study of subsoil refuses to confirm the discovery:

1) if the application fails to comply with the requirements established by this Code;

2) if the attached documentary evidence of the discovery is absent or unreliable.

10. The refusal of the authorized body for the study of the subsoil to confirm the discovery does not deprive the subsoil user of the right to reapplication.

11. The subsoil user within one month from the date of the discovery confirmation by the authorized body for the study of the subsoil is obliged to notify the competent authority in writing and commence the development of addendum to the project of exploration work, which provides for evaluation work.

12. During exploration works, the subsoil user is obliged to ensure:

1) optimality of the applied technical means when conducting exploration in accordance with the studied object of subsoil use;

2) timely and reliable reflection of all the details of the work, the data obtained and the results of research in geological documentation.

13. During the exploration period, the subsoil user has the right to conduct trial operation of the discovered deposit (aggregate of deposits) in accordance with the approved subsoil user and received positive opinions provided by the project of trial operation provided for by this Code and other laws of the Republic of Kazakhstan.

Duration of trial operation shall not exceed three years.

13-1. The subsoil user has the right to abandon drilling of a well provided for in the work program of the contract for exploration and production of hydrocarbons on a subsoil site unrelated to complex projects, while simultaneously meeting the following conditions:

1) seismic exploration work was carried out at the subsoil site in accordance with the exploration project and work program;

2) the declaration of abandonment was filed no later than three years from the date of conclusion of the exploration and production contract.

In this case, the subsoil user is obliged to return the entire subsoil site in the manner and under the conditions provided for in Article 126 of this Code.

In case of abandonment of drilling and return of the subsoil site in accordance with parts one and two of this paragraph, the drilling obligation shall be considered terminated.

14. The subsoil user is obliged to supply the hydrocarbons belonging thereto, extracted during the period of exploration, to the domestic market of the Republic of Kazakhstan in full , with the exception of hydrocarbons consumed for its own technological needs or burned in accordance with the requirements of this Code.

15. Within three years from the date of conclusion of a contract for the exploration and production of hydrocarbons under a complex project, and provided that the subsoil user has received geological information based on the results of seismic work and (or) drilling performed by the subsoil user under such a contract, the subsoil user shall be entitled to return the entire (all) subsoil plot(s) after the completion of any type of the specified work and refuse to perform the subsequent (subsequent) type (s) of work specified (specified) in the program of work, including subsequent drilling and other related works, based on the geological information received by the subsoil user according to the results of exploration work carried out by the time of such return of exploration work. In the event of such a return, the subsoil user shall not bear any obligations, including payment of any penalty associated with the termination of the execution of work under such a program of work and (or) early termination of such a contract, except for obligations to eliminate the consequences of subsoil use for hydrocarbons, provided for by this Code.

16. Upon completion of the initial exploration period under a contract for the exploration and production of hydrocarbons in a subsoil block located within poorly studied territories, the subsoil user shall submit to the competent authority for subsoil exploration a report on the results of geological exploration work in accordance with Article 132 of this Code. The competent authority for subsoil exploration shall review the report within one month to verify that the work specified in the work program for the initial exploration period has been fully completed.

Based on the results of the review, the competent authority for subsoil exploration shall approve the report or refuse to approve it if the work has not been fully completed.

In the event of a refusal to approve the report, the report must specify the grounds for such refusal, as well as the measures and deadlines for their elimination.

If, during the period of review of the report or the elimination of the reasons for refusal to approve the report, the initial exploration period under the contract has expired, the contract for the exploration and production of hydrocarbons in the subsoil area located within poorly studied territories shall remain in effect with respect to such subsoil area (it is deemed conditionally extended) for the period of review of the report or elimination of the comments identified in the report. In this case, the duration of such an extension may not exceed three months.

17. If, upon conclusion of a contract for the exploration and production of hydrocarbons, the territory of the subsoil plot within which it is located is recognized as not belonging to poorly studied territories pursuant to paragraphs 1–5 of Article 36 of this Code, the exploration terms under such a contract, including obligations under the contract work program, shall remain in effect for the duration of the exploration period.

Footnote. Article 123 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 124. Facilities and infrastructure of a hydrocarbon deposit

1. The field development provides for construction of field and other facilities required for the extraction, preparation, storage and transportation of hydrocarbons from the place of production and storage to the point of transfer to the main pipeline and (or) to another type of transport.

2. Field development is carried out in accordance with the technical design documents developed on the basis of the trial operation project and (or) the field development project.

3. In the design and construction of facilities for development of hydrocarbon deposits, measures should be taken to ensure the safe operation of these facilities, localize and minimize the consequences of possible emergencies.

4. In construction of the facilities, the order of their commissioning established by project documents, shall be observed.

Article 125. Conditions for production of hydrocarbons

1. Operations for the extraction of hydrocarbons shall be carried out in accordance with the approved subsoil user and received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan on expertise of the field development project, trial operation project or development analysis.

2. Production shall be carried out by the methods that exclude the loss of hydrocarbons that are not provided for in the basic project document, in accordance with the positive practice of subsoil use.

3. During the extraction of hydrocarbons, drilling of wells provided for by the field development project or development analysis is allowed.

4. All works on hydrocarbon production shall be documented.

5. During hydrocarbon production, the subsoil user is obliged to ensure:

1) optimality and safety of the technical facilities applied for production;

2) protection of hydrocarbon deposits against manifestations of dangerous man-made processes, leading to complications in their production, reducing the economic efficiency of hydrocarbon production;

3) reliable accounting of hydrocarbon reserves extracted and left in the depths of hydrocarbons, products of their processing and production wastes generated during extraction ;

4) compliance with the norms and standards and used methods of mining;

5) compliance with environmental and sanitary-epidemiological requirements to storage and disposal of waste products and products of hydrocarbon processing in order to prevent their accumulation in the water intake areas and in the places of occurrence of hydrocarbons;

6) extraction of hydrocarbons in the manner prescribed by the field development project.

6. The components extracted during the extraction of hydrocarbons are the property of the subsoil user, unless otherwise provided by this Code or contract.

7. Associated groundwater withdrawal during hydrocarbon production shall be carried out without obtaining special permits or licenses.

Further use of associated groundwater shall be carried out in accordance with the water and environmental legislation of the Republic of Kazakhstan.

8. During the period of hydrocarbon production, additional exploration (additional exploration) of the production site is allowed in order to clarify the geological structure and reserves of the hydrocarbon deposit.

9. Additional exploration work is carried out in accordance with the field development project.

If, during the additional exploration by the subsoil user, a new reservoir was discovered at the production site, its assessment is performed in accordance with the supplement to the field development project.

10. The discovery of new deposits on the subsoil plot does not constitute the ground for fixing a period of exploration and / or extension of the production period in the contract for subsoil use.

Footnote. Article 125 as amended by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 126. Mitigation of the consequences of subsoil use of hydrocarbons

1. Mitigation of the consequences of subsoil use of hydrocarbons is carried out in accordance with the approved subsoil user and received positive opinions provided for by this Code on mitigation of the consequences of subsoil use provided by this Code and other laws of the Republic of Kazakhstan.

Requirements to carrying out work on mitigation of the consequences of subsoil use on hydrocarbons are established in the rules of conservation and liquidation during the exploration and production of hydrocarbons approved by the authorized body in the field of hydrocarbons.

2. Mitigation of the consequences of subsoil use is carried out:

1) on a subsoil plot, the subsoil use right under which has been terminated, except for the cases provided for in subparagraphs 2) and 3) of paragraph 4 of Article 107 of this Code;

2) on the subsoil plot (its part) which the subsoil user intends to return to the state in the manner provided for by Article 114 of this Code;

3) on a subsoil site in the event of return of the entire subsoil site in accordance with paragraph 13-1 of Article 123 of this Code.

3. In the case provided for by subparagraph 1) of paragraph 2 of this Article, the person whose subsoil use right in respect of such subsoil site has been terminated, as well as the subsoil user who has declared the return of the entire subsoil site in accordance with subparagraph 3) of paragraph 2 of this Article, shall be obliged to:

1) no later than two months from the date of termination of the right to subsoil use or filing an application for abandonment of the entire subsoil plot, approve and submit for examinations provided for by this Code and other laws of the Republic of Kazakhstan a project for eliminating the consequences of subsoil use on hydrocarbons;

1-1) No later than six months from the date of termination of the subsoil use right, commence the works on liquidation of the consequences of subsoil use. The aforementioned deadline may be extended by the competent authority upon the application of the person whose subsoil use right has been terminated, if the works on liquidation of the consequences of subsoil use cannot be commenced due to circumstances beyond the subsoil user's control;

2) to complete the elimination of the consequences of subsoil use in the subsoil area within the time limits established in the project for the elimination of the consequences of subsoil use for hydrocarbons;

4. Mitigation of the consequences of subsoil use on hydrocarbons is considered complete from the day of signing the certificate on mitigation of consequences:

1) by a subsoil user (a person whose subsoil use right is terminated as unconditional);

2) by a representative of the competent authority;

3) by representatives of the authorized bodies in the field of environmental protection, industrial safety, sanitary and epidemiological welfare of the population, subsoil study, and local executive bodies of the region, city of republican significance, and the capital;

4) if mitigation measures take place on a land plot in private ownership or long-term land use, by the owner of the land plot or the land user.

5. If, after signing the certificate on mitigation of the consequences, it is established that the person whose subsoil use right has been terminated in the relevant subsoil plot has completed the liquidation work in violation of the mitigation project, or leakage in the mouth of the well that has been shut down (mothballed) is found out, the competent authority notifies such a person of the identified violation, as well as of his duty to eliminate such violation at his own expense within the prescribed period.

The provision of part one of this paragraph does not apply to cases of detection of violations in subsoil areas transferred for use to a new subsoil user.

6. The performance by subsoil users of the obligation to eliminate the consequences of hydrocarbon production shall be ensured by a pledge of a bank deposit.

The performance by subsoil users of the obligation to eliminate the consequences of hydrocarbon exploration shall be ensured by one of the methods specified in paragraph 4 of Article 55 of this Code.

6-1. In case of provision of a guarantee from a foreign bank as a method to ensure performance by the subsoil user of the obligation to eliminate the consequences of subsoil use during the exploration period under an exploration and production contract for a complex project, such a bank must have a minimum credit rating of at least “BBB-” from the Standard and Poor's rating agency or a similar level according to the scales of rating agencies Moody's, FitchRatings.

In case of provision of a guarantee from a Kazakh bank as a method to ensure the performance by the subsoil user of the obligation to eliminate the consequences of subsoil use during the exploration period under an exploration and production contract for a complex project, such a bank must have a minimum credit rating of at least “BB-” from the Standard and Poor's rating agency or a similar level according to the scales of rating agencies Moody's, FitchRatings.

6-2. A guarantee issued by a foreign bank may be drawn up in a foreign language with the obligatory provision by the subsoil user of a translation into Kazakh and Russian, the correctness of which must be certified by a notary.

6-3. A guarantee issued by a foreign bank under a complex project contract may not be drawn up in a standard form approved by the competent authority.

A guarantee issued by a foreign bank under a subsoil use contract for a complex project not in a standard form must contain the following conditions:

1) the bank guarantee covers the entire amount of money determined as the obligation of the subsoil user to eliminate the consequences of subsoil use in accordance with this Code;

2) the bank guarantee is a full, unconditional and irrevocable guarantee;

3) the bank guarantee is provided for a period until the completion of the liquidation of the consequences of subsoil use in accordance with the requirements of this Code.

The non-compliance of a foreign bank guarantee with the requirements of this Article shall be the grounds for refusing to accept such a guarantee as security under a subsoil use contract for a complex project.

6-4. For guarantees that ensure the performance of the obligation to eliminate the consequences of hydrocarbon exploration for complex projects, any legal entity that is not a bank may act as a guarantor, provided that such a guarantor has a minimum credit rating of at least “BBB” from the rating agency Standard and Poor's or an equivalent level according to scales of rating agencies Moody's, FitchRatings.

If such a guarantor is a foreign legal entity, then the guarantee may be drawn up in English with the obligatory provision of a translation into Kazakh and Russian, the accuracy

of which must be certified by a notary. A guarantee issued by a foreign legal entity must be notarized at the place of issue.

The requirements of this paragraph shall not apply to a guarantee issued by a national company in the field of hydrocarbons.

7. Securing the obligation to eliminate the consequences of exploration shall be formed by means of a contribution of money in the amount determined in the exploration project based on the market value of the work to eliminate the consequences of hydrocarbon exploration, prior to the commencement of the operations provided for by such a project document.

In case of approval of an addendum to the exploration project, providing for an increase in the cost of work to eliminate the consequences of exploration, or a trial operation project, the corresponding additional amount of the selected method of support must be paid before the start of the work provided for by such a project document.

For complex projects, the security provided for the period of exploration for the fulfillment of the obligation to eliminate the consequences of exploration terminates on the earliest of the following dates:

1) the date of completion of the liquidation of the consequences of exploration;

2) the date of approval of the hydrocarbon field development project.

After the transition to the production period for a complex project, the subsoil user shall provide a new method of security in accordance with part one of paragraph 6 of this Article, taking into account the obligations to eliminate the exploration period within six months from the date of the start of the production period. In case of failure to provide the required security within the specified period, the subsoil use contract shall be prematurely terminated in accordance with the procedure prescribed by Article 133 of this Code.

8. The bank deposit, which is the subject of a pledge that ensures the fulfillment of the obligation to eliminate the consequences of extraction, is formed through a contribution of money in the amount determined in the field development project in proportion to the planned hydrocarbon production.

9. The amount of the security for the performance of the obligation to eliminate the consequences of production is determined in the field development project based on the market value of work to eliminate the consequences of hydrocarbon production and is subject to adjustment at least once every three years as part of the development analysis.

The security is provided in the national currency or in a foreign currency against which the National Bank of the Republic of Kazakhstan sets the official exchange rate of the national currency.

Based on the results of the adjustment, or in the course of work to eliminate the consequences of hydrocarbon production, the amount of security shall be defined in accordance with the market cost of work to eliminate the consequences of hydrocarbon production or with the cost of liquidation work actually performed on the subsoil area.

10. Assignment of the subsoil use right is the unconditional basis for the re-registration (transfer) of rights on the pledged bank deposit, formed under the terms of the contract.

11. Liquidation of wells carried out in accordance with article 128 of this Code does not apply to liquidation of consequences of subsoil use for hydrocarbons.

Footnote. Article 126 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 127. Conservation of a subsoil plot for hydrocarbons

1. Conservation of a subsoil plot is carried out in accordance with the approved subsoil user and having received positive opinions provided by this Code and other laws of the Republic of Kazakhstan for the examination of the conservation project of the subsoil plot.

Requirements to the conservation of hydrocarbon subsoil plots are established in the rules of conservation and liquidation during the exploration and production of hydrocarbons, approved by the authorized body in the field of hydrocarbons.

2. Conservation of the subsoil plot is carried out:

1) on a subsoil plot, the subsoil use right under which has been terminated, in the case provided for by subparagraph 2) of paragraph 4 of Article 107 of this Code;

2) in case of suspension of the contract for the use of mineral resources in hydrocarbons in the cases provided for by this Code.

3. The subsoil user (a person whose subsoil use right is terminated in the relevant subsoil plot) is obliged:

1) within two months from the date of termination of the right to use subsoil or suspend a subsoil use contract for hydrocarbons, approve and submit for the passage of examinations provided for by this Code and other laws of the Republic of Kazakhstan, the project of conservation of the subsoil plot;

1-1) No later than six months from the date of termination of the subsoil use right, commence the works on conservation of the subsoil plot. The aforementioned deadline may be extended by the competent authority upon the application of the person whose subsoil use right has been terminated, if the works on conservation of the subsoil plot cannot be commenced due to circumstances beyond the subsoil user’s control;

2) to complete the conservation of the subsoil plot within the terms established in the conservation project.

4. Conservation of a subsoil plot is considered completed from the date of signing of the certificate on conservation:

1) by a subsoil user or a person whose subsoil use right has been terminated in the relevant subsoil plot, or an operator for liquidation;

2) by a representative of the competent authority;

3) by representatives of the authorized bodies in the field of environmental protection, industrial safety, sanitary and epidemiological welfare of the population, subsoil study, and local executive bodies of the region, city of republican significance, and the capital;

4) if conservation takes place on a land plot in private ownership or long-term land use, by the owner of the land plot or the land user.

5. Obligations on conservation of a subsoil plot of hydrocarbons are fulfilled at the expense of the subsoil user or a person whose subsoil use right has been terminated, and in the case provided for by subparagraph 2) paragraph 4 of Article 107 of this Code, the amounts of obligations after their performance are compensated by the subsoil user at the expense of collateral.

Footnote. Article 127 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 128. Preservation and liquidation of technological objects

1. At any time before the expiration of the period of exploration or production of hydrocarbons, the subsoil user is entitled to preserve or liquidate certain technological facilities used in the conduct of subsoil use operations, including structures, equipment, wells and other property.

At the same time, during the period of production under the contract for the exploration and production or extraction of hydrocarbons, the subsoil user is obliged to eliminate wells that are subject to liquidation for technical and (or) geological reasons and cannot be used for other purposes in accordance with the field development project.

2. Process facilities are liquidated or conserved in accordance with the approved subsoil user and received positive conclusions provided by this Code and other laws of the Republic of Kazakhstan expertise of the project to eliminate or preserve technological facilities, with the exception of certain categories of wells provided for in the rules of conservation and liquidation during exploration and production of hydrocarbons approved by the authorized body in the field of hydrocarbons, the elimination or conservation of which carried out in accordance with the plan of liquidation and conservation.

3. Requirements to the works on conservation or liquidation of the process facilities are established in the rules of conservation and liquidation during the exploration and production of hydrocarbons, approved by the authorized body in the field of hydrocarbons.

4. Financing of the works on conservation of the process facilities carried out outside the framework of the conservation of the subsoil plot, for which the right for subsurface use has

been terminated, in the case provided for by sub-paragraph 2) paragraph 4 of Article 107 of this Code, shall be at the expense of the subsoil user.

Financing of works on liquidation of the process facilities carried out outside the framework of liquidation of the effects of subsurface use on hydrocarbons is carried out at the expense of the subsurface user.

Article 129. Obligations of subsoil users in the field of education, science, digitalization and socio-economic development of the region during the period of hydrocarbon production

Footnote. The heading of Article 129 is as amended by the Law of the Republic of Kazakhstan dated 25.06.2020 № 347-VI (shall be enforced ten calendar days after the day of its first official publication).

1. During the production period, starting from the second year, the subsoil user is obliged annually:

1) to finance the Kazakhstan personnel training in the amount of one percent of production expenses incurred by the subsoil user in the previous year, under the procedure determined by the competent authority jointly with the authorized body in the field of education;

2) to finance research, scientific and technical and (or) development work in the manner determined by the authorized body in the field of hydrocarbons together with the authorized body in the field of science, and (or) digitalization projects in the field of hydrocarbons in the manner determined by the authorized body in the field of hydrocarbons together with the authorized body in the field of informatization, in the amount of one percent of the production costs incurred by the subsoil user during the period of hydrocarbon production following the results of the previous year;

3) to finance socio-economic development of the region and development of its infrastructure in the amount of one percent of investments under the subsoil use contract during the hydrocarbon production period based on the previous year results. In the event of fulfillment of the subsoil user's investment obligation under the subsoil use contract for a depleting deposit, financing of the socio-economic development of the region and development of its infrastructure shall be carried out in the amount of the unused balance of the amount envisaged for additional investments in the development of such a depleting deposit.

1-1. For subsoil users who, in accordance with paragraph 10 of Article 120 of this Code, have concluded a contract for the production of hydrocarbons in a new version, developed in accordance with model contract for the production of hydrocarbons, the obligation provided for in paragraph 1 of this article shall be in effect starting from the first year of the production period.

2. The financing of expenses for the socio-economic development of the region and the development of its infrastructure shall include the costs of the subsoil user for the development and maintenance of social infrastructure facilities in the region, support for

social entrepreneurship entities, as well as funds transferred by him for these purposes to the state budget.

The financing of expenses for the socio-economic development of the region and development of its infrastructure, carried out within the framework of the investment obligation under the subsoil use contract for a depleting deposit, shall include the funds of the subsoil user transferred by it to the state budget for these purposes.

3. The amount of financing made in accordance with paragraph 1 of this article, exceeding the established minimum, shall be taken into account in the performance of the corresponding obligations of the subsoil user in the next year.

Footnote. Article 129 as amended by the Law of the Republic of Kazakhstan dated 25.06.2020 № 347-VI (shall be enforced ten calendar days after the day of its first official publication); dated 27.06.2022 № 129-VII (shall be enforced from 01.01.2023); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Article 130. Obligations of subsoil users in supplying the domestic market

1. In order to meet the needs of the domestic market with petroleum products, subsoil users are obliged, in accordance with delivery schedules, to supply oil for refining in the Republic of Kazakhstan, and in the event of a shutdown of an oil refinery due to an emergency situation, beyond its borders.

Formation of the delivery schedule is carried out in the order approved by the authorized body in hydrocarbons.

The requirements of this paragraph shall not apply during the period of production under contracts for the exploration and production or production of hydrocarbons:

1) for complex projects specified in subparagraphs 1) and 3) of paragraphs 1-2 of Article 36 of this Code;

2) with respect to the volumes of hydrocarbons produced using special methods for increasing oil recovery in accordance with Article 148-1 of this Code.

2. If a subsoil user intends to alienate or transfer a wide fraction of light hydrocarbons produced by it, such alienation or transfer for processing should be carried out exclusively to producers of liquefied petroleum gas whose production facilities are located in the Republic of Kazakhstan. The list of producers of liquefied petroleum gas is approved by the authorized body in hydrocarbons.

Moreover, if it is impossible to alienate or transfer to processing for producers of liquefied petroleum gas, whose production facilities are located in the Republic of Kazakhstan, such a subsoil user is entitled to sell a wide fraction of light hydrocarbons outside the territory of the Republic of Kazakhstan in coordination with the authorized body in the field of hydrocarbons .

3. For the purposes of this article, a broad fraction of light hydrocarbons is a mixture of light (methane, ethane, propane, butanes and pentanes) and heavier hydrocarbons, converted

into a liquid state for transportation and storage, responding to the national standards for qualitative and quantitative content.

Footnote. Article 130 as amended by the Law of the Republic of Kazakhstan dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 131. Procurement of goods, works and services at performance of operations on hydrocarbons exploration and production

1. Procurement of goods, works and services during exploration or production of hydrocarbons, including contractors, is carried out by one of the following methods:

1) open competition;

2) from one source;

3) open competition for prices decrease (electronic trading);

4) on commodity exchanges;

5) procurement of goods, works and services without applying the methods specified in this paragraph.

Procurement of goods, works and services used by the subsoil user in exploration or production of hydrocarbons is carried out using the methods specified in subparagraphs 1), 2) and 3) of this paragraph, with the mandatory use of the register of goods, works and services used in carrying out operations subsoil use, and their manufacturers or other e-procurement systems located in the Kazakhstani segment of the Internet, whose work is synchronized with the operation of such a registry.

Procurement of goods through commodity exchanges is carried out according to the list of exchange commodities approved in accordance with the legislation of the Republic of Kazakhstan on commodity exchanges and the minimum size of the quantities of goods to be submitted, which are sold through commodity exchanges.

The organizer of the tender for the purchase of works and services, when determining the winner of the tender, conditionally reduces the price of the tender application of the participants of the tender – Kazakhstani producers of works and services by twenty percent. Individual entrepreneurs and (or) legal entities established in accordance with the legislation of the Republic of Kazakhstan with their location on the territory of the Republic of Kazakhstan, attracting at least ninety-five percent of the citizens of the Republic of Kazakhstan from the total number of employees, excluding the number of chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan, are recognized as Kazakhstani producers of works and services as part of an intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on migration of the population.

At the same time, the number of foreign chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan within the framework of intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on migration of the population should not exceed fifty percent of the total number of chief executives, managers and specialists in each relevant category.

The procedure for subsoil users and their contractors to purchase goods, works and services used in the exploration or production of hydrocarbons is determined by the authorized body in hydrocarbons.

Should the subsoil users and (or) their contractors commit the breach of the established procedure for the procurement of goods, works and services used in the exploration or production of hydrocarbons, they are liable under the contracts for subsoil use.

2. The procedure for synchronizing the work of electronic procurement systems in relation to hydrocarbons with the work of the register of goods, works and services used in the conduct of subsoil use operations, and their producers, shall be approved by the authorized body in the field of hydrocarbons.

3. For the purposes of this article:

1) the register of goods, works and services used in the conduct of subsoil use operations, and their producers means a state information system designed to control and monitor the procurement of goods, works and services used in subsoil use operations, and their producers, as well as conducting electronic procurement and forming a list of goods, works and services used in the conduct of subsoil use operations;

2) electronic procurement system means an electronic information system used by the organizers of the procurement (subsoil user or persons authorized by subsoil users) for the Procurement of goods, works and services in accordance with the procedure for the Procurement of goods, works and services during operations for the exploration or production of hydrocarbons, determined by the authorized body in the field of hydrocarbons.

4. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall be enacted sixty calendar days after the date of its first official publication).

5. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall be effective sixty calendar days after the date of its first official publication).

6. Subsoil users are obliged to submit to the authorized body in hydrocarbons on the forms and procedure approved by it, annual (for one financial year) and medium-term (for five financial years) programs of purchase of goods, works and services, as well as information on the planned acquisition of paid services of the operator in case of its involvement by the subsoil user in accordance with Chapter 6 of this Code.

The annual program of procurement of goods, works and services is understood a document drawn up by a subsoil user, defining the nomenclature and volumes of goods, works and services planned for the subsoil user for one calendar year, methods and terms of their acquisition.

The medium-term program of procurement of goods, works and services is understood a document drawn up by the subsoil user, which determines the nomenclature and volumes of goods, works and services, methods and terms of their acquisition for a period of up to five years.

Information on the planned procurement of operator services is a document drawn up by the subsoil user, defining the scope and timing of the services provided by the operator on a reimbursable basis.

7. The requirements of paragraph 1 of this article shall not apply to:

1) subsurface users, performing procurement of goods, works and services in accordance with the legislation of the Republic of Kazakhstan on state procurements;

2) legal entities holding the right to subsurface use, fifty percent of shares (participating interests) or more is directly or indirectly owned by the national management holding.

8. The provisions of this Article shall not apply to the acquisition of goods, works and services when a subsoil user carries out activities under contracts for the exploration and production or production of hydrocarbons for complex projects. Under such contracts, the acquisition is carried out in accordance with the procedure determined by the subsoil user. At the same time, this order should ensure:

1) implementation of programs for the development of local suppliers of goods, works and services approved by the subsoil user and agreed with the competent authority during the production period;

2) providing all interested suppliers of goods, works and services with full and fair opportunities to participate in the tender for the purchase of goods, works and services;

3) application of objective criteria for the preliminary selection of potential suppliers of goods, works and services;

4) open access to information for all interested parties on the planned procurement of goods, works and services, as well as the requirements for potential suppliers, including through posting on the subsoil user's Internet resources.

Footnote. Article 131 as amended by Law of the RK № 101-VII of 03.01.2022 (shall be put into effect upon expiration of sixty calendar days after its first official publication); dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).

Article 132 Subsoil user's reports at hydrocarbons exploration and production

Under the hydrocarbon subsoil use contract, the subsoil user is required to submit the following reports:

1) geological report;

1-1) report on the results of geological exploration works at the subsoil plot located within poorly studied territories;

2) report on fulfilment of the license and contract terms and conditions;

3) report on the purchased goods, works and services, as well as the amount of local content in them;

4) report on local content in personnel;

5) report on the expenses spent for financing of the Kazakhstan personnel training;

6) report on the expenses for research, scientific, technical and development work;

7) report on the composition of persons and (or) organizations that directly or indirectly control the subsoil user.

Reports provided for by subparagraphs 1) and 1-1) of this Article, shall be submitted to the competent authority for subsoil exploration in accordance with the procedure established by that authority.

The report provided for by subparagraph 2) of this article shall be submitted to the competent authority in the order approved by it.

The reports provided for by subparagraphs 3) - 7) of this article shall be submitted to the authorized body in the field of hydrocarbons in accordance with the forms and procedure approved by it.

Footnote. Article 132 as amended by Law of the RK dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 133. Liability for violation of conditions of subsoil use contracts committed by subsoil users

1. For violation by the subsoil user of obligations under the contract for subsoil use, the following types of liability are provided for:

1) penalty paid by a subsoil user in cases, procedure and amount established by a subsoil use contract;

2) early termination of the subsoil use contract by the competent authority unilaterally, carried out in the cases and in the manner provided for in Article 106 of this Code.

At the same time, payment of the penalty does not relieve the subsoil user from performance of the relevant obligation.

2. The competent authority shall notify the subsoil user in writing of the violation of the terms and conditions of the subsoil use contract, as well as of its obligation to pay the penalty and (or) to eliminate such violation within the prescribed period in the following cases:

1) fulfillment by the subsoil user of financial obligations established by a subsoil use contract by less than thirty percent in the reporting year;

2) conducting the subsurface use operations on hydrocarbons related to damage of the integrity of the earth's surface, without providing security in accordance with the established schedule or in violation of the schedule for creating the amount of the security;

3) in other cases of violation by the subsoil user of the obligations established by the subsoil use contract.

3. The time limit for elimination of the violation by the subsoil user of the conditions of the contract in physical volume of obligations shall not exceed six months; for the obligations

specified in subparagraphs 1) and 2) of paragraph 2 of this article, three months; for other obligations provided for in the subsoil use contract, one month from the date of receipt of the written notice.

4. The subsoil user is obliged to eliminate the violation committed within the period specified in the notification, and notify the competent authority in writing with attachment of the documents confirming the elimination.

5. The subsoil user shall have the right to send to the competent authority a proposal on the extension of the period for elimination of the violation of obligations stipulated in the subsoil use contract, with justification for the reasons for such an extension. Based on the results of consideration of the proposal to extend the elimination of the violations, the competent authority within ten business days from the date of its receipt notifies the subsoil user of consent to the extension of the term or provides a reasoned refusal of such extension.

6. In case of obvious impossibility to eliminate the violation of obligations stipulated by the contract for subsoil use, within the period specified in paragraph 3 of this article, the competent authority has the right to establish a different period during which it is possible to eliminate such violation.

Chapter 19 PROJECT DOCUMENTS IN THE SUBSOIL USE OF HYDROCARBONS

Article 134. General provisions on the project documents in the subsoil use of hydrocarbons

1. Subsurface use operations for hydrocarbons are carried out in accordance with the following project documents:

1) basic project documents:

exploration project;

trial operation project;

hydrocarbon field development project;

2) technical project documents, the list of which is established in uniform rules for the rational and integrated use of the subsoil.

2. Project documents in the subsoil use for hydrocarbons are drawn up by a project organization engaged by a subsoil user who has a license for the relevant type of activity.

3. Project documents are developed on the basis of the positive practice of subsoil use in accordance with the uniform rules for the rational and integrated use of the subsoil.

4. Project documents in the subsoil use of hydrocarbons are approved by the subsoil user.

5. Changes in the types, methods, technologies, scope and timing of subsoil use operations stipulated in the project documents are allowed after making the appropriate changes and additions to such project documents.

6. The uniform rules for the rational and integrated use of the subsoil establish cases when changes in the types, methods, technologies, scope and timing of operations for subsoil use do not require making appropriate changes and additions to the project documents.

7. In the design documents, the estimated contours of the discovered deposits, which extend beyond the site (s) of the subsoil, can be established.

8. The subsoil user is obliged to comply with the provisions of those who received positive opinions provided for by this Code and other laws of the Republic of Kazakhstan of examinations of project documents.

Article 135. Exploration works project

1. A project for exploration shall be drawn up within one year from the date of registration of the contract for exploration and production.

2. Exploration project is developed for the entire exploration period.

3. Exploration project shall contain:

description of the types, methods, technologies, scope and timing of the exploration of hydrocarbons in each block;

measures to ensure the rational use and protection of the subsoil;

information on the terms, conditions and cost of work on the liquidation of consequences of hydrocarbon exploration.

4. The project of exploration shall include the entire scope and deadlines for the work declared by the subsoil user in the work program.

5. If it is necessary to assess the discovered reservoir (reservoir aggregate), such work is foreseen in the exploration project by making amendments and (or) additions for each discovered reservoir (aggregate deposit).

In this case, the project of exploration includes the description of types, methods, technologies, scope and timing of work on the assessment of the discovered deposits (aggregate deposits).

6. It is prohibited to conduct work on prospecting, exploration and appraisal of deposits that are not indicated in the approved exploration project provided by the subsoil user and received positive conclusions provided by this Code and other laws of the Republic of Kazakhstan, and also in the absence of such exploration projects.

Article 136. Trial operation project

1. Trial operation of hydrocarbon deposits discovered during the period of exploration (the accumulation of pools) should be carried out in accordance with the trial operation project .

It is prohibited to carry out work on trial operation, not indicated in the approved by the subsoil user and having received positive conclusions provided by this Code and other laws of the Republic of Kazakhstan, examinations of the trial operation project, and also in the absence of such a draft trial operation.

2. The project of trial operation is drawn up within three months from the date of the decision by the subsoil user on the need to conduct it.

3. The project of trial operation shall contain the description of types, methods, approaches to, and technologies of trial operation, as well as the expected volumes of hydrocarbon production during the trial operation.

4. If the subsoil user makes a decision on the need to carry out trial operation, the project of trial operation is developed and approved for each discovered deposit (aggregate of deposits) subject to trial operation.

5. Any changes and additional works, the need for which is detected in the process of trial operation, shall be included in the draft trial operation by making the appropriate changes and (or) additions.

Article 137. Hydrocarbon deposit development project

1. A field development project is prepared during the exploration or preparatory period in accordance with the requirements provided for in this Code.

2. A field development project is prepared for the entire period of profitable hydrocarbon production at such a field.

3. A field development project shall contain the description of types, methods, technologies, scope and timing of industrial development of the field.

4. If it is necessary to change the conditions, types and scope of work for the development of the field, such changes are to be included in the development project by making amendments and (or) additions.

5. It is prohibited to carry out the works on production of hydrocarbons that are not specified in the approved by the subsoil user and received positive conclusions provided by this Code and other laws of the Republic of Kazakhstan, expertise of the field development project, and also in the absence of such a project.

The provision of part one of this paragraph does not apply to hydrocarbon extraction operations carried out during trial operation.

Article 138. Technical project documents

1. Technical design documents are prepared on the basis of an exploration project, a trial development project or a field development project.

2. Changes and (or) additions made to the exploration project, the trial development project or the field development project, affecting the parameters of the technical design documents based on them, require the introduction of changes and (or) amendments to the corresponding technical design documents.

3. The project of liquidation of hydrocarbon exploration consequences shall be drawn up in the manner and within the timeframe stipulated by Article 126 of this Code.

4. The project for mitigation of consequences of subsoil use on hydrocarbons is made on the basis of the actual state of the subsoil plot and the relevant process facilities to be liquidated.

5. It is prohibited to conduct operations on subsoil use without a relevant approved by the subsoil user and having received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan of expert reviews of a technical project document.

Footnote. Article 138 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Article 139. Expertise of project documents in the subsoil use of hydrocarbons

1. Project documents in the subsoil use of hydrocarbons are subject to state environmental impact assessment, conducted in accordance with the environmental legislation of the Republic of Kazakhstan.

2. The exploration project (amendments and additions thereto), except for the project involving exploration works on assessment, offshore exploration works, increase of the subsoil area in accordance with Article 113 of this Code, shall be sent to the competent authority in a notification procedure.

3. An exploration project (amendments and additions thereto) providing for (stipulating) exploration assessment works, offshore exploration works, enlargement of a subsoil area in accordance with Article 113 of this Code, a trial exploitation project (amendments and additions thereto) and a field development project (amendments and additions thereto) shall be subject to state expert review of design documents if there is a conclusion on determining the scope of environmental impact assessment and (or) screening of the impacts of the intended activity with the conclusion on absence of the need to conduct a mandatory environmental impact assessment or a conclusion on the results of environmental impact assessments.

4. The project on trial operation is subject to the state examination of project documents only after receipt by the subsoil user of positive conclusion of the state examination of the subsoil in relation to the report on the operational calculation of geological reserves.

The project on field development is subject to the state expertise of project documents only after receipt by the subsoil user of positive conclusion of the state expertise of the subsurface in relation to the report on the calculation of geological reserves.

5. If the technical design documents provide for the construction of architectural, city-planning and construction activities, such projects are subject to examination in accordance with the legislation of the Republic of Kazakhstan on architectural, city-planning and construction activities.

6. If during the examination provided for in paragraphs 1 and 5 of this article, there occur the disagreements which the subsoil user is not able to eliminate without shifting away from compliance with the positive practice of subsoil use, at the request of such subsoil user, the competent authority within ten business days from the date of the application receipt shall arrange negotiations with participation of the representatives of concerned state bodies, subsoil user and design Institute to develop an appropriate solution.

Footnote. Article 139 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 28.12.2023 № 52-VIII (for the procedure of entry into force, see Article 2).

Article 140. State expertise of basic project documents in the subsoil use for hydrocarbons

1. The state expertise of basic project documents and analyzes of the development in the hydrocarbon subsoil use area is carried out in order to ensure the rational use of the subsoil during the exploration and development of hydrocarbon deposits in accordance with the positive practice of subsoil use.

2. The state expertise of basic project documents and development analyzes are carried out by the Central Commission for the Exploration and Development of Hydrocarbon Fields of the Republic of Kazakhstan (Central Commission) with the involvement of independent experts with special knowledge in the field of geology and development and not interested in the results of the examination.

The procedure for engagement and qualification selection of independent experts, as well as payment for independent expertise shall be determined by the authorized body in the field of hydrocarbons.

Independent examination of basic project documents and analyses of development in the field of subsoil use shall be paid by the subsoil user.

3. Arrangement of the central commission's activities, its composition, work regulations and record keeping are determined by the regulation on the central commission for exploration and development of hydrocarbon deposits of the Republic of Kazakhstan, approved by the authorized body in the field of hydrocarbons.

4. The state expertise of the exploration project (amendments and additions thereto) is carried out within two months from the date of its receipt from the subsoil user, and test development projects, field development projects (changes and additions to them), development analyzes - within three months.

The duration of the state examination of pilot projects, field development projects (amendments and additions thereto), development analyzes by decision of the central commission may be extended, but not more than for three months.

5. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall be brought into force sixty calendar days after the day of its first official publication).

6. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall be enforced sixty calendar days after the date of its first official publication).

7. Results of the state examination of the base project document or the development analysis are determined by consideration at the meeting of the central commission of the base project document or analysis of the development with the corresponding conclusion of the independent examination.

8. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall take effect sixty calendar days after the date of its first official publication).

9. Results of the state examination of project documents or development analyzes are documented by an expert opinion, which may be positive or negative. A copy of the expert opinion, within five business days from the date of its signing, is sent to the subsoil user.

10. The grounds for making a negative expert opinion are:

1) non-conformity of the project document or development analysis to the requirements of the legislation of the Republic of Kazakhstan and (or) the provisions of the contract;

2) nonconformity of the project document or development analysis with the requirements for the content, structure and design established in the regulatory and technical documents approved by the authorized body in the field of hydrocarbons;

3) nonconformity of the project document or analysis of the development to the good practice of subsoil use;

4) unreliability of information provided in the field development project concerning the quantity and quality of the explored hydrocarbon reserves;

5) impossibility of an objective assessment of the quality of the design solutions presented in the project document or in the development analysis;

6) for a trial operation project - the absence of a positive conclusion of the state examination of the subsoil with respect to the report on the operational calculation of geological reserves;

7) for the field development project - the absence of a positive conclusion of the state examination of the subsoil in relation to the report on the calculation of geological reserves.

11. The negative conclusion of the state examination of the project document or the analysis of the development contains the rationale for its adoption and recommendations for the finalization of the project document or analysis of the development.

Footnote. Article 140 as amended by Law of the Republic of Kazakhstan № 297-VI dated 30.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 101-VII of 03.01.2022 (shall be put into effect sixty calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Article 141. State expertise of subsoil

1. State expertise of the subsoil is carried out in order to create conditions for the rational use of subsoil, the state accounting of geological reserves of hydrocarbons, as well as assessing the reliability of information on the quantity and quality of explored geological reserves of hydrocarbons.

2. State expertise of the subsoil is carried out by analyzing the report on the calculation (operational calculation) of geological reserves developed by the project organization, which has a license for the relevant type of activity, and is approved by the subsoil user.

Note!

This edition of paragraph 3 is suspended until 01.01.2030 by the Code of the Republic of

Kazakhstan dated December 27, 2017 № 125-VI (for the current edition see paragraph 6 of Article 277 of this Code).

3. Report on the calculation (operational calculation) of geological reserves is prepared in accordance with the regulatory and technical documents approved by the authorized body in hydrocarbons.

Note!

This edition of paragraph 4 is suspended until 01.01.2030 by the Code of the Republic of Kazakhstan dated December 27, 2017 № 125-VI (for the current edition see paragraph 6 of Article 277 of this Code).

4. State expertise of the subsoil is carried out by the central commission for hydrocarbon reserves of the Republic of Kazakhstan (the central commission for reserves) with the involvement of independent experts with special knowledge in the field of geology and subsoil use and not interested in the results of the examination.

Note by the Republican Center for Legal Information!

This edition of paragraph 5 is suspended until 01.01.2030 by the Code of the Republic of Kazakhstan dated December 27, 2017 № 125-VI (for the current edition see paragraph 6 of Article 277 of this Code).

5. Arrangement of the activities of the central reserves commission, its composition, work regulations and record keeping are determined by the regulation on the central mineral reserves commission of the Republic of Kazakhstan approved by the authorized body in the field of hydrocarbons.

6. State expertise of the subsoil is carried out within three months from the date of receipt of the report on the calculation (operational calculation) of geological reserves.

Timeline of the state examination of subsoil may be increased by the decision of the central commission on reserves, but not more than for three months.

7. Results of the state expertise of subsoil are documented by an expert opinion, which may be positive or negative.

8. The grounds for a negative expert opinion are:

1) nonconformity of the estimate (on-going estimate) of the geological reserves of a hydrocarbon field to the requirements established in the regulatory and technical documents approved by the authorized body in the field of hydrocarbons;

2) unreliability of information on the quantity and quality of geological reserves of hydrocarbons;

3) impossibility of objective assessment of the quantity and quality of geological reserves of hydrocarbons based on the data presented.

The negative conclusion of the state expertise of the subsoil contains justification for its adoption and recommendations for finalizing the report.

9. The expert opinion is sent to the subsoil user within five business days from the date of its signing by the chairman and members of the central reserves commission.

10. The positive conclusion of the state expertise of subsoil constitutes the ground for entering the geological reserves of a hydrocarbon field in the state register.

Article 142. Monitoring of implementation of the project documents

1. Adjustment of design indicators, which does not require changes and additions to the design documents, shall be made within the framework of author's supervision by the design organization.

Unified rules for rational and integrated use of subsoil establish cases when adjustment of design indicators is required.

The report on author's supervision over implementation of design solutions shall not be subject to state expertise of basic design documents and shall be sent by the subsoil user to the authorized body in the field of hydrocarbons in a notification procedure in electronic form .

2. Monitoring of the execution by a subsoil user of a field development project is carried out through:

1) author's supervision;

2) analysis of the development of hydrocarbon deposits, performed at least once every three years.

3. Requirements to the design author supervision and analysis of the development of hydrocarbon deposits are established in uniform rules for the rational and integrated use of the subsoil.

4. The author's supervision uses current geological and field information obtained during field development control, and the supervision results are presented in the form of a report.

5. The report on author's supervision shall reflect:

1) compliance of actually achieved values of technological parameters with design values;

2) causes of discrepancies between actual and project indicators and (or) non-compliance with design solutions;

3) for the project of exploration - recommendations for the achievement of design solutions and the elimination of deficiencies identified during exploration;

4) for a trial operation project - recommendations for achieving design solutions and eliminating deficiencies identified during trial operation;

5) for a field development project - recommendations for achieving design solutions and eliminating identified deficiencies in the development of a development system and (or) for conducting an extraordinary analysis of development to determine the need to change individual design solutions and indicators for a field development project.

If it is necessary to replace the project organization previously involved by the subsoil user with another one during the supervision, such a replacement is allowed with the consent of the author of the project document.

6. Analysis of field development is a comprehensive study of the results of geological, geophysical, hydrodynamic and other studies of wells and formations in the development of

an operational facility, as well as the dynamics of development indicators to determine the current distribution of hydrocarbon reserves and processes occurring in productive strata for identifying the need to improve the field development system.

7. Analysis of the development of a hydrocarbon field is carried out by a project organization engaged by a subsoil user, which has a license for the relevant type of activity, and is sent by a subsoil user in a notification procedure to the competent authority.

8. In case of significant (more than ten percent) discrepancies between actual and project development of a field and if there is a reasonable conclusion based on the analysis of the development of a hydrocarbon field about the need to make changes to a field development project, the results of analysis are subject to state expertise of project documents.

9. If the Central Commission gives a positive opinion on the analysis of the development of a hydrocarbon field, the design decisions and indicators of such analysis are regarded as design decisions and indicators of the field development project for the period of development, approval and state examination of changes and additions to the field development project, which should not exceed three years.

Footnote. Article 142 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication).

Note!

This edition of Article 143 is suspended until 01.01.2030 by the Code of the Republic of Kazakhstan dated December 27, 2017 № 125-VI (for the current edition see paragraph 3) of paragraph 12 of Art. 277 of this Code).

Article 143. Indicators of the project documents for exploration and production of hydrocarbons attributable to contractual obligations of the subsoil user

The subsoil use contract for hydrocarbons establishes the fulfillment of the following indicators of project documents as an obligation for a subsoil user:

1) the density of the grid of production wells;

the ratio of production and injection wells for each production facility;

3) coefficient of compensation for deposits;

4) ratio of formation and bottom hole pressure to bubble point pressure or condensing pressure;

5) ratio of formation pressure to bottom hole pressure

6) maximum permissible value of the gas factor for wells.

At the same time, the values of the indicators specified in this article are not included in the contract and are determined on the basis of project documents.

Chapter 20 CERTAIN ISSUES OF PERFORMANCE OF SUBSOIL USE OPERATIONS ON HYDROCARBONS

Article 144. Unified state system for managing the fuel and energy complex

Footnote. The title of Article 144 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 01.01.2027).

1.The Unified state system for managing the fuel and energy complex is an information system of the authorized body in the field of hydrocarbons intended for:

1) automated collection, processing, storage, and use of data on the quantity of raw gas in circulation, prepared for processing and supply to consumers in accordance with the legislation of the Republic of Kazakhstan, as well as used for own needs, subject to disposal by injection into the reservoir for storage and/or maintenance of reservoir pressure, and flared in cases and under conditions established by Article 146 of this Code;

2) automated collection, processing, storage, and use of data on the quantity of crude oil and gas condensate in circulation, prepared for supply to consumers in accordance with the legislation of the Republic of Kazakhstan;

3) storage, analysis, and processing of information in the field of subsoil use for hydrocarbons;

4) provision of public services and performance of functions in the field of subsoil use, accounting of energy resources (accounting of crude oil, gas condensate, raw gas, and products of their processing (commercial gas));

5) receipt of reports and/or other information exchange with persons carrying out operations in the field of exploration, production, and circulation of crude oil, gas condensate, raw gas, and products of their processing (commercial gas), or their authorized representatives.

1-1. The Unified state system for managing the fuel and energy complex shall be integrated with the Unified Subsoil Use Platform.

2. The authorized body in the field of hydrocarbons shall determine:

1) the procedure for the formation and functioning of the Unified state system for managing the fuel and energy complex, including the collection, provision, processing, storage, use, and dissemination of information on the accounting of crude oil, gas condensate, raw gas, and products of their processing (commercial gas);

2) the forms and procedure for submitting reports by persons carrying out operations in the field of exploration, production, and circulation of crude oil, gas condensate, raw gas, and products of their processing (commercial gas);

3) the procedure for providing public services, performing functions, and interacting with persons carrying out operations in the field of exploration, production, and circulation of crude oil, gas condensate, raw gas, and products of their processing (commercial gas), or their authorized representatives through the Unified state system for managing the fuel and energy complex.

2-1. Subsoil users, entities carrying out operations in the field of production and circulation of crude oil, gas condensate, raw gas, and products of their processing (

commercial gas), or their authorized representatives shall submit reports through the Unified state system for managing the fuel and energy complex.

2. The authorized body in the field of hydrocarbons collects information for inclusion in the information system of accounting for crude oil and gas condensate, crude gas and products of its processing (commercial gas) for the purpose of processing, storing, using information, including provision and dissemination, in accordance with the procedure determined by it for the formation and functioning of an information accounting system for crude oil and gas condensate, crude gas and products of its processing (commercial gas).

3. The turnover of crude oil and gas condensate means their preparation, transportation, storage, shipment, sale, import into the territory of the Republic of Kazakhstan and export outside the territory of the Republic of Kazakhstan.

The turnover of crude gas and its processed products (commercial gas) means their collection, preparation, transportation, processing, as well as, in cases and under conditions established by the Code and the project document, disposal by injection into the reservoir and flaring.

4. A measuring instrument for crude oil, gas condensate, raw gas, and products of their processing (commercial gas) is recognized as a technical device determining the quantitative and qualitative characteristics of crude oil, gas condensate, raw gas, and products of their processing (commercial gas) and permitted for use in accordance with the legislation of the Republic of Kazakhstan in the field of ensuring uniformity of measurements, as well as software that transmits information to the operator of the Unified state system for managing the fuel and energy complex in real time.

5. Entities engaged in activities in the field of turnover of crude oil, gas condensate, crude gas and products of its processing (commercial gas) are obliged to equip their production facilities, the list and terms of equipment of which are approved by the authorized body in the field of hydrocarbons, with metering devices and ensure their functioning in accordance with the procedure determined by the authorized body in the field of hydrocarbons.

6. It is prohibited for entities operating in the field of production and (or) turnover of crude oil, gas condensate, crude gas and products of its processing (commercial gas), to conduct operations for the production and (or) turnover of crude oil, gas condensate, crude gas and products of its processing (commercial gas) without equipment or with the equipment of faulty metering devices for production facilities, the list and terms of equipment of which are approved by the authorized body in the field of hydrocarbons.

Footnote. Article 144 - as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (effective from 01.01.2024); as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 01.01.2027).

Article 145. Unified state system of hydrocarbons subsoil use management

Footnote. Article 145 was excluded by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 01.01.2027).

Article 146. Flaring of raw gas

1. Flaring of raw gas in flares is prohibited, except for the following cases:

1) the threat or occurrence of emergency situations, the threat to the life of personnel or public health and the environment

2) during testing of the well facilities;

3) during trial operation of the field;

4) during technologically inevitable flaring of raw gas.

2. Technologically inevitable flaring of raw gas is recognized as burning of raw gas to ensure an uninterrupted hydrocarbon production process during commissioning, operation, maintenance and repair of process equipment, as well as technological failures, failures and deviations in the operation of process equipment within the limits and standards in accordance with paragraph 4 of this article.

3. In the cases provided for in subparagraph 1) of paragraph 1 of this article, the combustion of raw gas in flares is allowed without permission.

At the same time, the subsoil user is obliged to notify the authorized bodies in the field of hydrocarbons and environmental protection of such incineration within ten days.

Such notification shall include the reasons for flaring of the raw gas, and information on the volumes of the raw gas flaring.

4. In the cases provided for in subparagraphs 2), 3) and 4) of paragraph 1 of this article, burning of raw gas in flares is allowed upon permission of the authorized body in hydrocarbons, subject to the subsoil user observing project documents and a program for developing processing of raw gas within the limits and standards, determined according to the method of calculation of standards and volumes of the raw gas flaring in the course of subsoil use operations approved by the authorized body in the hydrocarbons.

The procedure for issue of permits for the raw gas flaring is approved by the authorized body in the hydrocarbons.

5. Flaring of raw gas during testing of well facilities is allowed in accordance with the approved subsoil user and having received positive conclusions provided by this Code and other laws of the Republic of Kazakhstan of expertise of the basic design document or development analysis for a period stipulated by the approved subsoil user to test well facilities not exceeding ninety days for each well object.

Flaring of raw gas during trial operation of a field may be allowed for a total period not exceeding three years.

6. Raw gas flaring in the commissioning of process equipment, maintenance and repair works are carried out within the limits of standards and volumes, calculated by the method approved by the authorized body in the field of hydrocarbons.

7. In cases of technological failures, failures and deviations in the operation of technological equipment, the subsoil user is obliged to conduct an investigation and submit quarterly reports to the authorized body in the field of hydrocarbons no later than the

twenty-fifth day of the month following the reporting quarter, indicating information on the time and amount of gas burned by each case of technological failures, failures and deviations, as well as their causes.

Article 147. Processing and utilization of raw gas

1. Raw gas processing refers to the technological process for the production of raw gas products that meet the requirements of technical regulations and (or) national standards in terms of quality and quantity of components.

2. The subsoil user engaged in the production of hydrocarbons is obliged to carry out activities aimed at minimizing the volume of raw gas flaring.

A field development project shall obligatorily contain a section on the processing (utilization) of raw gas.

3. For the purpose of rational use of crude gas and reduction of harmful impact on the environment the subsoil users are required to draw programs for the development of crude gas processing in the form approved by the authorized body in the field of hydrocarbons. The development program for crude gas processing shall be drawn on the basis of examination of the basic project document or development analysis approved by the subsoil user and a positive conclusion stipulated by this Code and other laws of the Republic of Kazakhstan.

Crude gas processing development programs are subject to approval by the authorized body in the field of hydrocarbons taking into account the recommendations of the task force on crude gas processing development and must be updated every three years.

The composition of the task force for development of crude gas processing and its regulations shall be approved by the authorized body in the field of hydrocarbons.

Reports on crude gas processing development programs shall be sent annually by the subsoil user to the authorized body in the field of hydrocarbons according to the form and terms approved by such body.

4. It is prohibited to extract hydrocarbons without processing of the entire volume of produced raw gas, except for volumes of raw gas:

1) flared in cases and under the conditions established by Article 146 of this Code;

2) used by the subsoil user for its own technological needs in the volumes provided for by the crude gas processing development programs approved by the authorized body in the field of hydrocarbons;

3) sold by the subsoil user to other persons for the purpose of processing and (or) disposal .

At the same time, in the fields where raw gas processing is economically unjustified, a field development project and a raw gas processing development program may envisage the utilization of the entire volume of produced raw gas, with the exception of gas used for own needs, by pumping into the reservoir for storage and (or) maintain reservoir pressure.

5. A field development project and a raw gas processing development program may provide for the utilization of produced raw gas by injection into a reservoir to maintain

reservoir pressure, provided that other methods of maintaining reservoir pressure at such a field are ineffective and such injection has a sufficient level of safety for the environment and human life.

6. In the case of joint development, project documents and development programs for processing raw gas may provide for the utilization of produced raw gas from one field by injecting it into the reservoir of another field (including fields of other subsoil users) in order to store it and (or) maintain reservoir pressure.

7. It is prohibited to inject raw gas into a formation not provided for by the field development project, as well as carried out in violation of the field development project.

8. Subsoil users and the authorized body in the hydrocarbons may implement joint projects for the processing of raw gas.

9. Unless otherwise provided herein the subsoil use contract, the produced associated gas is the property of the state.

Footnote. Article 147 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 06.04.2024 № 71-VIII (effective sixty calendar days after the date of its first official publication).

Article 148. Maintenance of reservoir pressure and preparation of water

1. Subsoil users carrying out operations on production of hydrocarbons on various subsoil use contracts can carry out the downloading of the prepared produced water one the to layer field of another subsoil user for the purpose of maintaining reservoir pressure in cases stipulated by article 150 of this Code.

2. The subsoil user may involve persons owning the infrastructure facilities required to prepare associated and (or) other (including marine) water for further injection into the reservoir in order to maintain reservoir pressure.

Article 148-1. Extraction of hydrocarbons using enhanced oil recovery methods

For the purpose of enhancing oil recovery at hydrocarbon fields, subsurface users may apply enhanced oil recovery methods, which, depending on their complexity, are classified as conventional and special.

The classification of enhanced oil recovery methods and the procedure for calculating the volumes of hydrocarbons extracted using special enhanced oil recovery methods shall be determined by the unified rules on the rational and comprehensive use of the subsoil.

The types and conditions for the application of the respective enhanced oil recovery methods shall be established by the field development plan.

For the purpose of incentivizing the application of special enhanced oil recovery methods, the following support measures are provided:

exemption of the volumes of hydrocarbons extracted using special enhanced oil recovery methods from the obligations stipulated by part one of paragraph 1 of Article 130 of this Code ;

other measures provided for by the legislation of the Republic of Kazakhstan.

Footnote. Chapter 20 was supplemented by Article 148-1 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 149. Subsoil use operations on hydrocarbons at subsoil plots adjacent to a border

1. If as a result of hydrocarbon subsoil use operations, the subsoil user discovers a reservoir (aggregate of deposits) located in the territory of the Republic of Kazakhstan or the sea, part of which is also located in the territory or at sea under jurisdiction of another adjacent or the opposite state, he shall immediately notify the competent authority.

2. In the absence of relevant international treaties of the Republic of Kazakhstan with the state, in the depths of which is part of the discovered deposits (aggregate deposits), the competent authority has the right to decide on the suspension of operations on subsurface use of hydrocarbons in the border area of subsoil until an agreement is reached with such a state.

At the same time, the competent authority within three business days from the date of the decision to suspend hydrocarbon operations at the border area of the subsoil notifies the subsoil user about it and within thirty calendar days initiates the development of an international agreement regulating the procedure and conditions for joint development of the field located at the border subsoil plot.

3. In the case of making by a competent authority of a decision on suspension of operations on subsoil use of hydrocarbons in the border area of the subsoil, the contract is suspended its action before issuing the competent authority's permission for the resumption of suspended mining operations.

Article 150. Joint development of deposits at different subsoil plots

1. Joint development refers to joint operations by several subsoil users on hydrocarbons based on the agreement, including the use of common infrastructure for field development.

2. Joint development of several fields is allowed, if such development improves the technical and economic indicators of the development of one or several fields.

3. Subsoil users carrying out operations on exploration and (or) production of hydrocarbons in different subsoil areas, in agreement with the competent authority in accordance with the procedure established by this Code, shall be entitled to:

1) in case of availability of capacities, infrastructure facilities and (or) other technical and technological capabilities of one of the subsoil users, to conclude an agreement with such subsoil user for the use of such capacities, infrastructure facilities and (or) other technical and technological capabilities with the introduction changes in project documents;

2) jointly design and (or) build infrastructure facilities or jointly use them on the basis of the relevant agreement.

4. In the case of joint development by several subsoil users of several fields in different parts of the subsoil, the necessity and effectiveness of joint development, as well as the scheme for its implementation, are justified in the project documents.

5. For the purposes of the implementation of subparagraph 2) paragraph 3 of this Article, subsoil users may determine a management company carrying out the operational management of joint infrastructure facilities.

6. In the case of joint development, the subsoil user (including the managing company) has the right to conduct the portion or all of the subsoil use operations of another subsoil user on its subsoil plot under the agreement between the subsoil users, if it is necessary for joint development.

7. With due regard to the provisions of paragraph 3 of this Article, the distribution of the volumes of hydrocarbons produced by the joint use of infrastructure facilities shall be made by agreement between the subsoil users.

8. If necessary, the agreement between subsoil users provides for the joint use of engineering systems (including electricity, equipment and materials).

Article 151. Exploration or production of hydrocarbons at the field as a single object

1. If a part of the discovered deposit or field on which the subsoil user conducts operations on exploration and (or) production of hydrocarbons is located within the subsoil plot, which is in use by another subsoil user for operations for exploration and (or) production of hydrocarbons, such subsoil users are obliged by their choice:

1) to transfer the right of subsoil use in compliance with the procedures of the transfer prescribed by this Code to have only one subsurface user having the right of subsoil use at the Deposit or field, or several subsurface users having the lobes of the right of subsoil use on the basis of one contract;

2) to conclude an agreement on joint exploration and production or production at a deposit or field as a single object with the appropriate changes to the project documents, having previously agreed such an agreement with the competent authority.

2. In case of the subsoil user's non-compliance with paragraph 1 of this article, the competent authority shall have the right to demand from subsoil users the conclusion of a contract on joint exploration and production or production on the Deposit or field as a single object in court.

3. Subsoil users engaged in joint exploration and production or extraction of hydrocarbons are jointly and severally liable for fulfilling the obligations imposed on them by contracts.

4. In the event of termination of the subsoil use right to a subsoil plot that includes a part of a discovered deposit or field, the subsoil user carrying out exploration and production operations or production operations of hydrocarbons on another subsoil plot that includes another part of the discovered deposit or field shall have the right to file an application with the competent authority for an increase of the subsoil plot for the purpose of including the corresponding part of the deposit or field.

In such case, the increase of the subsoil plot shall be carried out in accordance with Article 113 of this Code, subject to the specific features provided for by this Article.

5. In the event of a decision to increase the subsoil plot in accordance with paragraph 4 of this Article, the provisions of paragraph 4 of Article 107 of this Code shall not apply to the subsoil use contract under which the subsoil use right is terminated.

In this case, the former subsoil user shall be obliged to transfer the equipment and other property ensuring the continuity of the technological process and industrial safety at the subsoil plot, the composition of which is determined by paragraph 9-1 of Article 107 of this Code, to the subsoil user that has submitted the application for expansion of the subsoil plot. The valuation of such transferred equipment and property shall be made according to tax accounting data, based on the value of fixed assets as of the end of the taxable period preceding the taxable period in which the transfer of such equipment and property takes place .

Following the transfer of the subsoil plot to another subsoil user, the former subsoil user shall be obliged to transfer to such other subsoil user the rights under the bank deposit agreement that serves as the subject of a pledge securing the remediation of the consequences of subsoil use.

6. The provisions of paragraphs 4 and 5 of this Article shall not apply to strategic subsoil plots.

Footnote. Article 151 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 152. Measurement and weighing of oil

1. Measurement and weighing of oil produced by subsoil user in the subsoil plot is carried out by subsoil user in the manner approved by the authorized body in the hydrocarbons.

2. The subsoil user shall test the equipment and devices used for weighing and measuring oil in accordance with the legislation of the Republic of Kazakhstan.

3. If during the test or inspection it turns out that the equipment or devices have defects, then if it is impossible to establish the term of the fault, the defect period is determined as half the time from the previous measurement to the day of the defect.

CHAPTER 21. SPECIFIC FEATURES OF EXPLORATION AND PRODUCTION OF COALBED METHANE, EXPLORATION AND PRODUCTION OF HYDROCARBONS AT SEA AND IN THE SAFETY ZONE, AND PRODUCTION OF HYDROCARBONS AT DEPLETING FIELDS

Footnote.The title of Chapter 21 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 153. Particularities of exploration and production of coalbed methane

1. Exploration and production of coalbed methane are carried out according to the requirements set out by this Code for exploration and production of hydrocarbons, taking into account the particularities provided for in this Chapter.

2. It is prohibited to develop coal fields with an increased level of natural methane-content of coalbeds without carrying out the necessary measures for advance degassing, ventilation programs and formation degassing, followed by utilization of the methane produced, which ensure methane reduction in coalbeds to the established standards.

Under the licence for exploration and (or) production of coal it is allowed to extract coalbed methane when degassing existing mines without concluding a contract for exploration and production or production of coalbed methane.

3. At that, such subsoil user is entitled to use the extracted coalbed methane only for its own process needs without further sale.

4. If a subsoil user producing (mining) coal intends to produce coalbed methane with the purpose of its further sale, such subsoil user shall obtain the subsoil use right for exploration and production or production of coalbed methane under the procedures envisaged by this Code.

Article 153-1. Hydrocarbons production from depleting fields

1. A subsoil user extracting hydrocarbons under subsoil use contracts for depletable fields shall be obliged to comply simultaneously with the following conditions:

1) compliance of the field with the criteria stipulated in paragraph 2 of this Article. In this case, such compliance shall be indicated in the field development project that has received a positive conclusion of the expert examinations provided for by this Code and other laws of the Republic of Kazakhstan;

2) fulfillment by the subsoil user of the investment obligation under paragraph 3 of this article.

A subsoil use contract shall be recognized as a subsoil use contract for depletable fields when it includes commitment to the investment obligation of the subsoil user provided for by paragraph 3 of this article.

2. A hydrocarbon field is categorized as depletable if at least one of the following indicators is achieved during its development:

for large hydrocarbon fields, the depletion of reserves must be seventy percent or more of the approved recoverable reserves and the water content of the field must be eighty-five percent or more;

The current oil recovery coefficient should be 0.4 fractions of a unit or more.

3. Under Article 129 of this Code, the subsoil user’s investment obligation under a subsoil use contract for a depleting field shall consist of making additional investments in the development of such depleting field and (or) providing additional financing for the socio-economic development of the region, in an amount not less than the amount calculated as the product of the investment ratio established under paragraph 4 of this Article and the

total annual income from such field, computed in accordance with the methodology for maintaining separate tax accounting of the subsoil user approved in the tax accounting policy pursuant to Article 757 of the Tax Code of the Republic of Kazakhstan, based on the results of the preceding year.

4. The investment coefficient for a depleting field shall be set issuing from the actual annual hydrocarbon production volume of such field and shall be as follows:

№	Annual production volume	Investment ratio, %
1.	under 250 000 tons inclusive	1,0
2.	above 250 000 tons and under 500 000 tons inclusive	2,0
3.	above 500 000 tons and under 1 000 000 tons inclusive	3,0
4.	above 1 000 000 tons and under 2 000 000 tons inclusive	4,0
5.	above 2 000 000 tons and under 3 000 000 tons inclusive	5,0
6.	above 3 000 000 tons and under 4 000 000 tons inclusive	5,5
7.	above 4 000 000 tons and under 5 000 000 tons inclusive	6,5
8.	above 5 000 000 tons and under 7 000 000 tons inclusive	7,0
9.	above 7 000 000 tons and under 10 000 000 tons inclusive	8,0
10.	above 10 000 000 tons	8,5

Footnote. Chapter 21 was supplemented by Article 153-1 pursuant to the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced from 01.01.2026).

Article 154. General conditions for exploration and production of hydrocarbons at sea and in the safety zone

Footnote. The title of Article 154 as amended by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

1. The surface of the water column, as well as the bottom of the Caspian Sea within the Kazakhstan part shall be recognized as the sea.

2. Excluded by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (effective sixty calendar days after the date of its first official publication).

3. The safety zone is a land zone extending from the coastline of the sea five kilometers towards land, which may be polluted due to an oil spill in the sea or may be a source of pollution of the sea.

4. Marine objects are artificial Islands, dams, structures, installations, pipelines and other objects used in the exploration and (or) production of hydrocarbons at sea.

5. Subsoil users conducting exploration and (or) production of hydrocarbons at sea are obliged to be guided by the best practice for environmental protection at sea, not to impede or harm navigation, fishing, use and protection of aquatic biological resources and other lawful activities usually carried out on specific area of the sea.

6. A prerequisite for granting subsoil use rights for hydrocarbons at sea is the share of the national company in the field of hydrocarbons as a subsoil user under the contract in the amount of not less than fifty percent.

Further the specified size of the equity participation of national companies in the contract may be reduced, provided that the national company will retain its control over the decisions of the subsoil user under the contract.

7. In order to minimize the negative impact on the environment, subsoil users conducting exploration and (or) production of hydrocarbons at sea may implement joint projects on the use of offshore facilities.

8. A subsoil user conducting exploration and (or) production of hydrocarbons at sea shall be liable for environmental damage, harm caused to individuals and (or) legal entities, in case of pollution of the sea formed as a result of subsoil use operations for hydrocarbons at sea, regardless of the presence of guilt, unless it is proved that environmental damage, harm was caused due to force majeure or the intent of the victim.

9. The subsoil user conducting exploration and (or) extraction of hydrocarbons at sea shall ensure, at its own expense, the delivery from the coast of representatives of state bodies authorized to conduct inspections in accordance with the legislation of the Republic of Kazakhstan on the marine objects belonging to the subsoil user.

Carrying out inspections by representatives of state bodies at offshore facilities should not interfere with the normal activities of the subsoil user.

10. The subsoil user engaged in the exploration of hydrocarbons at sea is entitled to start drilling wells only after conducting all the necessary geophysical and seismic surveys of the exploration area, as well as meeting the requirements of paragraph 1 of Article 156 of this Code.

11. It is prohibited to drill a prospecting, exploration, production or other well not provided for by an approved subsoil user and have received positive conclusions provided by this Code of Experts for the drilling project, except for drilling a jamming well when a previously drilled well leaves control, subject to that the use of other methods of taking such a well under control is impossible or ineffective under the circumstances.

At the same time, the subsoil user is obliged to notify the competent authority in writing of the commencement of drilling a silencing well within a reasonable time period, indicating the specific circumstances and reasons that influenced the decision to drill such well.

12. The subsoil user is engaged in the exploration and (or) extraction of hydrocarbons within the protection zone is obliged to take the necessary measures to eliminate sea pollution in the event of a rise in the water level.

13. The provisions of this Code established for subsoil use operations with respect to hydrocarbons at sea shall apply to subsoil use operations in the safety zone.

14. The requirements of paragraphs 8 and 9 of this article shall also apply to persons operating facilities that pose a risk of oil spill at sea and in the safety zone.

15. For the purpose of this chapter, oil spills are also understood to mean oil spills.

Footnote. Article 154 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); № 11-VII dated 23.02.2021 (see Article 2 for the order of entry into force); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 155. National system of preparedness and response to oil spills at sea and in the safety zone

Footnote. The title of Article 155 as amended by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

1. Personnel, vessels, equipment, chemicals and other materials used in oil spill response shall be recognized as resources for oil spill response at sea and in the safety zone.

2. Objects bearing the risk of oil spills include marine facilities, seaports and ships.

3. Preparedness and actions for oil spill response at sea and in the safety zone shall be provided depending on the expected volumes of oil spills according to the following levels:

the first level - minor oil spills (not exceeding ten tons of oil), liquidated by the resources available at the facility, bearing the risks of an oil spill;

the second level - moderate (medium) oil spills (from ten tons to two hundred and fifty tons), to eliminate which, in addition to the resources of the facility that carries the risk of an oil spill, resources are attracted from the shore;

the third level - large oil spills (from two hundred and fifty tons or more), for the elimination of which, in addition to the resources of the facility bearing the risk of an oil spill, and resources from the shore, available resources in the country and international resources are attracted.

Based on the risk assessment, the identified volumes of a possible oil spill may be higher than those indicated at three levels. The amount of resources shall conform to the level of probable oil spill risk.

4. The national system of preparedness and response to oil spills at sea and in the safety zone shall include:

1) national plan of preparedness and actions for oil spill response at sea and in the safety zone of the Republic of Kazakhstan (hereinafter - national plan), approved by the authorized

body in the field of hydrocarbons jointly with the authorized bodies in civil protection and merchant shipping;

2) territorial plans of preparedness and actions for oil spill response at sea and in the safety zone of oblasts, developed on the basis of the national plan by territorial units of the department of the authorized body in civil protection and approved by local executive bodies of the respective regions;

3) facility plans - plans of preparedness and actions for oil spill response at sea and in the safety zone, developed by owners of facilities posing a risk of oil spills, except for ship owners, based on national and territorial plans of the respective regions, also on the basis of oil spill risk assessment and analysis of total environmental benefit, which are coordinated with the respective territorial units of the authorized civil protection body;

4) shipboard oil pollution emergency plans, developed in accordance with the International Convention for the Prevention of Pollution from Ships, 1973, amended by the Protocol of 1978 (MARPOL 73/78).

5. The state bodies responsible for implementation of the national plan are:

1) authorized body in the hydrocarbons - for ensuring the readiness of subsoil users to clean-up the oil spills;

2) authorized body in the merchant shipping - for ensuring the readiness of seaports and vessels to clean-up the oil spills;

3) authorized body in the civil protection - for receiving and transmitting information on oil spills, conducting exercises and training sessions, as well as for prompt actions to clean-up the oil spills, actions for seeking international assistance and for assisting other countries in the event of a request.

6. Facility plans are approved by the owners of facilities, bearing risk of an oil spill, after agreement with the territorial divisions of the authorized bodies in the field of environmental protection and in the field of civil protection, and within three working days from the date of approval, they are sent by notification to the authorized body in the field of hydrocarbons.

The deadline for approval of the facility-based plan with the territorial divisions of the authorized bodies in the field of environmental protection and civil protection shall not exceed thirty calendar days from the date of application.

Facility-based plans may be combined if the owner has several objects that bear the risk of oil spill.

7. Procedure for the development and approval of shipboard oil pollution emergency plans is determined by the International Convention for the Prevention of Pollution from Ships, 1973, as amended by the Protocol of 1978 (MARPOL 73/78).

8. Plan of the offshore facility is approved by the subsoil user, after consultation with the territorial subdivisions of the authorized bodies in environmental protection and civil protection, and within three business days from the date of approval is sent to the authorized body in the field of hydrocarbons.

9. Territorial plan of the relevant area is put into effect in the following cases:

1) the oil spill has reached the second level and resources of the subsoil user and / or the specialized organization for clean-up of the oil spills on sea attracted by it are insufficient to clean them up;

2) the spill occurred from the vessel or there is a threat of oil spill on the vessel;

3) the oil spill of unknown origin was detected;

4) the oil spill poses a threat of pollution of the reserve zone of the Caspian Sea;

5) the oil spill began to spread to the territory of the adjacent region.

10. National plan is put into effect in the following cases:

1) the oil spill has reached the third level and assistance is needed in organizing the arrival of international resources to eliminate oil spills;

2) the oil spill did not reach the third level, but it poses the threat of pollution of the reserve zone of the Caspian Sea;

3) the oil spill began to spread to the territory of the neighboring state.

11. Operations on clean-up of oil spills are managed by:

1) in case of oil spills of the first level - the owner of the facility carrying the risk of oil spill, or the specialized organization for clean-up of the oil spills at sea involved by it;

2) at the oil spills of the second level:

prior to the introduction of the territorial plan of the relevant area into effect - the owner of the facility carrying the risk of an oil spill, or the specialized organization for the response to oil spills at sea that it attracts;

after introduction of the territorial plan of the relevant area into effect - an official appointed by the regional akim;

3) in case of oil spills of the third level - an official of the authorized body in the field of civil protection, appointed by the Prime Minister of the Republic of Kazakhstan.

Functions of the advisory body in the clean-up of oil spills of the third level in the framework of the national plan are assigned to the interdepartmental state commission for the prevention and elimination of emergency situations.

12. The requirements of this article also apply to individuals and legal entities carrying out activities associated with the risk of an oil spill at sea, with the exception of persons whose objects are subject to the International Convention for the Prevention of Pollution from Ships of 1973, as amended by the Protocol of 1978 (MARPOL 73/78).

Footnote. Article 155 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 156. Ensuring preparedness and response actions for oil spills at sea and in the safety zone

Footnote. The title of Article 156 as amended by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

1. It is prohibited to conduct operations at facilities bearing the risk of oil spill, with the exception of ships, without:

1) assessment of oil spill risk;

2) approved facility plan;

3) availability of own resources or resources attracted on the basis of a contract;

4) fulfillment of the conditions stipulated by paragraph 2 and 3 of this article.

2. Owners of facilities bearing the risk of an oil spill, with the exception of ships, are required to:

1) for the elimination of oil spills of the first level at sea - to have the resources necessary for the complete elimination of such oil spills at the offshore facility or within thirty minutes of reach;

2) for clean-up of the oil spills of the second level at sea:

in availability at the offshore facility or within a thirty-minute reach the resources specified in subparagraph 1) of this paragraph in an amount sufficient for the period until the delivery of resources of local shore services;

to ensure the delivery, if necessary, of resources of local shore services.

If their own resources to clean-up the oil spills of the first and second levels are not available, the owners of facilities bearing the risk of oil spills, with the exception of ships, are obliged to conclude agreements with specialized organizations for the clean-up of the oil spills on sea.

If necessary, the owners of facilities bearing the risk of oil spills have the right to attract resources within the framework of agreements on cooperation and mutual assistance in the elimination of oil spills.

Minimum standards and requirements for resources necessary for oil spill response at sea and in the safety zone shall be established by the authorized body in hydrocarbons.

3. In order to provide resources for oil spill response of the third level, the owner of the facility posing oil spill risk, except for ships, shall be obliged to conclude a contract with a specialized organization for oil spill response at sea, having international recognition, qualified personnel and appropriate equipment.

4. In the event of detected oil spill at sea and in the safety zone, the owners of facilities that pose a risk of oil spills shall immediately inform the territorial units of the authorized bodies in environmental protection and civil defense.

The procedure for informing about an oil spill for ships shall be determined by the legislation of the Republic of Kazakhstan in merchant shipping.

5. When eliminating oil spills at sea and in the safety zone, preference must be given to the methods aimed at maximum protection of human health and environmental protection

based on analysis of the total environmental benefit. The rules for determining and coordinating optimal methods for eliminating emergency oil spills at sea and in the safety zone of the Republic of Kazakhstan based on analysis of the total environmental benefit shall be approved by the authorized body in the environmental protection.

6. After carrying out the measures to localize the source of the oil spill and eliminate the oil spill, investigating the causes of accidents and incidents, the owners of the objects bearing the risk of the oil spill and / or specialized organizations for oil spill response are presented with a report on the work done to the authorized environmental authorities. environment and civil protection.

Owners of offshore facilities additionally submit a report to the authorized body in the hydrocarbons.

7. The owner of the facility that poses the risk of an oil spill shall be obliged to fully eliminate environmental damage and compensate for harm caused to third parties by oil spills at sea and in the safety zone, as well as the state's expenses for oil spills elimination.

8. The requirements of this article also apply to individuals and legal entities carrying out activities related to the risk of an oil spill at sea, with the exception of persons whose objects are subject to the International Convention for the Prevention of Pollution from Ships of 1973 , as amended by the Protocol of 1978 (MARPOL 73/78).

Footnote. Article 156 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 157. Creation and operation of offshore facilities

1. When conducting operations on subsoil use of hydrocarbons at sea, the creation, placement and operation of offshore facilities are permitted, provided that the protection and preservation of the environment are ensured in accordance with the approved subsoil user and the basic design document that has received positive conclusions of the expert examinations stipulated by this Code and other laws of the Republic of Kazakhstan.

The creation and placement of offshore facilities is permitted with the permission of the authorized body in hydrocarbons, agreed upon with the basin water inspectorate for the protection and regulation of water resources use, the authorized body in the protection, reproduction and use of wildlife, the Border Service of the National Security Committee of the Republic of Kazakhstan, the central executive body implementing state policy in the field of defense.

2. Safety zones shall be established around offshore objects extending for a distance of five hundred meters, measured from each point of the outer edge of such offshore objects. Marine objects, as well as the security zones surrounding them, are located in places where they cannot interfere with sea routes that are important for international navigation and fishing.

3. Persons responsible for the maintenance and operation of offshore facilities shall ensure their protection, as well as the availability of appropriate means of warning of their location in accordance with the legislation of the Republic of Kazakhstan.

4. Upon completion of the operation of offshore facilities for the exploration and (or) production of hydrocarbons at sea, such facilities, if they cannot be further used for economic or other purposes, shall be dismantled in such a way as not to endanger the safety of people and the environment and not to interfere with navigation or fishing.

5. Creation, placement and operation of offshore facilities used in the exploration and (or) production of hydrocarbons at sea shall be carried out in accordance with the procedure approved by the authorized body in hydrocarbons.

Footnote. Article 157 as amended by the Law of the Republic of Kazakhstan dated 23.02.2021 № 11-VII (shall be enforced ten calendar days after the day of its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 158. Prohibition of construction and exploitation of storage facilities and oil tanks on the sea

1. It is prohibited to construct and operate the storage facilities and oil tanks at sea.

2. It is prohibited to warehouse and store oil at offshore facilities, other than temporary (not more than twenty calendar days) storage of oil during the transportation of such oil by tankers directly from offshore facilities.

Article 159. Prohibition of dumping and burial of waste during exploration and (or) production of hydrocarbons on the sea

1. It is prohibited to dump into the sea and dump at the bottom of the sea the wastes during exploration and (or) extraction of hydrocarbons at sea.

2. Discharge of industrial and other wastewater into the sea is carried out only with the permission and under the control of the authorized body in environmental protection, subject to the purification of such waters up to the established standards.

SECTION VIII. URANIUM PRODUCTION Chapter 22. Particularities of management of granting and termination of rights for subsoil use for uranium mining Paragraph 1. Granting of the right for subsoil use for uranium mining to the national company in the uranium field on the basis of direct negotiations

Article 160. Conditions of granting the right of subsoil use to the national company in the uranium field on the basis of direct negotiations

1. The company is recognized as the National company in the uranium field if it is the joint stock company, created by decision of the Government of the Republic of Kazakhstan, major share stock of which is owned by the state or by the national corporate holding group, performing the activities in the uranium field on the conditions, set by the legislation of the Republic of Kazakhstan.

2. Subsurface site for mining is provided to the national company in the uranium field on the basis of direct negotiations.

3. The right of subsoil use for extraction (a share in the right of subsoil use) granted to the national company in the field of uranium on the basis of direct negotiations may be transferred only to a legal entity in which more than seventy-five percent of the shares (participatory interests) are directly or indirectly owned by the national company in the field of uranium.

Upon any subsequent transfer, such legal entity shall be entitled to transfer the acquired right of subsoil use (a share in the right of subsoil use) only to a legal entity in which more than seventy-five percent of the shares (participatory interests) are directly or indirectly owned by the national company in the field of uranium.

Footnote. Article 160 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 161. Application of the national company in the uranium field for conducting of direct negotiations

1. The National company in the uranium filed, having the intention to get into utilization the subsoil plot for uranium mining on the basis of direct negotiations, shall send to the competent authority the application with indicating boundaries of the subsurface site, on which the national company in the uranium field pretends.

2. The application and the documents attached thereto shall be made in Kazakh and Russian.

Article 162. Procedure for direct negotiations with the national company in the uranium field

1. Direct negotiations on granting of the right for subsoil use on mining to the national company in uranium mining are conducted between the competent authorities of the national company in the uranium field and working group of the competent authority. Provision on the working group and its composition are approved by the competent authority.

2. Direct negotiations are conducted during two months from the day of application submission to the competent authority. Terms of direct negotiations can be extended by the competent authority decision.

3. If, at the stage of submitting an application for direct negotiations or during direct negotiations, the national uranium company has proposed obligations for in-country value in works and services in the amount of more than seventy percent, the proposed obligations shall be fixed in the uranium production contract.

4. According to the results of direct negotiations the competent authority shall take the decision on concluding the contract or rejection of its conclusion.

5. In case of making a decision to conclude a contract for the extraction of uranium, the national company in the field of uranium within twelve calendar months from the date of its making shall:

1) pay the subscription bonus determined by the results of direct negotiations;

2) be obliged to ensure the development of pilot industrial uranium mining and its expertise in accordance with this Code;

3) send to the competent authority a confirmation of the payment of the subscription bonus and a countersigned uranium mining contract, developed in accordance with the standard uranium mining contract approved by the competent authority.

In the contract for the extraction of uranium is established a period of pilot industrial production, the duration of which is determined by the results of direct negotiations.

The period specified in this paragraph may be extended by decision of the competent authority for a period of up to six months, when the development and approval of the relevant project has not been completed on time due to circumstances beyond the will of the subsoil user.

6. The competent authority within twenty business days from the date of receipt of the contract for the extraction of uranium and the confirmation of payment of the subscription bonus concludes a contract for the extraction of uranium and sends to the national company in the field of uranium its copy (s).

Footnote. Article 162 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Paragraph 2. Termination of subsoil use rights for uranium mining

Article 163. Early termination by the competent authority of the contract for the uranium mining on unilateral basis

1. The competent authority shall notify the subsoil user in writing of the committed violation in cases of:

1) failure to submit or submission of deliberately false reports, envisaged by the article 180 of this Code;

2) fulfillment by the subsurface user of its financial obligations established by the uranium mining contract, by less than thirty percent in the reporting year;

3) conducting uranium mining operations related to the violation of the integrity of the earth's surface, without forming the security amount in accordance with the established schedule or in violation of the schedule for the formation of the security amount;

4) in other cases of breach of obligations committed by the subsoil user in relation to liabilities established by the uranium mining contract.

The subsoil user is obliged to correct violations specified in sub-paragraphs 1), 2), 3) of this paragraph within three months from the date of receipt of the notification of the violation, and violation of other obligations established by the uranium mining contract, within the period specified in the notification and notify the competent authority in written form with attachment of documents confirming the correction.

2. If the subsoil user fails to eliminate one of the breaches specified in subparagraphs 1), 2), 3) of paragraph 1 of this article within a three-month period, and also fails to correct more than two violations of other obligations specified in the uranium mining contract specified in the notification to the competent authority, the competent authority has the right to terminate the contract for the extraction of uranium unilaterally.

3. The competent authority early terminates the contract for the extraction of uranium unilaterally in the following cases:

1) entry into legal force of a court decision prohibiting subsoil use activities;

2) conducting uranium mining operations without appropriate approved by the subsoil user and having received positive conclusions provided by this Code for expert examination of project documents;

2-1) complete extraction by the subsoil user of the recoverable uranium reserves specified as of January 1, 2024, in the work program of the subsoil use contract or in the project documentation, except as provided for in paragraph 9 of Article 176 of this Code;

2-2) failure to fulfill or untimely fulfillment of the obligations specified in subparagraphs 1) and 2) of part one of paragraph 5-1 of Article 173 of this Code;

3) violations by the subsoil user of the requirements of this Code relating to the transfer of the right to use subsoil and objects related to the right to use subsoil.

4. Early termination of the uranium mining contract is unilaterally carried out by the competent authority by sending a written notice to the subsoil user.

The contract shall be terminated upon the expiry of two months from the date of such notice receipt by the subsoil user.

5. The subsoil user may dispute the legality of early termination by the competent authority of the uranium mining contract in court within two months from the date of receipt of the notification. If the subsoil user applies to a court, the term specified in paragraph 4 of this article shall be suspended until the court decision enters into legal force.

6. By decision of the Government of the Republic of Kazakhstan, the competent authority has the right to terminate the contract for the extraction of uranium unilaterally, including concluded before the enactment of this Code, in case the subsoil user’s actions during the mining operations on a subsoil area of strategic importance, lead to amendment in the economic interests of the Republic of Kazakhstan, creating a threat to national security.

In case of a unilateral termination of the contract on the specified basis, the competent authority shall notify the subsoil user of this no later than two months.

7. If the actions of subsoil user in conducting uranium mining operations with respect to subsoil areas of strategic importance, lead to an amendment in the economic interests of the Republic of Kazakhstan, posing a threat to national security, the competent authority may require a change and (or) addition to the terms of the contract, including concluded before this Code entry into force, in order to restore the economic interests of the Republic of Kazakhstan.

The competent authority may terminate such a contract for the extraction of uranium unilaterally if:

1) within a period of two months from the date of receipt of the notification from the competent authority of the amendment and (or) addition of the terms of the contract, the subsoil user does not confirm in writing his consent to negotiate the amendment and (or) supplement the terms of the contract or refuses to conduct them;

2) within four months from the date of receipt of the consent of the subsoil user to conduct negotiations on the amendment and (or) addition of the terms of the contract, the parties will not reach an agreement on the amendment and (or) addition of the terms of the contract;

3) within six months from the date of reaching an agreed decision to restore the economic interests of the Republic of Kazakhstan, the parties will not sign the amendment and (or) addition to the terms of the contract.

Footnote. Article 163 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 164. subsoil plot and property upon termination of the subsoil use right for uranium mining

1. From the day of termination of the contract for the extraction of uranium, the subsoil plot (areas), enshrined (fixed) in such a contract, is (are) returned (returned) to the state.

2. From the date of completion of the mining period, the production site (s) is (are) returned (returned) to the state.

If in the uranium mining contract there are two or more mining sites, then from the day the mining period ends in one of the mining sites, such site is returned to the state.

3. Upon termination of the uranium mining contract, the competent authority notifies the subsoil user about one of the following decisions:

1) to mitigate the consequences of subsoil use in such subsoil plot;

2) to perform the conservation of the subsoil plot;

3) to transfer the subsoil plot to the trust management of the national company in the field of uranium.

4. Notification is sent in the following periods:

1) in the case of the expiration of the contract for the extraction of uranium at the end of the mining period, not later than two months before such termination;

2) in the event of early termination by the competent authority of the contract for the extraction of uranium unilaterally-simultaneously with the notification of the early termination of the contract for the extraction of uranium;

3) in case of termination of the contract for the extraction of uranium by agreement of the parties-simultaneously with the signing of the agreement on termination of the contract.

5. The person who received notification from the competent authority of decision to mitigate the consequences of subsoil use on the subsoil plot or to preserve the subsoil section:

1) is obliged to stop uranium mining operations in the subsoil area, with the exception of operations whose immediate termination is associated with the threat of emergency situations. Such operations shall be stopped within two months from the date of notification receipt;

2) is obliged immediately after the approval and receipt of positive opinions envisaged by this Code of project expertises of liquidation or preservation to begin works to eliminate the consequences of the use of mineral resources or the preservation of a subsoil section in accordance with the requirements established by this Code;

3) within six months from the date of receipt of the notification, shall have the right to export the extracted uranium, as well as equipment and other property that is his ownership. Equipment and other property not brought out within a specified period shall be subject to liquidation or preservation in accordance with the requirements established by this Code.

6. In the absence of the previous subsoil user or his evasion from the fulfillment of the obligation provided for in subparagraph 2) of paragraph 5 of this article, carrying out works on the elimination of the consequences of subsoil use or preservation of the subsoil section is carried out at the expense of the support funds.

Herewith, in the case specified in subparagraph 1) of paragraph 4 of this article, the authorized body in the field of uranium mining has the right to foreclose on the subject of pledge in full, and in the case specified in subparagraph 2) of paragraph 4 of this article, in fact the costs incurred for the preservation of the subsoil plot.

7. The person who received notification from the competent authority of decision to transfer the subsoil plot for the trust management of the national company in the field of uranium:

1) is obliged within one month from the date of receipt of the notification, to transfer equipment and other property ensuring the continuity of the technological process and industrial safety in the subsoil area to the trust management of the national company in the field of uranium until the transfer of property to the new subsoil user.

In case of absence of the previous subsoil user or his evasion from the transfer of the property to the national company in the field of uranium, the competent authority acts as its attorney with respect to such property and transfers it to the national company in the field of uranium by an act containing a list providing an indication of the status of the transferred property;

2) within six months from the date of receipt of the notification, shall have the right to export the extracted uranium, as well as equipment and other property that is its property, except for the facilities specified in subparagraph 1) of this paragraph.

8. In the case provided for in subparagraph 3) of paragraph 3 of this Article, the equipment and other property specified in subparagraph 1) of paragraph 7 of this Article shall , from the date of conclusion of the uranium extraction contract, pass into the ownership of

the new subsoil user, who shall pay to the previous subsoil user the value of such equipment and property in an amount determined on the basis of the value of the transferred fixed assets according to tax accounting data, in the following manner:

the value of the transferred fixed assets shall be determined as the amount reflected in tax accounting at the end of the tax period preceding the tax period in which the transfer of the subsoil user's property occurs, reduced by the amount of calculated depreciation deductions for the tax period preceding the tax period in which such transfer occurs. The stated value of the transferred fixed assets shall also be reduced by the amount of fixed assets disposed of during the tax period in which such transfer of the subsoil user's equipment and other property occurs.

In the absence of the value of the transferred fixed assets or the failure to fulfill the obligations specified in subparagraph 2) of the first part of paragraph 5-1 of Article 173 of this Code, the transfer of equipment and other property shall be carried out on a gratuitous basis.

8-1. For the purposes of this article, "equipment and other property ensuring the continuity of the technological process and industrial safety at the subsoil use site" shall mean a set of interrelated things, property rights, and intangible assets forming a property complex used for carrying out uranium extraction and processing operations, the absence or loss of which results in the stoppage or reduction of the extraction level achieved prior to the termination of the subsoil use right, taking into account the indicators of the design documents, and (or) creates or may create a threat to the industrial safety of subsoil use operations. Such equipment and property shall include, but not be limited to, wells, pipelines, process manifolds for the distribution of productive and leaching solutions, acidification process units, sand settling tanks, buildings and structures located on the subsoil use site and on land plots granted for subsoil use operations, as well as infrastructure facilities, inventory, raw materials, software, technical and other documentation, intangible assets, and other elements of the property complex that directly ensure the technological process and industrial safety of subsoil use operations.

9. In the case provided for by paragraph 8 of this Article:

1) the competent authority within ten business days from the date of conclusion of the contract for the extraction of uranium sends to the subsoil user a notification about the need to transfer the rights on the bank deposit, ensuring the performance of the obligation to liquidate, to the new subsoil user and the delivery period of such transfer;

2) the previous subsoil user, within the time specified in the notification, transfers the rights to the bank deposit ensuring the fulfillment of the liquidation obligation to the new subsoil user.

Footnote. Article 164 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 165. Trust management of a subsoil plot and property upon termination of a subsoil use right

1. In the case provided for by paragraph 7 of Article 164 of this Code, the competent authority within five business days from the date of notification of the decision to transfer the subsoil plot to the trust management of the national company in the field of uranium for subsequent submission to another person concludes with the national company in the field of uranium trust agreement for such a subsoil plot.

2. A trust management agreement for a subsoil plot shall be drafted and concluded in accordance with the Civil Code of the Republic of Kazakhstan and shall grant the trustee the right:

1) to carry out operations for uranium production without concluding a contract for uranium production;

2) obtain a land plot on the right of land use for the implementation of trust management of a subsoil plot.

3. The trustee has the right to reimburse of expenses incurred during the trust management of a subsoil plot and confirmed in the prescribed manner, at the expense of income from its use when submitting documents confirming the necessity of incurred expenses.

In case of such reimbursement of expenses, the new subsoil user shall not reimburse the expenses of the trustee previously reimbursed in accordance with this article.

In case of no income or its insufficiency, reimbursement of expenses is carried out at the of the founder's(beneficiary) expenses.

4. Incomes from trust management, other than amounts directed to reimbursement of expenses of a trustee and payment of taxes related to the performance of a trust management agreement, shall be sent to the founder (beneficiary) as a result of the termination of the trust management agreement.

5. Procurement of goods, works and services within the framework of an agreement on trust management of a subsoil plot is carried out without complying with the requirements stipulated by this Code.

6. The trustee shall be liable with his property for obligations arising from transactions made by him in excess of the authority granted to him by the contract of trust management of the subsoil plot, or in violation of established restrictions.

7. The land plot is officially reregistered to the trustee for the validity term of the trust agreement of the subsoil plot, but not more than ten years from the date of its conclusion.

Footnote. Article 165 as amended by the Law of the Republic of Kazakhstan dated 14.07.2022 № 141-VII (effective from 01.01.2024); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Chapter 23. Uranium production sites and territories

Article 166. Subsoil plots granted for uranium mining operations

1. Subsoil plots for the extraction of uranium are provided to the national company in the field of uranium on the basis of direct negotiations.

2. Subsoil plots for uranium mining are limited by the occurrence depth of uranium deposits found within them.

3. In the uranium mining contract, several subsoil plots may be provided.

4. The size of the subsoil plots provided to the national company in the field of uranium on the basis of direct negotiations, within the framework of a single contract for the extraction of uranium in the aggregate, cannot exceed two hundred blocks.

Article 167. Provision of a subsoil plot

1. From the day of registration of the contract for the extraction of uranium, the subsoil plot is transferred for use to the subsoil user.

2. Conclusion of the contract for uranium production or addendum to the contract for uranium production, which provides for fixing the site and the period of pilot industrial production and the period of mining, is the basis for granting the subsoil user the right to use the land in accordance with the land legislation of the Republic of Kazakhstan.

Article 168. Concept and types of transformation

1. Transformation of subsoil plots is a change in their spatial boundaries, produced by:

1) extension of the subsoil plot;

2) reduction of the subsoil plot.

2. Transformation of subsoil plots is allowed provided that the user (users) of the converted subsoil plots is (are) one person (one persons).

Article 169. Extension of the subsoil site

1. The increase in the subsoil area under the contract for the extraction of uranium is made at the request of the subsoil user while the following conditions are met:

1) during the exploration work, the subsoil user discovered a reservoir (a set of deposits) established in the approved subsoil user and received positive conclusions from the project document provided for by this Code of expertise, adjacent to the subsoil plot for mining;

2) the requested subsoil plot is free from subsurface use of uranium;

3) the subsoil area is requested by blocks within which the contours of the discovered deposit (aggregate of deposits) are located, established in the approved by the subsoil user and having received positive opinions on the project document provided for by this Code;

4) there are no breaches of obligations under the uranium mining contract indicated by the notification of the competent authority committed and not eliminated by the subsoil user.

2. Application for extension of the subsoil plot shall contain:

1) name of the subsoil user;

2) number and date of registration of the uranium mining contract;

3) refrence to the requested subsoil plot, where it is intended to increase the territory of the original subsoil plot.

3. The documents additionally attached to application are:

1) addendum to the contract signed by the subsoil user, providing for extension of the subsoil plot;

2) the report of the competent person on the requested plot reserves.

4. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority. Based on the results of consideration of the application, the competent authority shall:

1) takes a decision on extension of the subsoil plot or rejects such extension;

2) notifies the applicant of the decision taken, and in the case of the decision to increase the subsoil plot, in addition about the size of the subscription bonus for the requested subsoil plot.

5. The competent authority rejects extension of the subsoil plot in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the conditions established in paragraph 1 of this article.

Refusal of the competent authority to extend the area of the subsoil does not deprive the subsoil user of the right to reapplication.

6. Within ten business days from the date of receipt of confirmation of payment of the subscription bonus from the applicant, the competent authority concludes with the applicant an addition to the uranium mining contract and sends the signed copy to the applicant.

7.Extension of the subsoil plot does not constitute the ground for extension of the production period under the contract for extraction of uranium.

Article 170. Reduction of the subsoil plot

1. At any time before the end of the uranium mining period, the subsoil user may reduce the territory and the relevant subsoil plot by returning to the state any part of it while simultaneously observing the following conditions:

1) completion of works on mitigation of the consequences of subsoil use on the returned subsurface site before the date of return in the manner established by this Code;

2) the return of the territory and the relevant subsoil plot is carried out by blocks;

3) there is a preliminary consent of the pledger for a refund if the subsoil use right is encumbered with a pledge;

4) there are no breaches of obligations under the uranium mining contract committed and not eliminated by the subsoil user.

2. Application for reduction of a subsoil plot shall contain:

1) name of the subsoil user;

2) number and date of registration of the uranium mining contract;

3) reference to the subsoil plot (its part), which is assumed to be returned to the state;

4) reference to the subsoil site (sites), remaining in the subsoil user's posession.

3. The documents additionally attached to application are:

1) a copy of the certificate on mitigation of the consequences of subsoil use in the returned subsoil plot;

2) addendum to the contract signed by the subsoil user, providing for the reduction of the subsoil plot.

4. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority. Based on the results of consideration of the application, the competent authority decides to reduce the subsoil plot or refuses to reduce it.

5. The competent authority rejects reduction of the subsoil plot in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the conditions established in paragraph 1 of this article.

The refusal of the competent authority to reduce the area of the subsoil does not deprive the subsoil user of the right to reapplication.

6. Within ten business days from the date of receipt of confirmation of payment of the subscription bonus from the applicant, the competent authority concludes with the applicant an addition to the uranium mining contract and sends the signed copy to the applicant.

7. The return by the subsoil user of the entire territory and subsoil area entails the termination of the contract for the extraction of uranium.

Chapter 24. Uranium mining periods

Article 171. The period of experimental-industrial production

1. Under contracts for the extraction of uranium, when they are being concluded, a subsoil plot and a period of experimental-industrial production are secured.

2. During the period of experimental-industrial production, the subsoil user is entitled to develop, approve and conduct expert examinations of the field development project provided for by this Code, as well as experimental-industrial production of uranium.

3. The duration of the experimental-industrial production period shall not exceed four years, with a corresponding reduction in the maximum duration of the uranium mining period specified in paragraph 1 of Article 172 of this Code.

The period of pilot industrial production under a contract for the extraction of uranium is set by the competent authority in the notification of the results of direct negotiations with the national company in the field of uranium.

4. A mandatory condition for securing the production site and the period of experimental-industrial production under a uranium mining contract is to receive a subsoil user of a subsoil report on the calculation of geological reserves and a positive conclusion of expertise regarding the pilot production project provided for by this Code.

5. An application for securing the production site and the experimental-industrial production period should contain:

1) name of the subsoil user;

2) the positive conclusion of the state expertise on the experimental-industrial production project and information on reserves availability;

3) indication to the plot (plots) of the subsoil for production;

4) the duration of the period of experimental-industrial production.

6. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority.

7. Based on the results of the consideration of the application, the competent authority decides whether to fix the production site and the experimental-industrial production period or refuses to do so.

8. The competent authority refuses to fix the production site and the experimental-industrial production period in the event that the application does not meet the requirements established by this Code.

The refusal of the competent authority to secure the area of production and the period of experimental-industrial production does not deprive the subsoil user of the right to submit a second application.

Article 172. Uranium mining period

1. The maximum duration of the uranium mining period at the conclusion of a contract for the extraction of uranium is no more than twenty-five years, including the period of experimental-industrial production.

2. The period of uranium mining within the time limit stipulated by paragraph 1 of this article shall be determined on the basis of a field development project approved by a subsoil user and received positive conclusions provided by this Code of expertise.

The period of pilot industrial production and mining in the subsoil plot is calculated from the date of registration of the uranium mining contract.

3. The subsoil user may terminate the mining period ahead of time by returning the entire territory of uranium mining in the manner and conditions established by this Code.

Article 173. Extension of the uranium mining period

1. The mining period shall be extended by the competent authority upon the request of the subsoil user for a period of up to twenty-five consecutive years.

2. An application for extension of the production period shall be submitted by the subsoil user in the established form to the competent authority not later than six months before the end of the extended production period.

3. The application for extension of the production period shall contain:

1) name of the subsoil user;

2) number and date of registration of the uranium mining contract;

3) indication of the subsoil plot(s) for which (by which) the extension of the production period is requested;

4) the requested time limit for extension of the production period.

4. The documents additionally attached to the application are:

1) excluded by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication);

2) a project for development of a uranium deposit approved by the subsoil user and having received positive conclusions of expertise, provided for by this Code and other laws of the Republic of Kazakhstan, providing for development of the deposit during the requested period for extending the production period.

4-1. Excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

5. The application is subject to consideration within two months from the date of its receipt by the competent authority.

5-1. Based on the results of reviewing the application, the competent authority shall, within five working days, adopt a decision to extend the production period, provided that one of the following obligations is incorporated into the provisions of the uranium production contract:

1) the subsoil user is a national company in the field of uranium or a legal entity, no less than ninety percent of the voting shares (equity participatory interests in the charter capital) of which are directly or indirectly owned by such national company;

2) transfer by a foreign participant (shareholder) of a joint venture for uranium production to a national company in the field of uranium, or to a legal entity established jointly with such national company, of the technology for uranium conversion and enrichment to the form of uranium hexafluoride enriched to five percent, under the following conditions:

introduction and localization of the technology for uranium conversion and enrichment to the form of uranium hexafluoride enriched to five percent on the territory of the Republic of Kazakhstan, jointly with the national company in the field of uranium, through the construction of a plant without imposing restrictions on the product sales market of such plant ;

provision by a foreign participant (shareholder) of a joint venture for uranium mining of a guaranteed market for the output of the plant for the conversion and enrichment of uranium to the form of uranium hexafluoride enriched to five percent, in an amount not less than fifty percent of the annual capacity of the plant, by concluding a long-term contract for the guaranteed purchase of the output for the entire period of the extension of uranium mining.

The obligations listed in subparagraph 2) of the first part of this paragraph shall be set forth in the agreements on the implementation and localization of the technology for the conversion and enrichment of uranium to the form of uranium hexafluoride enriched to five percent on the territory of the Republic of Kazakhstan.

In the event of non-performance or untimely performance of the obligations specified in subparagraph 2) of the first part of this paragraph, the foreign participant (shareholder) of the joint venture for uranium mining shall be obliged to pay a penalty in accordance with the

terms of the agreement on the implementation and localization of the technology for the conversion and enrichment of uranium to the form of uranium hexafluoride enriched to five percent on the territory of the Republic of Kazakhstan.

5-2. Excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

5-3. Excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

6. The competent authority refuses to extend the production period in the following cases:

1) if the application is submitted after the deadline established by paragraph 2 of this article;

2) if the application fails to comply with the requirements established by this Code;

3) if the field development project provides for the development of a field within a period shorter than that requested in the application;

4) if there are the breaches of obligations under the uranium mining contract indicated by the notification of the competent authority committed and not eliminated by the subsoil user;

5) if there is not any intent of the competent authority to extend the period of uranium mining.

Extension of the production period is made only for the plot (plots) of the subsoil indicated (indicated) in the application.

7. In the event that the contract on the date of filing the application for the extension of the production period corresponds to the standard contract for uranium mining, valid on the date of filing the application, approved by the competent authority, when extending the production period between the subsoil user and the competent authority within one month from the date of the decision made to extend an addition to the uranium mining contract is concluded, providing for an extension of the mining period.

8. If the contract on the date of filing the application for the extension of the production period does not correspond to the standard contract for uranium mining approved by the competent authority as of the date of filing the application, when extending the production period between the subsoil user and the competent authority within two months from the date of the decision made to extend a contract for the extraction of uranium in a new edition is concluded, developed in accordance with the standard contract for extraction of uranium.

9. If the period of uranium mining within the framework of the contract is set for a period of not less than twenty years, when the mining period is extended, the terms of the contract shall be brought into line with the laws of the Republic of Kazakhstan in effect at the date of such extension.

The conditions for extending the production period of the contract may not be less favorable for the Republic of Kazakhstan than the conditions under which the subsoil use right was granted.

Footnote. Article 173 as amended by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 26.12.2025 № 243-VIII (for the procedure of enactment see Art.2).

Article 174. Protection of the subsoil and the environment, rational and integrated use of the subsoil in uranium mining

1. Mandatory conditions for the mining of uranium are:

1) ensuring of the protection of subsoil resources;

2) rational and cost-effective use of the subsoil through the use of high technologies and positive practice of subsoil use;

3) compliance with the requirements of the environmental legislation of the Republic of Kazakhstan.

The good practice of subsoil use is understood to be the generally accepted international practice used in uranium mining operations, which is rational, safe, necessary and cost-effective.

2. Protection of the subsoil and the environment includes a system of legal, organizational , economic, technological and other measures aimed at:

1) protection of life and health of the population;

2) preservation of natural landscapes and restoration of disturbed lands, other geomorphological structures.

3. Requirements in the field of rational and integrated use and protection of the subsoil are :

1) ensuring of the rational and cost-effective use of subsoil at all stages of operations for the extraction of uranium;

2) ensuring of the completeness of extraction from the subsoil of minerals, avoiding selective mining;

3) reliable accounting of uranium reserves and associated components;

4) prevention of the accumulation of industrial and household waste in the catchment areas and in the places of occurrence of groundwater used for drinking or industrial water supply;

5) protection of the subsoil against watering, fires and other natural factors that complicate the operation and development of uranium fields;

6) prevention of the subsoil pollution during storage of uranium or other substances and materials, disposal of harmful substances and wastes;

7) compliance with the established procedure for the suspension, termination of operations for the extraction of uranium, the elimination of the consequences of subsoil use, and the conservation of subsoil plots;

8) ensuring of environmental and sanitary-epidemiological requirements during storage and disposal of waste.

4. Subsoil users in the design of works related to the subsoil use, works on the development of uranium fields are obliged to ensure the requirements for the rational and integrated use of the subsoil and the protection of the subsoil established by this Code.

5. The amount of damage caused as a result of violation of the requirements for the rational and integrated use of the subsoil provided in accordance with this Code shall be established by the authorized body in the field of uranium mining in the manner determined by it.

Chapter 25. Uranium mining conditions

Article 175. General conditions of uranium mining

1. Obligatory conditions for the mining of uranium are the rational and cost-effective use of the subsoil through the use of high technologies and the positive practice of subsoil use, as well as ensuring the safety of life and health of people.

2. For accounting purposes, the amount of mined uranium is determined by uranium, raised to the surface with productive solutions, excluding uranium returned with leach solutions to the subsoil.

Article 176. Uranium mining conditions

1. Uranium mining operations shall be carried out in accordance with the approved subsoil user and having received positive conclusions from the pilot production project provided for by this Code of expertise and / or the field development project.

2. All uranium mining operations are subject to documentation.

3. When conducting the uranium mining, the subsoil user is obliged to ensure:

1) optimality and safety of the technical facilities applied for production;

2) reliable accounting of mined and left in the depths of uranium reserves, products of their processing and production waste generated during mining;

3) compliance with the norms and standards, applied methods and approaches to the pilot industrial mining and (or) production;

4) compliance with environmental and sanitary-epidemiological requirements for the storage and disposal of mining wastes and processed products;

5) extraction of uranium in the manner prescribed by the experimental-industrial project and field development project.

4. Uranium and other associated minerals extracted during mining are the property of a subsoil user, unless otherwise provided by this Code or contract.

5. Productive solutions raised to the surface by the in-situ leaching method associated with mineral extraction operations do not constitute groundwater withdrawal if these solutions are injected into the subsurface in the same volume after extraction of uranium and other associated minerals.

6. The subsoil user has the right, without obtaining a permit for special water use in accordance with the water legislation of the Republic of Kazakhstan, subject to compliance with the requirements of the environmental legislation of the Republic of Kazakhstan, to carry out within the boundaries of the subsoil area the extraction of uranium and other associated minerals from productive solutions containing a useful component, raised to the surface.

Further use of associated groundwater shall be carried out in accordance with the water and environmental legislation of the Republic of Kazakhstan.

7. During the period of uranium extraction, additional study (exploration) of the extraction site for the purpose of clarifying the geological structure and reserves of the uranium deposit shall be permitted only for the national company in the field of uranium and (or) a legal entity , no less than ninety percent of the voting shares (participatory interests in the charter capital) of which, directly or indirectly, belong to the national company in the field of uranium.

In the event that a subsoil user which is not a legal entity, no less than ninety percent of the voting shares (participatory interests in the charter capital) of which, directly or indirectly, belong to the national company in the field of uranium, starting from 1 January 2024, has carried out additional study (exploration) of the extraction site for the purpose of clarifying the geological structure and reserves of the uranium deposit, and as a result of such additional study (exploration) an increase in reserves has been confirmed by the authorized body for subsoil study, the national company in the field of uranium shall reimburse such subsoil user for the costs incurred on the additional study (exploration).

At the same time, the costs incurred for additional study (exploration) must be confirmed by a person who is an auditor in accordance with the Law of the Republic of Kazakhstan “On Audit Activity”.

8. Additional exploration work is carried out in accordance with the field development project.

If during the additional study by the subsoil user a new deposit (aggregate of deposits) is discovered at the production site, its assessment is carried out in accordance with the addendum to the field development project.

9. An increase in the production volumes and (or) reserves specified in the uranium mining contract or the field development project shall be permitted if one of the obligations provided for by subparagraphs 1) and 2) of the first part of paragraph 5-1 of Article 173 of this Code is included in the uranium mining contract.

Footnote. Article 176 as amended by the Laws of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its

first official publication); dated 26.12.2025 № 243-VIII (for the procedure of enactment see Art. 2).

Article 177. Mitigation of the consequences of uranium mining

1. Mitigation of the consequences of uranium mining is carried out in accordance with the project for mitigation of the consequences, approved by the subsoil user and having received positive expert opinions provided for by this Code.

Requirements to carrying out the works on mitigation of the consequences of uranium mining are established in the rules for conservation and liquidation in uranium mining, approved by the authorized body in the field of uranium mining.

2. Mitigation of the consequences of uranium mining is carried out:

1) on a subsoil plot, the subsoil use right under which has been terminated, except for the cases provided for in sub paragraphs 2) and 3) of paragraph 3 of Article 164 of this Code;

2) on the subsoil plot (its part), which the subsoil user intends to return to the state.

3. In the case provided for by subparagraph 1) of paragraph 2 of this article, the person whose subsoil use right for such a subsoil plot is obliged to:

1) within two months from the date of the termination of the right of subsoil use, approve and submit for the passage of the foreseen by this Code of expertise the project of liquidation of the consequences of subsoil use on uranium;

2) to complete mitigation of the consequences of mining at the subsoil plot within the time limits established in the project to eliminate the consequences of uranium mining.

4. Mitigation of the consequences of uranium mining is considered as complete from the day of signing of the elimination act:

1) a subsoil user or a person whose subsoil use right has been terminated in the relevant subsoil plot;

2) by a representative of the competent authority;

3) by representatives of the authorized bodies in the field of environmental protection, industrial safety, sanitary and epidemiological welfare of the population, subsoil study, and local executive bodies of the region, city of republican significance, and the capital;

4) in the case of mitigation of the consequences of mining on a land plot that is in private ownership or long-term land use, by the owner of the land plot or the land user.

At that, if within ten years after the signing of the liquidation act, it is established that the subsoil user or a person whose subsoil use right has been terminated in the relevant subsoil section, has completed recovery operations in violation of the liquidation project, such persons are obliged to eliminate violation in terms agreed with the competent authority.

5. Fulfillment of the obligation to mitigate the consequences of uranium extraction is secured by a pledge of bank deposit.

6. The bank deposit, which is the subject of a pledge securing the fulfillment of obligation to mitigate the consequences of mining, is formed through contribution of money at the

amount determined in the pilot industrial mining project and the field development project in proportion to the planned uranium mining volumes.

The amounts of contributions to bank deposit are determined in the experimental-industrial project and field development project based on the commercial value of works on mitigation of the consequences of uranium mining and are recalculated at least once every three years as part of the development analysis.

7. Transfer of the subsoil use right constitute unconditional basis for the re-registration (transfer) of rights on a pledged bank deposit, formed under the terms of the contract.

8. Upon termination of the contract, the amount of the security with the consent of the competent authority may be reduced in proportion to the part of the cost of the liquidation work performed in the subsoil section and accepted in the manner provided for in paragraph 4 of this article.

9. If the actual costs of mitigating the consequences of uranium mining operations exceed the amount of collateral, the subsoil user is obliged to carry out additional funding for liquidation work. If actual costs of mitigation turn out to be less than the amount of the security, the remaining money will remain with the subsoil user, with the exception of cases established by this Code.

Footnote. Article 177 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 178. Obligations of subsoil users in the field of education, science, digitalization and socio-economic development of the region during the period of uranium mining

Footnote. The heading of Article 178 is as amended by the Law of the Republic of Kazakhstan dated 25.06.2020 № 347-VI (shall be enforced ten calendar days after the day of its first official publication).

1. During the production period, starting from the second year, the subsoil user is obliged annually:

1) to finance the training of Kazakhstan personnel in the amount of one percent of the mining costs incurred by the subsoil user during the period of uranium mining following the results of the previous year, in a manner approved by the authorized body in the field of uranium mining together with the authorized body in education;

2) to finance research, scientific and technical and (or) development work in the manner determined by the authorized body in the field of uranium mining together with the authorized body in the field of science, and (or) digitalization projects in the field of uranium mining in the manner, determined by the authorized body in the field of uranium mining together with the authorized body in the field of informatization, in the amount of one percent of the mining costs incurred by the subsoil user during the period of uranium mining following the results of the previous year;

3) to finance the socio-economic development of the region and the development of its infrastructure in the amount of one percent of the investment under the contract for the extraction of uranium during the period of uranium mining in the previous year.

2. The financing of expenses for the socio-economic development of the region and the development of its infrastructure shall include the costs of the subsoil user for the development and maintenance of social infrastructure facilities in the region, support for social entrepreneurship entities, as well as funds transferred by him for these purposes to the state budget.

3. The amount of financing made in accordance with paragraph 1 of this article, exceeding the established minimum, shall be taken into account in the performance of the corresponding obligations of the subsoil user in the next year.

Footnote. Article 178 as amended by the Law of the Republic of Kazakhstan dated 25.06.2020 № 347-VI (shall be enforced ten calendar days after the day of its first official publication); dated 27.06.2022 № 129-VII (shall be enforced from 01.01.2023).

Article 179. Procurement of goods, works and services in the course of uranium mining operations

1. Procurement of goods, works and services in the course of uranium mining operations, including by contractors, is carried out in one of the following ways:

1) open competition;

2) from one source;

3) open competition for prices decrease (electronic trading);

4) procurement of goods, works and services without applying the methods specified in this paragraph;

5) on commodity exchanges.

Procurement of goods, works and services used by a subsoil user in conducting uranium mining operations is performed using the methods specified in sub paragraphs 1), 2) and 3) of this paragraph, with the mandatory use of the register of goods, works and services used in subsoil use operations, and their manufacturers or other e-procurement systems located in the Kazakhstan segment of the Internet, whose work is synchronized with the operation of such a registry.

The organizer of the tender for the purchase of works and services, when determining the winner of the tender, conditionally reduces the price of the tender application of the participants of the tender – Kazakhstani producers of works and services by twenty percent. Individual entrepreneurs and (or) legal entities established in accordance with the legislation of the Republic of Kazakhstan with their location on the territory of the Republic of Kazakhstan, attracting at least ninety-five percent of the citizens of the Republic of Kazakhstan from the total number of employees, excluding the number of chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan, are recognized as Kazakhstani producers of works and services as part of an

intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on migration of the population.

At the same time, the number of foreign chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan within the framework of intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on migration of the population should not exceed fifty percent of the total number of chief executives, managers and specialists in each relevant category.

The procedure for procurement by the subsoil users and their contractors of goods, works and services used in the uranium production is determined by the authorized body in the field of uranium mining.

The purchase of goods via commodity exchanges shall be carried out in accordance with the legislation of the Republic of Kazakhstan on commodity exchanges according to the list of exchange goods. If the annual volumes of purchases of goods included in the list of exchange goods shall not exceed the minimum lot size stipulated in the list of exchange goods , the subsurface user shall has the right to choose a different way of purchasing goods.

Subsoil users for violation by them and (or) their contractors of the established procedure for the procurement of goods, works and services during the conduct of operations for the extraction of uranium are liable under the contracts for the extraction of uranium.

2. The procedure for synchronizing the work of e-procurement systems in relation to the extraction of uranium with the work of the register of goods, works and services used in the conduct of subsoil use operations and their producers is approved by the authorized body in the field of uranium mining.

3. For the purposes of this article:

1) under the register of goods, works and services used in performance of subsurface operations and their producers is comprehended the state information system intended to control and monitor purchasing of goods, works and services used in subsurface operations and their producers, as well as in the performance of electronic purchases and formation of a list of goods, works and services used in the conducting subsurface management operations;

2) the electronic information system used by the procurement organizers (the subsoil user or persons authorized by the subsoil users) to purchase goods, works and services created and operated in accordance with the procedure for purchasing goods, works and services during uranium mining operations, approved by the authorized body in the field of uranium mining are understood under e-procurement system.

4. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall be put into effect sixty calendar days after the date of its first official publication).

5. Excluded by Law of the RK № 101-VII of 03.01.2022 (shall be entered into force sixty calendar days after the date of its first official publication).

6. Subsoil users are obliged to submit to the authorized body in the uranium mining annual (for one financial year) and medium-term (for five financial years) programs for the

procurement of goods, works and services in accordance with the forms and procedure determined by the authorized body in the field of uranium mining.

Under the annual program for the procurement of goods, works and services the document , prepared by a subsurface user and determining the nomenclature and the scopes of goods, works and services, methods and timing of their purchase, which are planned by the subsurface user for the period of one breaking-in period is understood.

The medium-term program of procurement of goods, works and services is understood a document drawn up by the subsoil user, which determines the nomenclature and volumes of goods, works and services, methods and terms of their acquisition for a period of up to five years.

7. The requirements of paragraph 1 of this article shall not apply to:

1) subsurface users, performing procurement of goods, works and services in accordance with the legislation of the Republic of Kazakhstan on state procurements;

2) legal entities holding the right to subsurface use, fifty percent of shares (participating interests) or more is directly or indirectly owned by the national management holding.

Footnote. Article 179 as amended by the Law of the Republic of Kazakhstan № 241-VI dated 02.04.2019 (shall be enforced upon expiry of ten calendar days after its first official publication); № 101-VII of 03.01.2022 (shall be enacted sixty calendar days after the date of its first official publication); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).

Article 180. Subsoil user's reporting during experimental-industrial mining and mining of uranium

Under the contract for the extraction of uranium, the subsoil user is obliged to submit the following reports:

1) geological report;

2) the report of the competent person on reserves, prepared in accordance with the Kazakhstan Code of Public Reporting on the results of geological exploration, mineral resources and mineral reserves (Kazakhstan Code of Public Reporting);

3) report on performance of the contractual terms;

4) report on the operations performed on the pilot industrial uranium mining and expenses therefor;

5) report on conducted uranium mining operations and expenses therefor;

6) report on local content in the personnel;

7) report on expenses for financing of the Kazakhstan personnel training;

8) report on the expenses for research, scientific, technical and developmental works;

9) uranium mining report;

10) report on the purchased goods, works and services, as well as the amount of local content therein;

11) report on the composition of persons and (or) organizations that directly or indirectly control the subsoil user.

The reports provided for by subparagraphs 1) and 2) of this article shall be submitted to the authorized body for the study of the subsoil in the order approved by it.

The reports provided for by subparagraphs 3) to 5) of this article shall be submitted to the competent authority in the order approved by it.

The reports provided for by subparagraphs 6)-11) of this article shall be submitted to the authorized body in the field of uranium mining according to the forms and procedure approved thereby.

Article 181. Responsibility for violation by subsoil users of conditions of contracts for the extraction of uranium

1. For the breach committed by the subsoil user in relation to obligations under the contract for uranium extraction, the following types of liability are provided:

1) penalty paid by the subsoil user in the cases, manner and amount established by the uranium mining contract;

2) early termination of the contract for the extraction of uranium by the competent authority unilaterally, carried out in the cases and in the manner provided for in Article 163 of this Code.

At the same time, payment of the penalty does not relieve the subsoil user from performance of the relevant obligation.

2. The competent authority shall notify the subsoil user in writing of the violation of the terms and conditions of the contract for the extraction of uranium, as well as of its obligation to pay the penalty and (or) to eliminate such violation within the prescribed period in the following cases:

1) the subsoil user fulfills the financial obligations established by the uranium mining contract by less than thirty percent in the reporting year;

2) conducting uranium mining operations related to the violation of the integrity of the earth's surface, without forming the security amount in accordance with the established schedule or in violation of the schedule for the formation of the security amount;

3) in other cases of breach committed by the subsoil user of obligations established by the uranium mining contract.

3. The timeline for elimination of the violation by the subsoil user of the conditions of the contract for the physical volume of obligations shall not exceed six months, for the obligations specified in sub paragraphs 1) and 2) of paragraph 2 of this article, three months; for other obligations provided for in the uranium mining contract, one month from the date of receipt of the written notice.

4. The subsoil user is obliged to eliminate the violation committed within the period specified in the notification, and notify the competent authority in writing with attachment of the documents confirming the elimination.

5. The subsoil user shall have the right to send to the competent authority a proposal to extend the period for elimination of the violation of obligations provided for in the uranium mining contract, with justification for the reasons for such extension. Based on the results of consideration of the proposal to extend the elimination of the violations, the competent authority within ten business days from the date of its receipt notifies the subsoil user of consent to the extension of the term or provides a reasoned refusal of such extension.

6. If it is obviously impossible to eliminate the violation of obligations under the uranium mining contract, within the period specified in paragraph 3 of this article, the competent authority has the right to establish a different period during which elimination of such violation is possible.

Chapter 26. Project documents in the field of uranium mining

Article 182. General provisions on project documents in the field of uranium mining

1. Project documents in the field of uranium mining are:

1) a project for pilot production of uranium;

2) a project for development of a uranium deposit;

3) a project to eliminate the consequences of uranium mining.

2. Project documents in the field of uranium mining are drawn up by a design organization engaged by a subsoil user on the basis of an agreement that has a license for the relevant type of activity.

3. Excluded by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

4. Project documents in the field of uranium mining are approved by the subsoil user.

5. Excluded by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

6. Changes in the types, methods, technologies, scope and timing of operations for the extraction of uranium, provided for in the project documents, are allowed after making the appropriate changes and additions to such project documents.

7. Projects of changes and (or) additions to the approved projects are not drawn up if annually the production volumes determined by the approved projects change by less than twenty percent in physical terms from the approved indicators for the year without changing the mining and geological and technological conditions for the development of the deposit uranium.

Project documents are drawn up in accordance with the unified rules for the rational and integrated use of subsoil.

8. A pilot production project and a field development project are subject to industrial safety expertise and state environmental expertise, unless otherwise follows from the provisions of the environmental legislation of the Republic of Kazakhstan.

9. The subsoil user is obliged to send to the competent authority for examination an analysis of the fulfillment of project conditions in accordance with the indicators of the development project every three years.

Footnote. Article 182 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 09.03.2021 № 14-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 182-1. Pilot uranium mining project

1. A project of pilot production of uranium is drawn up in accordance with the requirements provided for by this Code.

2. A project of pilot production of uranium is developed for the entire period of pilot production.

3. A project of pilot production of uranium describes the types, methods and methods of work on pilot industrial production, approximate volumes and terms of their implementation, as well as the technological solutions used.

4. Requirements for the content of projects for the pilot production of uranium are established in the unified rules for the rational and integrated use of subsoil.

5. It is prohibited to carry out works on pilot production of uranium that are not specified in the project of pilot production of uranium approved by the subsoil user and received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan, as well as in the absence of such a project.

Footnote. Chapter 26 is supplemented by Article 182-1 in accordance with the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

Article 183. Uranium field development project

1. Field development project is drawn up during the experimental-industrial period in accordance with the requirements provided for in this Code.

2. Field development project is developed for the period of full development of reserves.

3. Field development project shall contain:

1) report of the competent person on reserves;

2) measures to ensure the rational use and protection of the subsoil;

3) information on the terms, conditions and cost of work to eliminate the consequences of uranium mining;

4) estimated annual volumes of uranium mining for the entire period of field development

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Article 183-1. State expertise of design documents and analyses of development of a uranium deposit

1. The state expertise of design documents and analyses of development of a uranium deposit is carried out in order to ensure the rational use of subsoil in the development of uranium deposits in accordance with the good practice of subsoil use.

2. State expertise of design documents and development analyses is carried out by the central commission for development of uranium deposits of the Republic of Kazakhstan (hereinafter referred to as the central commission) with the involvement of independent experts with special knowledge in the field of geology and development and not interested in the results of the examination.

3. Organization of activities of the central commission, its composition, work regulations and record keeping are determined by the regulation on the central commission, approved by the authorized body in the field of uranium mining.

4. State expertise of design documents and analyses of the development of a uranium deposit is carried out within two months.

The term of the state expertise by the decision of the central commission may be extended , but not more than three months.

5. The results of the state expertise of the project document or development analysis are drawn up by an expert opinion, which may be positive or negative. A copy of the expert opinion is sent to the subsoil user within five working days from the date of its signing.

6. The grounds for issuing a negative expert opinion are:

1) non-compliance of the project document or development analysis with the requirements of the legislation of the Republic of Kazakhstan, including the requirements for content, structure and design, established in the unified rules for the rational and integrated use of subsoil, and (or) the provisions of the contract;

2) inconsistency of the project document or development analysis with the good practice of subsoil use;

3) inconsistency of the project document or development analysis with the report on the assessment of uranium resources and reserves;

4) insufficient technical and (or) economic feasibility of the design solutions presented in the project document or in the development analysis.

7. In the negative conclusion of the state expertise of the project document or development analysis, the rationale for its issuance and recommendations for finalizing the project document or development analysis are given.

Footnote. Chapter 26 is supplemented by Article 183-1 in accordance with the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

Article 184. Monitoring of implementation of the project documents

1. Excluded by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

2. Monitoring of the implementation by the subsoil user of pilot production projects and field development is carried out by analyzing the development of a uranium deposit, carried out at least once every three years.

3. Requirements for the development analysis of a uranium deposit are established in the unified rules for the rational and integrated use of subsoil, approved by the authorized body in the field of uranium mining.

4. Excluded by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

5. Excluded by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

6. The unified rules for the rational and integrated use of subsoil establish cases where, within the framework of the development analysis, individual indicators of project documents may be slightly (less than twenty percent) adjusted.

7. Field development analysis is a comprehensive study of the results of geological, geophysical, hydrodynamic and other studies in the development process to identify the need to improve the field development system. The field development analysis is subject to state expertise of project documents.

8. Analysis of the uranium field development is carried out by a project organization engaged by a subsoil user having the license for relevant kind of activities, and is forwarded by the subsoil user in a notification procedure to the competent authority.

9. In case of significant (twenty or more percent) discrepancies between actual and project development of a field, if there is a reasonable conclusion based on the results of the analysis of uranium deposit development about the need to make changes to the field development project, the analysis should be considered by the central commission in the manner prescribed by this Code for state expertise of the field development project.

10. If the Central Commission adopts a positive conclusion on the analysis of the development of a uranium deposit, design decisions and indicators of such analysis are regarded as design decisions and indicators of the development project of the field during the development, approval and state examination of changes and additions to the field development project, which should not exceed one year.

Footnote. Article 184 as amended by the Law of the Republic of Kazakhstan dated 09.03.2021 № 14-VII (shall be enforced ten calendar days after the day of its first official publication).

SECTION IX. EXPLORATION AND PRODUCTION OF SOLID MINERALS Chapter 27. Exploration of solid minerals

Article 185. The licence for exploration of solid minerals;

Under the license for exploration of solid minerals, its owner has the exclusive right to use a subsoil plot for the purpose of conducting exploration operations for solid minerals, including the search for solid mineral deposits and the assessment of their resources and reserves for subsequent mining.

Article 186. Territories for issue of a license for the exploration of solid minerals

1.The exploration area under an exploration license for solid minerals may include a block in any territory of the Republic of Kazakhstan, unless otherwise provided by this Code.

2. Issuance of a license for exploration of solid minerals shall be prohibited:

1) in the cases provided for by paragraph 2 of Article 25 of this Code;

2) in relation to a block completely located within the territory of a subsoil plot, which is in use by another person for conducting hydrocarbon production operations, without his/her consent;

3) in relation to a block completely located within the territory of a subsoil plot provided for carrying out operations on the use of subsoil space;

4) in relation to a block fully or partially related to the territory of a site for exploration of solid minerals under another license for exploration of solid minerals;

5) in relation to a block wholly located within the territory of a site for the extraction of solid minerals or an area for which there is an application for a license for the extraction of solid minerals;

6) with respect to a block fully located within a territory where, in accordance with the requirements of this Code, remediation of the consequences of exploration or production of solid minerals must be carried out or is being carried out;

7) in relation to a block fully or partially located within the boundaries of a uranium extraction site.

3. A license for exploration for solid minerals, in addition to complete blocks, may also be issued for the following incomplete (partial) blocks:

1) a block whose sides fully encompass the territories (territory) specified in subparagraphs 2), 3), 5) and 6) of paragraph 2 of this Article;

2) a block partially located within the territories (territory) specified in subparagraphs 2), 3), 5) and 6) of paragraph 2 of this Article, provided that such block shares at least one common side with another partial or full block, and that such common side is not located within the said territories;

3) a block that partially refers to the territories specified in paragraph 1 of Article 25 of this Code.

Inclusion in the exploration license of a block that is partially located on the territory of a subsoil plot for carrying out operations for the extraction of hydrocarbons or solid minerals shall be allowed only with the written consent of subsoil users in these areas.

In this case, the territory of the exploration site shall be considered formed, including from incomplete (partial) blocks along the boundaries of the territories specified in subparagraphs 1), 2) and 3) of the first part of this paragraph. Upon termination of the circumstances that served as the basis for the formation of an incomplete (partial) block included in the exploration license, this block shall be recognized as complete in order to determine the boundaries of the exploration area.

The rule provided for in part three of this paragraph shall not apply to blocks partially related to the territories specified in paragraph 1 of Article 25 of this Code and included in the territory of the exploration site. Within such blocks, the prohibition on carrying out subsoil use operations shall be applied to the extent that these blocks affect the territories and objects provided for in paragraph 1 of Article 25 of this Code.

Footnote. Article 186 as amended by Law of the Republic of Kazakhstan № 284-VI dated December 26, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 187. Application for the license for mineral resource exploitation

1. A person and (or) a national company in the field of uranium interested in obtaining a license for solid mineral exploration shall submit to the competent authority an application in the form established by such authority.

With respect to territories with uranium mineralization and (or) uranium deposits in the subsoil, identified in the state subsoil management program for the purposes of carrying out uranium exploration operations, only a national company in the field of uranium may act as an applicant.

2. Territory indicated in the application for license for the exploration of solid minerals cannot be more than two hundred blocks.

3. Application shall contain the following information:

1) for individuals–surname, first name and patronymic (if specified in the identity document) of the applicant, place of residence, citizenship, information on identity documents of the applicant;

for legal entities - the name of the applicant, his location, information on state registration as a legal entity (extract from trade register or other legalized document certifying that the applicant is a legal entity under the laws of a foreign state), information about managers, legal entities and individuals, States and international organizations directly or indirectly controlling the applicant;

2) reference to the block (s) constituting (constituting) the exploration territory and determining the subsoil plot, which the applicant requests to provide for use.

If the territory of exploration specified in the application includes a part of the block in the cases provided for by paragraph 2 of Article 186 of this Code, for the purpose of determining the conditions of the license when considering the application, the specified block is considered complete.

4. The following documents are attached to the application:

1) copies of documents confirming the information provided for in subparagraph 1) of paragraph 3 of this article;

2) document confirming the authority of the person acting on behalf of the applicant when submitting the application, if such person is appointed by the applicant;

3) written description of the types, methods, ways, approximate dates by years and the amount of exploration work that the applicant intends to carry out in the requested subsurface plot;

4) the consent of the person to issue a license for the exploration of solid minerals, if at the requested site or part there of such person performs hydrocarbon extraction operations on the basis of a subsurface use contract;

5) documents confirming the applicant having the financial, professional and technical capabilities to carry out operations on the extraction of solid minerals;

6) agreement on socio-economic support of the local population, provided for by subparagraph 1) of paragraph 3 of Article 25 of this Code, if the territory of the requested subsurface site is fully or partially related to the lands of settlements and adjacent territories at a distance of one thousand meters;

7) certificate from the tax office on the absence of arrears exceeding the sixfold monthly calculation index, as established for the relevant financial year by the law on the republican budget, issued no earlier than ten calendar days preceding the application date.

5. To prove that the applicant has sufficient financial resources for mining operations, one of the following documents shall be submitted:

1) statement on the balance and movement of money on the bank account in the second-tier bank of the Republic of Kazakhstan or the National Postal Operator, confirming constant availability (balance) of the applicant’s money within a thirty-day period for three months preceding the date of filing the application for a license, in the amount sufficient to cover the required minimum exploration expenditures in the first year of validity of the requested license;

2) copy of a money lending agreement (advance loan agreement) and of a funded activity agreement providing, for the purpose of loan, funding of the applicant’s activities on extraction of solid minerals, as well as confirming the amount of loan (funding) sufficient to cover the required minimum costs for mining in the first three years of validity of the requested license;

3) the financial statements of the applicant with an audit report prepared in accordance with the legislation of the Republic of Kazakhstan on auditing, prepared for six consecutive calendar months or the previous calendar year preceding the date of filing an application for a license, in which the amount of the applicant's net assets exceeds its liabilities by the amount of minimum exploration costs in the first year of the requested license;

4) a letter from a rating agency recognized by a stock exchange operating in the Republic of Kazakhstan about assigning to the applicant during the year preceding the date of submission of the application a rating not lower than the minimum rating determined by the competent authority.

If the copy of money lending agreement (or advance loan agreement) or a funded activity agreement, the lender for which is (or financed by) a person, non-financial organization, are submitted as documents confirming that the applicant has financial means, one of the documents is added to the application, confirming that the person has financial means provided for in sub paragraphs 1), 3) or 4) of the first part of this article.

6. To prove that an applicant has sufficient professional capabilities to conduct mining operations, any of the following documents shall be submitted:

1) certificate of the specialist working for the company or a copy of service contract with a specialist in geology or geophysics;

2) copies of service agreement with the contracting organization or a service agreement of the operator appointed by the applicant in accordance with Chapter 6 of this Code, in case of issuing to the applicant of the requested mining license, staffed by specialists listed in subparagraph 1) of the first part of this article.

If as a document confirming the applicant's professional capacities, copies of the services contract with a contractor organization or the contract for services of the operator designated by the applicant according to Chapter 6 of this Code are submitted, the application shall be additionally attached by the certificate confirming the engaged organization (operator) having in its staff the specialists indicated in sub-paragraph1) of part one of this paragraph, or copies of services contracts with the relevant specialists.

7. Copies of documents attached to the application shall be notarized.

8. The application is submitted in Kazakh and Russian. Documents attached to the application shall be executed in Kazakh and Russian. Copies of documents made in foreign language, attached to the application, are submitted with a translation into Kazakh and Russian the authenticity of which shall be notarized.

9. Moment of the application filing is determined by the date and time of the application submission to the competent authority and is subject to accounting.

10. Information about the submitted application shall be posted on the Unified Subsoil Use Platform on the day the application is submitted and shall include:

1) name (surname, name, patronymic (if specified in the identity document) or the name of applicant;

2) code of the block (s) defining the subsoil plot which the applicant requests to provide for use;

3) date and time of the application receipt.

Footnote. Article 187 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 188. Consideration of the application for license for exploration of the solid minerals

1.The competent authority shall consider the application within ten working days from the date of its receipt and, in the absence of grounds for refusal to issue an exploration license for solid minerals provided for in subparagraphs 1), 2), 3), 4), 5), 6), 7), 8), and 8-1) of paragraph 1 of Article 190 of this Code, and also taking into account the provisions of paragraphs 2 and 3 of this Article, shall send the applicant a notice of the need to provide security for the performance of obligations for remediation of the consequences of exploration operations for solid minerals, as provided for in Article 198 of this Code.

Information about the sent notice shall be posted on the Unified Subsoil Use Platform on the day it is sent to the applicant.

Ensuring the fulfillment of obligations to eliminate the consequences of operations for the exploration of solid minerals must be submitted by the applicant to the competent authority no later than forty working days from the date of sending the notification.

The competent authority shall issue the applicant an exploration license for solid minerals no later than five working days from the date of submission of proper security for the performance of obligations for remediation of the consequences of exploration operations for solid minerals, or shall refuse to issue it upon the expiration of thirty-five working days from the date the notice is posted on the Unified Subsoil Use Platform.

2. If the territory specified in the application includes a block provided for in subparagraphs 1), 2), 3), 4), 5), 6) and 7) of paragraph 2 of Article 186 of this Code, or a block that does not have a common side with another block of the declared territory, such block shall not be included in the license, about which the competent authority notifies the applicant. Within five working days from the date of receipt of the notification, the applicant shall have the right to refuse all or part of the blocks to be provided to him/her. If, after the expiry of the specified period, the applicant has not abandoned all the blocks or refused some of the blocks, the application shall be considered on its merits, taking into account the provisions of this paragraph.

If any incomplete (partial) block or incomplete (partial) blocks specified in the application do not meet the conditions provided for in subparagraphs 1), 2) and 3) of paragraph 3 of Article 186 of this Code, this block (blocks) shall also not be included (included) in the license according to the rules of part one of this article.

3. In the case provided for by paragraph 2 of this article, the application is considered in relation to the units specified in the application, with the exception of units not subject to inclusion in the license, and units that the applicant refused.

4. If, as a result of applying the provisions of paragraphs 2 and 3 of this article, blocks form two or more separate subsoil plots to be provided for use that meet the requirements of paragraph 2 of Article 19 of this Code, the competent authority issues separate licenses for each of such subsoil plots.

5. If the block specified in the license application is incomplete, such an incomplete unit shall be included in the issued license, provided that this does not contradict the provisions of this chapter.

If the issued license for the exploration of solid minerals includes an incomplete (partial) block, for the purposes of calculating the number of blocks, this block is considered complete.

6. The procedure for filing and consideration of applications for the issue of licences for production of solid minerals shall be determined by the competent authority.

Footnote. Article 188 as amended by Law of the Republic of Kazakhstan № 284-VI dated December 26, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 05.01.2021 № 407-VI (shall be enforced upon expiration of ten calendar days after the day of its first official publication); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 189-1. Granting subsoil use rights for exploration of solid minerals on a newly released block

1.Consideration of applications for an exploration license for solid minerals that include the same block, newly released for exploration operations for solid minerals, shall be carried out taking into account the specifics provided for in this Article, if applications for an exploration license for solid minerals that include the same block are submitted within fifteen working days from the date information about the newly released block is posted on the Unified Subsoil Use Platform, in the procedure determined by the authorized body in the field of solid minerals.

In this case, the priority for consideration of applications shall be determined based on the results of the auction.

2. The auction shall be held no later than fifteen working days from the date of expiration of the period for consideration of applications submitted for the same block, newly released for exploration operations for solid minerals. The specified period for consideration of applications shall be calculated from the date of expiration of the period provided for in part one of paragraph 1 of this Article.

The auction shall be held in the procedure determined by the competent authority.

3. Payment of the signing bonus based on the results of the auction, in addition to submission to the competent authority of proper security for the performance of obligations for remediation of the consequences of exploration operations for solid minerals, shall be a condition for the issuance of an exploration license for solid minerals.

Failure to pay the signing bonus based on the results of the auction and/or failure to provide proper security for the performance of obligations for remediation of the consequences of exploration operations for solid minerals within the established time limit shall result in the competent authority’s refusal to issue an exploration license for solid minerals.

4. The auction shall be declared unsuccessful if no applicant participated in it.

5. If the auction did not take place or, after the auction, the obligations provided for in paragraph 3 of this Article were not fulfilled, the priority for consideration of applications for an exploration license for solid minerals shall be determined in the order in which they were received in accordance with Article 189 of this Code.

Footnote. Chapter 27 supplemented by Article 189-1 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 189. Priority of consideration of applications for licenses for the exploration of solid minerals in the same block

1. Applications for issuing licenses for the exploration of solid minerals, including the same block, are considered by the competent authority in the order in which they are received .

2. The next application is considered only after issue of the refusal to issue a licence under the previous considered application.

The competent authority starts consideration of the next application upon the expiration of ten business days from the date of notifying the applicant about the refusal to issue a licence under the previous application.

If the decision on the refusal was appealed against by the applicant in court, the issue of considering the next application is determined by the competent authority after the decision on the results of the complaint has come into force.

3. Upon an application for a license for the exploration of solid minerals, which includes only blocks that by the time of consideration of this application have already been included in another license for the exploration of solid minerals, a decision is made to refuse to issue a license.

Footnote. Article 189 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 190. Refusal to issue a licence for exploration of solid minerals

1. The local executive body of the region refuses to issue a license if one of the following reasons exists:

1) the application or the documents attached to it do not comply with the requirements provided for by this Code;

2) Required by this Code documents are not attached to the application;

3) within one year prior to filing an application with the applicant or a person who directly or indirectly controls the applicant or is under his control, the competent authority on the grounds stipulated by this Code, has withdrawn a license for exploration or a license for the extraction of solid minerals, including fully or partially requested subsurface area;

4) the requested territory is fully related to the territory and (or) blocks specified in paragraph 2 of Article 186 of this Code;

5) within one calendar year prior to the submission of the application, the applicant or the person directly or indirectly controlling the applicant or being under their control, refused the requested subsurface site or part thereof;

6) the issue of a license would entail a threat to the national security of the country or a concentration of subsoil use rights;

7) the territory of the requested subsoil plot exceeds the size limit or fails to conform to the requirements established by this Code;

8) within five years prior to the date of filing the application, the applicant or a person directly or indirectly controlling the applicant or being under its control failed to fulfill or improperly fulfilled the obligations to liquidate the consequences of subsoil use at the subsoil sites that were in their use;

8-1) within the five years preceding the date of submission of the application, the applicant, a person or organization directly or indirectly controlling the applicant or controlled by the applicant, failed to fulfill the obligation to pay the signing bonus based on the results of an auction held in accordance with this Code;

9) non-compliance by the applicant with the deadline for submitting to the competent authority the appropriate security for the fulfillment of obligations to eliminate the consequences of exploration operations for solid minerals in accordance with the requirements of this Code.

2. Refusal to issue a license shall be made in writing, and shall be reasoned.

A refusal to issue a license in accordance with sub-subparagraph 6) of paragraph 1 of this article shall be made without indicating the reasons giving rise to such refusal.

3. Applicant in accordance may appeal against refusal to issue the license according to the legislation of the Republic of Kazakhstan no later than ten business days from the date of the decision to refuse.

4. Refusal to issue a license does not deprive the applicant of the right to reapplication.

Footnote. Article 190 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 191. Content of a licence for exploration of solid minerals

A license for exploration of solid minerals, besides the information and conditions specified in Article 31 of this Code, shall contain the following conditions for subsoil use:

1) the obligation to pay the subscription bonus and payments for the use of land plots (rental payment) in the amount and order established by the tax legislation of the Republic of Kazakhstan;

2) the size of the obligation for the annual minimum costs of operations for the exploration of solid minerals;

3) grounds for recall of a licence for breach of obligations.

Article 192. Annual minimum costs for solid minerals exploration operations

1. A subsoil user holding the mining license for widespread minerals is obliged to comply with the requirements for annual minimum mining costs established by this article.

2. Annual minimum expenses for exploration operations shall be established in the following amounts:

1) during each year from the first to the third year of the term of exploration, inclusive:

1200-time monthly calculation index for one block under the exploration license;

1800-time monthly calculation index with the number of blocks from six to ten under the exploration license;

2300-time monthly calculation index with the number of blocks from six to ten under the exploration license;

120-time monthly calculation index additionally for each subsequent block of more than ten blocks under the exploration license;

2) during each year from the first to the third year of the term of exploration, inclusive:

1200-time monthly calculation index for one block under the exploration license;

2300-time monthly calculation index with the number of blocks from two to five under the exploration license;

3500-time monthly calculation index with the number of blocks from six to ten under the exploration license;

180-time monthly calculation index additionally for each subsequent block of more than ten blocks under an exploration license;

3) during each year from the seventh to the eighth year of the term of exploration, including:

1800-time monthly calculation index for one block under an exploration license;

3500-time monthly calculation index with the number of blocks from two to five under the exploration license;

5800-time monthly calculation index with the number of blocks from six to ten under the exploration license;

230-time monthly calculation index additionally for each subsequent block of more than ten blocks under an exploration license;

4) during each year from the first to the third year of the term of exploration, inclusive:

2300-time monthly calculation index for one block under an exploration license;

5800-time monthly calculation index with the number of blocks from two to five under the exploration license;

8000-time monthly calculation index with the number of blocks from six to ten under the exploration license;

350-time monthly calculation index additionally for each subsequent block of more than ten blocks under an exploration license;

5) during each year from the eleventh year of the exploration period:

3500-time monthly calculation index for one block under an exploration license;

8000-time monthly calculation index with the number of blocks from two to five under the exploration license;

11500-time monthly calculation index with the number of blocks from six to ten under the exploration license;

460-time monthly calculation index additionally for each subsequent block of more than ten blocks under the exploration license;

3. In case of an incomplete last year of the term of exploration, the minimum expenses shall be calculated proportionally for each full month of the term of exploration in the indicated year.

4. In case of abandonment of the exploration site during any exploration year, the minimum costs are calculated pro rata for each full month of the exploration period in the specified year.

5. When providing a subsoil plot for exploration determined by an incomplete block or incomplete blocks, the calculation of the minimum costs is made in the amount corresponding to the exploration plot determined by a full block or complete blocks.

6. Calculation of the minimum expenses for exploration operations shall be made on the basis of the monthly calculation indicator established for the relevant fiscal year by the law on the republican budget and valid on January 1 of the reporting year. Calculation of the minimum expenditures on exploration operations is made only in relation to the expenditures made for the exploration section.

7. The costs of operations for the exploration of solid minerals under a separate license include any of the following types of expenses of a subsoil user for an exploration site for:

1) geological and prospecting works: geological mapping, sampling, drilling, documentation of core, documentation of core less drilling samples, interpretation and processing of geological data, petrology, planning of geological exploration programs, preparation of reports in connection with geological exploration;

2) geochemical works: geochemical sampling, analysis, processing and interpretation of geochemical data;

3) geophysical work, including ground geophysics and aerogeophysics: geophysical explorations, field geophysical explorations, processing and interpretation of geophysical data ;

4) remote probing works: aerial photography, space photography, remote sensing playback, image analysis, image processing and interpretation;

5) engineering survey works: geodetic and land management works, drawing a grid, clarification of coordinate lines, their intersection, borders of sections, and the like;

6) core drilling: diamond drilling, preparation of access roads and drilling sites;

7) non-core drilling: drilling costs, preparation of access roads and drilling sites;

8) trenching, well boring and other exploratory mining works: costs of mining, including the lease of machinery and equipment;

9) field teams supply: exploration equipment, consumables and supplies, rental of machinery and equipment, fuel and lubricants, the wear and tear of direct exploration equipment, payment for the services of non-staff workers;

10) design-and-engineering and outline design works: equipment for sketching and design work, consumables, remuneration of personnel engaged in sketching and design work;

11) transportation: transportation costs directly related to the exploration of solid minerals carried out at the exploration site;

12) works on the field camps pitching: pitching and maintenance of the field exploration camp, food and accommodation, transportation, helicopter transport services;

13) environmental explorations;

14) preparation of a feasibility study for further exploration or further development of the discovered solid mineral deposits;

15) works on mitigation of consequences of the exploration, reclamation of disturbed lands;

16) development of project documents for exploration under an appropriate license;

17) research on selection of technologies for the processing of solid minerals.

8. The costs of exploration operations under a separate license may include expenses for management and administrative needs, accounting, research, personnel training and other similar expenses.

When calculating exploration expenses, the share of such expenses shall not exceed twenty percent of the total expenses declared by the subsoil user in a periodic report.

9. Expenses for exploration may not include expenses for:

1) the placement of boundary and geodetic designations of the boundaries of the exploration site on the ground, including land survey works;

2) the acquisition of subsoil use rights, including the costs associated with such an acquisition;

3) research work not directly related to the exploration site under an existing license;

4) compensation in connection with compensation of losses to owners and users of land plots.

10. In the event of violation of the obligations for the minimum exploration expenditures provided for in this article, the subsoil user is obliged to incur the missing expenses and report this to the competent authority no later than the four months following the reporting year.

The expenses incurred by the subsoil user under this paragraph are not accounted for in the expenses of the current year.

Footnote. Article 192 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 193. Term of a license for exploration for solid minerals

1. A license for exploration for solid minerals is issued for six consecutive years.

2. The term of a license for the exploration of solid minerals may be extended once for a period of up to five consecutive years at the request of the subsoil user.

3. If an exploration license includes ten or more blocks, the extension of its term is allowed provided that the subsoil user refuses a part of the exploration area whose territory is not less than forty percent of the blocks calculated from the total number of blocks included in the exploration territory when issuing a license for deduction of blocks within which the subsoil user claims the territory for obtaining a license for the extraction of solid minerals.

If the exploration area contains uranium mineralization and/or uranium deposits, extension of the license term shall be permitted provided that the subsoil user relinquishes a portion of the exploration area covering the relevant blocks containing uranium mineralization and/or uranium deposits, except in cases of complex mineralization of ores of other solid minerals with uranium as an associated useful component, and/or where exploration operations are carried out by the national company in the field of uranium.

4. An application for renewal shall be submitted to the competent authority in the form approved by it during the sixth year of the exploration license. The application is subject to consideration within twenty business days from the date of its receipt by the competent authority. If, during the consideration of the application, the term of the exploration license expired, the license continues to be valid during the period of such consideration. The calculation of the term for the extension of an exploration license begins on the day following the last day of the sixth year of the license.

5. The term of the exploration license cannot be renewed extended in the following cases:

1) if the declared term of the extension does not comply with paragraph 2 of this Article;

2) violation of the deadline for submission of an application for the renewal of a license provided for by paragraph 4 of this article;

3) the presence of not-eliminated violations of the terms of an exploration license to pay for the use of land plots (rental payments) and minimum exploration expenditures for the reporting periods preceding the date of the application for renewal;

4) failure to comply with the conditions provided for by paragraph 3 of this article.

Footnote. Article 193 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 194. The procedure for the exploration of solid mineral deposits

1. Within the framework of the exploration site, the subsoil user is entitled, in accordance with the exploration plan, to conduct exploration operations for any kind of solid minerals in compliance with the requirements of environmental and industrial safety.

2. All works on the exploration of solid minerals shall be documented. The documentation reflects all information about the work necessary for the reliable study of the subsoil.

3. When conducting exploration operations, the subsoil user is obliged to ensure:

1) reliability and safety of all primary geological information obtained during exploration, including data from laboratory studies and analyzes;

2) the timeliness and quality of geological documentation (including sampling plans, geological maps and sections for them, drawing the geological contours of ore bodies, zones, sketches of mining exploration workings).

4. Performing hydrogeological studies during exploration is mandatory. Assessing the resources of the identified mineralization, the subsoil user is obliged to establish its hydro geological characteristics with a description of the physiochemical properties of groundwaters .

5. Extraction of rock mass and/or movement of soil on the exploration area in an amount of up to one thousand cubic meters shall be permitted exclusively for the purpose of taking samples for laboratory and technological studies, provided that such works are specified in the exploration plan and a copy of it is submitted to the authorized body in the field of solid minerals.

The results of the study of samples taken during a calendar year shall be entered into the annual geological report no later than the next reporting period.

Extraction of rock mass and/or movement of soil on the exploration area in an amount exceeding one thousand cubic meters shall be permitted in the absence of previously developed or industrially tested ore processing schemes, confirmed by the opinion of a competent person, with the permission of the authorized body in the field of solid minerals, in the procedure determined by it.

6. The subsoil user is not entitled to build capital facilities on the exploration site, as well as to place man-made mineral formations of mining and processing industries.

7. Permission for the extraction of rock mass and/or movement of soil on the exploration area in an amount exceeding one thousand cubic meters shall be issued subject to:

1) compliance of the application for permission to extract rock mass and/or move soil on the exploration area in an amount exceeding one thousand cubic meters with the requirements of the established form;

2) availability of study results of the samples taken for previous periods in geological reports previously submitted by the subsoil user, if the works were carried out;

3) availability of an environmental permit or a conclusion on the results of screening of the impacts of the planned activity with a finding that there is no need to conduct an environmental impact assessment;

4) provision of additional security covering the cost of remediation of the consequences of the works provided for in paragraph one of this paragraph.

Extraction of rock mass and/or movement of soil on the exploration area for solid minerals without a permit issued in accordance with this paragraph, as well as in violation of the requirements of the issued permit, shall be prohibited. Violation of this prohibition shall be deemed use of the exploration area contrary to its purpose and designation and shall entail

revocation of the exploration license for solid minerals and liability established by the laws of the Republic of Kazakhstan.

8. For the purposes of this Code, a competent person is an individual who is a member of a professional organization provided for by the Kazakhstan Code of Public Reporting on the results of geological exploration, mineral resources and mineral reserves (KAZRC Code), in accordance with its rules.

A competent person is also recognized as an individual entity who is a member of a foreign professional organization, recognized as such by a Kazakhstan professional organization provided for in part one of this paragraph, for the purposes of the KAZRC Code.

Footnote. Article 194 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 195. Reporting of the subsoil user at performance of operations for production of commonly occurring minerals

1. Under the license for the extraction of widespread minerals, the subsoil user is required to submit the following periodic reports:

1) a report on the execution of license obligations;

2) a report on the purchased goods, works and services and the share of local content in them;

3) a report on the composition of persons and (or) organizations that directly or indirectly control the subsoil user.

4) geological reports.

2. Periodic reports for the previous calendar year shall be submitted annually not later than 30 April of each year.

Reports for an incomplete calendar year are submitted for the actual period of subsoil use.

Reports for the last incomplete calendar year of the period of subsoil plot use are submitted no later than two months after the end of the specified period.

3. The report provided for by subparagraph 1) of paragraph 1 of this article shall be submitted to the competent authority in the order approved by it.

Information on the expenses for exploration site specified in the report on the fulfillment of license obligations shall be confirmed by an auditor in accordance with the Law of the Republic of Kazakhstan "On Auditing Activity".

This information is also recognized as confirmed by the auditor if it is separately listed (disclosed) in the financial statements for which the audit was conducted.

The reports provided for by subparagraphs 2) and 3) of paragraph 1 of this article shall be submitted to the authorized body in the field of solid minerals in the order approved by it.

Geological reports provided for by subparagraph 4) of paragraph 1 of this article shall be submitted to the authorized body for the study of the subsoil in the order approved by it.

After termination of the licence, the person that was its owner is obliged to submit to the authorized body for subsoil study the final report on the results of the geological survey not later than three months from the date of termination of the licence.

Geological reports are based on materials of primary geological information and contain data on the status and results of scientific research, tests and surveys in the field of geology, drilling, activities for collecting and testing soil, rock, groundwater, mineral samples and so on.

Article 196. Exploration plan

1. The project document for conducting of exploration for solid mineral deposits is the exploration plan.

2. The exploration plan is developed and approved by the subsoil user.

After approval of the exploration plan, a copy of it is submitted to the authorized agency in the field of solid minerals.

If, in accordance with the environmental legislation of the Republic of Kazakhstan, exploration operations for solid minerals specified in the exploration plan require an environmental permit or a positive conclusion from the state environmental expertise, a copy of the exploration plan is submitted to the authorized body in the field of solid minerals after obtaining such a permit or, accordingly, positive conclusion of the state ecological expertise.

The subsoil user may conduct exploration operations for solid minerals only after submitting a copy of the exploration plan to the authorized agency in the field of solid minerals.

Exploration activities not covered by the exploration plan submitted to the authorized agency in the field of solid minerals are prohibited.

3. The exploration plan describes the types, methods and methods of exploration for solid minerals, the approximate volumes and terms of work in the future for at least three consecutive years from the date of approval of the plan or the latest changes in the types, methods, methods and volumes of the planned works intelligence.

Composition, types, ways and methods of exploration for solid minerals, approximate volumes and terms of work in the exploration plan are determined by the subsoil user independently in accordance with the approved instruction for the preparation of an exploration plan

The instruction for the preparation of an exploration plan is developed and approved by the authorized body in the field of solid minerals together with the authorized body in the field of environmental protection.

4. In case of changes in the types, methods and (or) methods of the planned exploration works, as well as the volumes and terms of work, the subsoil user is obliged to make appropriate changes to the exploration plan and submit a copy of the revised exploration plan to the authorized agency in the field of solid minerals.

If, in accordance with the environmental legislation of the Republic of Kazakhstan, these changes require obtaining an environmental permit or a positive conclusion of the state environmental expertise, the modified exploration plan is submitted to the authorized body in the field of solid minerals after obtaining such a permit or, accordingly, a positive conclusion of the state environmental expertise.

Footnote. Article 196 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 197. The elimination of the consequences of solid mineral exploration operations

1. The elimination of the consequences of operations for the exploration of solid minerals is carried out by reclaiming disturbed lands in accordance with the Land Code of the Republic of Kazakhstan.

The obligation to eliminate the consequences of exploration for solid minerals in the subsoil area provided for the extraction of solid minerals on the basis of the exclusive right under an exploration license is included in the scope of the obligation to eliminate the consequences of mining operations.

2. A person whose subsoil use right is terminated at an exploration site shall be obliged to complete the elimination of the consequences of exploration operations at such a site no later than six months after the termination of the exploration license for solid minerals.

At the request of the indicated person, the authorized body in the field of solid minerals extends the period of liquidation of the consequences of exploration operations for a period of up to six months from the date of expiry of the period provided for in the first part of this paragraph if the liquidation was impossible or significantly difficult due to weather climatic conditions.

3. The liquidation of the consequences of the exploration of solid minerals in a part of the exploration area, which the subsoil user has refused in accordance with Article 199 of this Code, shall be carried out before such a refusal.

4. If the subsoil user did not conduct exploration operations for solid minerals in the exploration area or part of the exploration area from which or which the subsoil user refused, or operations were carried out without disturbing the earth’s surface (the bottom of water bodies) not required.

In this case, an inspection report is drawn up for the exploration site (part of the exploration site) confirming the absence of the need for liquidation work, which is signed by the persons referred to in paragraph 5 of this article.

5. Remediation of the consequences of exploration operations on the exploration area (or part thereof) shall be deemed completed from the date the remediation act is signed. The remediation act shall be signed by a commission established by the relevant local executive body of the region, city of republican significance, or the capital, consisting of its representatives and representatives of the authorized state bodies in the field of environmental protection and industrial safety, subsoil study, and the subsoil user (the person whose subsoil

use right has been terminated, if any). If remediation is carried out on a land plot in private ownership, or in permanent or long-term temporary paid land use, the remediation act shall also be signed by the owner of the land plot or the land user.

6. The signing of an act of liquidation of the consequences of exploration operations is the basis for entering relevant information into the unified cadastre of the state subsoil fund in order to subsequently grant the right to use subsoil to other persons.

Footnote. Article 197 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 198. Ensuring fulfillment of obligations to eliminate the effects of exploration for solid minerals

1. Exploration operations for solid minerals, the fulfillment of obligations to eliminate the consequences of which are not ensured in accordance with the requirements of this article, are prohibited.

2. Ensuring the fulfillment of obligations of a subsoil user to eliminate the consequences of exploration operations for solid minerals can be provided in a combination of any of the methods provided for by this Code.

3. The total amount of collateral is calculated on the basis of the number of blocks that make up the territory of exploration for solid minerals, and the size of the monthly calculation indicator established by the law on the republican budget for the corresponding financial year. The amount of security for one block is determined by the authorized body in the field of solid minerals according to the method approved by it.

The amount of collateral provided for in this paragraph shall, upon the application of the subsoil user, be subject to a proportionate decrease in the event that the subsoil user refuses from part of the exploration area and completes the elimination of the consequences of exploration. The authorized body in the field of solid minerals shall notify the security issuer of the reduction of the security amount within five business days from the date of receipt of the application from the subsoil user.

4. The subsoil user is obliged to provide additional security for the fulfillment of obligations to eliminate the consequences of exploration work in the case provided for in paragraph 7 of Article 194 of this Code. The amount of such security is calculated on the basis of the liquidation plan drawn up in this case in accordance with paragraph 3 of Article 219 of this Code.

Footnote. Article 198 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 199. Refusal of a solid minerals exploration site

1. At any time before the expiration of the license for the exploration of solid minerals, the subsoil user has the right to refuse the entire exploration site or part of it, in writing declaring such a refusal to the competent authority.

The refusal from a part of the reconnaissance site provided for by this paragraph shall be carried out by blocks in compliance with the requirements for the territory of the exploration site.

2. The application for refusal of a part of the exploration site shall contain reference to the block (s) to be (are) excluded from the exploration license.

The following is attached to the application for renunciation of all or part of the site:

1) the consent of the pledgee, if the right to subsoil use under an exploration license is encumbered with a pledge;

2) an act of liquidation of the consequences of exploration operations or an act of examination, drawn up in the cases provided for in paragraph 4 of Article 197 of this Code.

3. Renunciation of part of the exploration site entails re-issuance of the exploration license and is the basis for entering the relevant information into the unified cadastre of the state subsoil fund.

Footnote. Article 199 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 200. Withdrawal of the license for exploration of solid minerals and its order

1. A license for exploration for solid minerals is subject to revocation by the competent authority if one of the following reasons exists:

1) a violation of the requirements of paragraph 1 of Article 44 of this Code, which caused a threat to national security;

2) violation of the terms of the license for exploration for solid minerals, as provided for by Article 191 of this Code;

3) violation of the requirements of part two of paragraph 7 of Article 194 of this Code.

2. If the violations provided for in subparagraphs 1) and 2) of paragraph 1 of this Article are identified, the competent authority shall notify the subsoil user in writing.

3. In the case provided for in subparagraph 1) of paragraph 1 of this article, the violation is to be eliminated within a period of not more than one year by restoring the situation that existed before the violation, and if it is impossible to restore it, by carrying out other transactions related to the transfer of subsoil use right.

In the case of a violation under paragraph 2) of paragraph 1 of this article, the subsoil user is obliged to correct the violation within three months from the date of receipt of the notification from the competent authority.

The subsoil user shall notify the competent authority in writing of the breach elimination with the documents confirming such removal within the time limit provided for by this paragraph.

In case of non-elimination of the violation within the prescribed period, the competent authority withdraws the license in accordance with paragraph 4 of this article.

4. The withdrawing of the license is make by the competent authority by sending a written notice to the subsoil user about the withdrawing of the license.

The license expires after three months from the date of receipt by the subsoil user of a license revocation notice.

5. The subsoil user is entitled to challenge the revocation of the license in the procedure prescribed by the legislation of the Republic of Kazakhstan, within fifteen business days from the date of receipt of the notice of revocation of the license. During the period of such a challenge, the time period specified in paragraph 4 of this article shall be extended until the entry into force of the decision made on the basis of the results of the challenge.

6. License withdrawn is not allowed if non-fulfillment or improper performance of duties, which served as the basis for license withdrawing, occurred due to force majeure, that is, extraordinary and unavoidable circumstances under given conditions (natural phenomena, military actions, etc.). Such circumstances do not include the absence of technical and (or) financial resources of a subsoil user, if the required goods, works or services are not available on the market, as well as the imposition of an administrative penalty.

7. A person deprived of a license for exploration in accordance with this article is obliged to immediately terminate subsoil use operations and begin liquidation work within the time provided for by this Code.

8. The withdrawing of a license for the use of a subsoil space is the basis for entering information about the relevant subsoil site into a single cadastral register of the state subsoil fund.

Footnote. Article 200 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 201. Exclusive right to obtain a license for the extraction of solid mineral deposits and a license to use the subsoil space

1. The owner of one or more licenses for the exploration of solid mineral deposits, the subsoil areas of which have common borders (adjacent areas), has the exclusive right to:

1) to obtain a license (licenses) for the extraction of solid mineral deposits in the subsoil area located within the exploration area (adjacent exploration areas) in the case of the discovery of a solid mineral deposit, the resources and reserves of which are confirmed by a report on the assessment of resources and reserves of solid mineral deposits;

2) to obtain a license (licenses) for the extraction of common mineral deposits in the subsoil area located within the exploration area (adjacent exploration areas), in case of discovery of a deposit of common minerals, resources and reserves of which are confirmed by a report on the assessment of resources and reserves of widespread mineral deposits;

3) to obtain a license to use the subsoil space in cases of the absence of a mineral deposit or the insignificance of its resources, confirmed by a report on the results of geological exploration.

In the event that a uranium deposit is discovered, the holder of a license for exploration of solid minerals shall not possess the exclusive right to the grant of a mining site on the basis of paragraph 3 of Article 70 and paragraph 2 of Article 160 of this Code.

2. The exclusive right may be exercised at any time during the term of the exploration license (s).

3. The subsoil user forfeits the exclusive right upon termination of the license (s) for exploration.

4. The exclusive right is exercised by the subsoil user by means of applying to the competent authority, the authorized body on studying the subsoil or the local executive body of a region, a city of republican significance, the capital, with a request respectively to issue a license for the extraction of solid minerals, a license to use the subsoil area or a license for the extraction of common minerals in priority order.

Consideration of the application and issue of above-mentioned licenses shall be made in accordance with the provisions of this Code.

5. If, after submitting the application for a mining license for a subsoil area located within the territory of an exploration license, the exploration license has expired, the exploration license remains in effect for the declared subsurface area until the issue of the license provided by the paragraph 4 of this article, or refusal of its issue.

During the period of validity of the exploration license in accordance with this paragraph on the subsoil section, declared for issuing a license for the extraction of solid mineral resources, the use of the subsurface or the extraction of widespread mineral deposits, the subsurface user:

1) is not liable for minimum exploration costs;

2) is obliged to pay a fee for the use of land plots (rental payments) in the prescribed amount;

3) may conduct exploration at such a site.

6. The cession of the exclusive right provided in this article shall not be allowed.

Footnote. Article 201 as amended by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Chapter 28. Production of solid minerals

Article 202. License for production of solid minerals

Under a licence for production of solid minerals, its owner has the exclusive right to use the subsoil plot for the purposes of conducting the following operations:

1) production of solid minerals (extraction);

2) the use of subsoil space for the purposes of mining, the deployment of mining and (or) mining and processing production facilities, placement of man-made mineral formations;

3) exploration of the production site (mining exploration).

Production of solid minerals is understood as a set of works directed and directly related to the separation of minerals from their places of occurrence and (or) extraction on the earth's surface, including works on underground gasification and smelting, chemical and bacterial leaching, and hydraulic and hydraulic placer mining deposits by evaporation, sedimentation and condensation, as well as collection, temporary storage, crushing and sorting of extracted minerals at the production site.

Article 203. Territories for issue of a license for production of solid minerals

1.A license for the production of solid minerals shall be issued for territories determined by the state subsoil fund management program, except for subsoil plot territories granted under the exclusive right procedure in accordance with Article 201 of this Code.

2. Issue of a license for production of solid minerals is not allowed:

1) in the cases provided for by paragraph 2 of Article 25 of this Code;

2) at a subsoil site being in use by another person for carrying out hydrocarbon production operations, without the consent of the latter;

3) at a subsoil site provided for conducting operations on exploration and (or) production of solid minerals, for subsoil space use;

4) at a subsoil site, where the mitigation of the consequences of exploration or production of solid minerals is being carried out;

5) at a subsoil site containing an uranium deposit or a rare-earth-uranium deposit.

Footnote. Article 203 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 204. Application for issue of a license for production of solid minerals

1. A person interested in obtaining a license for production of solid minerals shall submit to the competent authority an application in the form prescribed by it.

2. Application shall contain the following information:

1) for individuals–surname, first name and patronymic (if specified in the identity document) of the applicant, place of residence, citizenship, information on identity documents of the applicant;

2) for legal entities –name of the applicant, location, information on state registration as a legal entity (an extract from the trade register or other legalized document, certifying that the applicant is a legal entity under the laws of a foreign state), information about executives, about individuals and legal entities, states and international organizations, directly or indirectly controlling the applicant.

2) description of the territory of the subsoil site, which the applicant requests for use, with calculations (size) of the area and geographical coordinates of the corner points;

3) a reference to the term of use of the requested subsoil site, which does not exceed the time limits specified in this chapter.

3. The documents attached to the application are:

1) copies of documents confirming information about the applicant;

2) documents containing information about the territory of the requested subsoil site: the map of the location of the site made, drawn on a scale providing visualization, overview (situational) scheme, topographic map of the surface;

2) a document confirming the authority of the person acting on behalf of the applicant when submitting the application, if such a person is appointed by the applicant;

4) a draft mining plan developed under Article 216 of this Code;

5) a draft liquidation plan developed under Article 217 of this Code;

6) a report on the estimation of resources and reserves of solid minerals of the subsoil site, which the applicant requests for use;

7) report on the execution of licence obligations for the exploration site for the reporting period preceding the date of the application, if the application is submitted by the holder of the exploration license on the basis of the exclusive right and by the time the application is submitted, such a report has not been submitted to the competent authority;

8) a document confirming the payment of land use (rental payments) for the current reporting period under an exploration license, if an application is submitted by an exploration license holder under exclusive right;

9) documents confirming that the applicant has financial, professional and technical capabilities to carry out operations for the extraction of solid minerals, if the application is submitted in addition to the exclusive right;

10) consent of the subsoil user that conducts hydrocarbon production operations in the requested subsoil site (its part);

11) agreement on social and economic support of the local population, envisaged by subparagraph 1) of paragraph 3 of Article 25 of this Code, if the territory of the requested subsoil site fully or partially relates to the lands of settlements and adjacent territories at a distance of one thousand meters;

12) a certificate from the tax authority that the applicant does not have a tax debt exceeding six times the monthly calculation index established for the relevant fiscal year by the law on the republican budget, issued not earlier than ten calendar days preceding the date of filing the application.

4. To confirm that the applicant has sufficient financial capacities to conduct production operations, one of the following documents is submitted:

1) statement on the balance and movement of money in a bank account in a second-tier bank of the Republic of Kazakhstan or with the National Postal Operator, confirming constant

availability (balance) of the applicant's money within a thirty-day period for six months preceding the date of filing the application for a license, in the amount sufficient to cover the required minimum production costs in the first year of validity of the requested license;

2) copies of a money loan agreement (preliminary loan agreement), an agreement on financing activities, which provide, as the purpose of the loan, financing of the applicant's activities in the extraction of solid minerals, as well as confirming the amount of the loan (financing) sufficient to cover the required minimum costs for extraction in the first year of validity of the requested license;

3) the financial statements of the applicant with an audit report prepared in accordance with the legislation of the Republic of Kazakhstan on auditing, prepared for six consecutive calendar months or the previous calendar year preceding the date of filing an application for a license, in which the amount of the applicant's net assets exceeds its liabilities by the amount of minimum production costs in the first year of the requested license;

4) a letter from a rating agency recognized by a stock exchange operating in the Republic of Kazakhstan about assigning to the applicant during the year preceding the date of submission of the application a rating not lower than the minimum rating determined by the competent authority.

If a copy of loan agreement (preliminary loan agreement) or an agreement on financing the activity is submitted as the document confirming the applicant's financial capacity, and under such agreement a person not being a financial institution acts as the lender (financing party), then the application shall be additionally accompanied by one of the documents, confirming that such person has financial capacities, provided for by subparagraphs1), 3) or 4) of this paragraph.

5. To confirm that the applicant has professional capacities sufficient for production operations, any of the following documents are submitted:

1) a certificate on availability of specialists in staff or a copy of a services contract with specialists in the following fields:

geology or geophysics;

mining engineering;

geodesy or mine survey;

2) a copy of a service contract with a contractor organization or a contract for services of the operator designated by the applicant according to Chapter 6 of this Code, in the event that the applicant obtains the requested production licence and they have in their staff the specialists listed in sub-paragraph 1) of part one of this paragraph.

If as a document confirming the applicant's professional capacities, copies of the services contract with a contractor organization or the contract for services of the operator designated by the applicant according to Chapter 6 of this Code are submitted, the application shall

additionally be accompanied by a certificate that the engaged organization (operator) has in its staff the specialists indicated in sub-paragraph1) of part one of this paragraph, or copies of services contracts with the relevant specialists.

6. Any of the following documents serve as confirmation that the applicant has technical capacities sufficient for production operations:

1) a copy of the licence for carrying out activities on exploitation of mining and chemical production facilities, issued to the applicant under the Law of the Republic of Kazakhstan on Permits and Notifications;

2) copies of agreements on intent, preliminary or main services contract with a contractor organization, a preliminary or main contract for services of the operator designated by the applicant under Chapter 6 of this Code, in the case of issuing the requested production licence to the applicant, and they hold the licence envisaged by subparagraph 1) of the first part of this paragraph.

If as a document confirming the applicant's technical capacities, copies of a heads of agreement, preliminary or main services contract with the contractor organization, or a preliminary or main contract for services of the operator designated by the applicant under Chapter 6 of this Code are submitted, a copy of the licence provided for in sub-paragraph 1) of part one of this paragraph is enclosed additionally to the application.

7. The report on estimation of resources and reserves of solid minerals envisaged by this article shall be prepared by a competent person under the Kazakhstan Code for Public Reporting of Exploration Results, Mineral Resources and Reserves (KAZRC Code).

8. Copies of the documents attached to the application shall be notarized.

9. The application and the documents attached to the application shall be drawn up in Kazakh and Russian. Copies of documents made in foreign language, attached to the application, are submitted with a translation into Kazakh and Russian the authenticity of which shall be notarized.

10. The moment of filing an application is determined by the date and time of submission of the application to the competent authority and is subject to accounting.

11. Information about the submitted application shall be posted on the Unified Subsoil Use Platform on the day the application is submitted and shall include:

1) name (surname, first name, patronymic (if indicated in the identity document) of the applicant;

2) the coordinates of the territory defining the subsoil plot, which the applicant requests to provide for use for production of solid minerals;

3) date and time of the application receipt.

Footnote. Article 204 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 28.12.2023 № 52-VIII (effective sixty calendar days after the date of its first official publication; dated 30.12.2025 №

249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 205. Consideration of an application for a license for production of solid minerals

1. The competent authority considers the application within ten business days from the date of its receipt and, in the absence of grounds for refusing to issue a licence for production of solid minerals, envisaged by subparagraphs1) to 6) of paragraph 1 of Article 207 of this Code, sends to the authorized body for subsoil study the application, the report on the estimation of resources and reserves of solid minerals and documents containing information on the territory of the requested subsoil plot attached to the application.

2. The authorized body for subsoil study shall enter information from the report on the estimation of resources and reserves of solid minerals into the unified cadastre of the state subsoil fund and consider the application and the documents attached to it for whether there are grounds for refusing to issue a licence under sub-paragraphs 7) and 8) of paragraph 1 of Article 207 of this Code, within ten business days.

If a part of the subsoil plot specified in the application relates to a subsoil plot that is in use by another person under a licence for subsoil space use, for exploration or production of solid minerals, the authorized body for subsoil study shall notify the applicant and the competent authority thereof. The notification shall indicate the coordinates and area of the combined territory and recommendations on how to exclude this territory from the territory of the requested subsoil plot. Within twenty business days from the date of receiving the notification, the applicant is entitled to withdraw the application or submit the altered information on the requested subsoil plot, taking into account the comments of the authorized body for subsoil study.

If the boundaries of the requested subsoil plot indicated by the applicant do not comply with the requirements of Article 209 of this Code, the authorized body for subsoil study shall notify the applicant and the competent authority thereof. The notification indicates the detected nonconformities and recommendations on the methods of their elimination. Within twenty business days from the date of receiving the notification, the applicant shall remove the identified inconsistencies and notify the authorized body for subsoil study thereof with the attachment of supporting documents or shall send its objection in writing. Within ten business days from the date of receiving the notification, the authorized body for subsoil study reconsiders the issue of compliance of the boundaries of the requested subsoil plot with the requirements of Article 209 of this Code.

Upon results of consideration of the issue on compliance of the boundaries of the requested subsoil plot, the authorized body for subsoil study shall approve these boundaries or refuse to approve and shall notify of that the competent authority and the applicant. The authorized body for subsoil study refuses to agree on the boundaries of the requested subsoil plot in case of violation by the applicant of the time limits for submission of altered information on the boundaries of the requested subsoil plot, as provided for by this paragraph.

In case of disagreement of the authorized body for subsoil study with the boundaries of the requested subsoil plot, the competent authority refuses to issue a licence to the applicant according to sub-paragraph 7) or 8) of paragraph 1 of Article 207 of this Code.

3. In case of agreement with the authorized body for the study of the subsoil of the boundaries of the requested subsoil plot, the competent body within three working days sends a notification to the applicant on the need to obtain an appropriate environmental permit for mining operations described in the mining plan, conducting examinations and approvals of the mining plan and liquidation plan provided for by Articles 216 and 217 of this Code, respectively. The notice shall be posted on the Unified Subsoil Use Platform on the day it is sent to the applicant.

A copy of the relevant environmental permit for mining operations described in the mining plan, the relevant approvals and positive expert opinions must be submitted by the applicant to the competent authority no later than one year from the date of notification provided for in part one of this paragraph.

The applicant may apply to the competent authority for the extension of this period with the justification of the need for such extension. The competent authority extends this period for a period not exceeding one year from the expiration of the period specified in part two of this paragraph, if the need for such extension is caused by circumstances beyond the control of the applicant.

4. The competent authority issues to the applicant a license for the extraction of solid minerals no later than five working days from the date of submission of the necessary approvals, positive expert opinions and a copy of the relevant environmental permit for mining operations described in the mining plan.

5. In the case of granting to the applicant of a subsoil plot located within the land plot that is owned or in use by another person, the subsoil user is not entitled without the consent of such a person to conduct operations in this subsoil plot within thirty meters from the lowest point of the earth's surface of this land plot.

6. The notification provided for in paragraph 3 of this Article shall be the basis for reserving the lands for the purposes of subsoil use by the local executive body of the region, the city of republican significance, the capital under the procedure set out by the land legislation of the Republic of Kazakhstan.

7. The issue of a licence for production of solid minerals is the basis for granting to the subsoil user of the land use right for the land plot by the local executive body of the region, the city of republican significance, the capital according to the Land Code of the Republic of Kazakhstan.

8. The procedure for filing and consideration of applications for the issue of licences for production of solid minerals shall be determined by the competent authority.

Footnote. Article 205 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 30.12.2025 № 249-VIII (

effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 206. Priority at issue of licences for production of solid minerals

1. Applications for licences for production of solid minerals submitted to the competent authority, including one and the same territory, are considered in the order of their receipt.

2.The next application is considered only after issue of the refusal to issue a licence under the previous considered application.

The competent authority starts consideration of the next application upon the expiration of ten business days from the date of notifying the applicant about the refusal to issue a licence under the previous application.

If the decision on the refusal was appealed against by the applicant in court, the issue of considering the next application is determined by the competent authority after the decision on the results of the complaint has come into force.

3. The production licence shall be issued to the applicant, which application is the first among the applications received that meets the requirements of this Code.

4. According to the applications received after the application for which the decision to issue a license was taken, a decision is taken to refuse to issue licenses.

Article 207. Refusal to issue a licence for production of solid minerals

1. The competent authority shall refuse to issue a licence for production of solid minerals if one of the following grounds exists:

1) the application or the documents attached to it do not comply with the requirements provided for by this Code;

2) Required by this Code documents are not attached to the application;

3) within one year prior to the filing of the application the competent authority revoked the subsoil use licence for the requested subsoil plot from the applicant or a person directly or indirectly controlling the applicant or being under its control, on the grounds provided for by this Code;

4) within five years prior to the date of filing the application, the applicant or a person directly or indirectly controlling the applicant or being under its control failed to fulfill or improperly fulfilled the obligations to liquidate the consequences of subsoil use at the subsoil plots that were in their use;

4-1) within the five years preceding the date of submission of the application, the applicant, a person or organization directly or indirectly controlling the applicant or controlled by the applicant, failed to fulfill the obligation to pay the signing bonus based on the results of an auction held in accordance with this Code;

5) within one year prior to the filing of the application, the subsoil use right previously granted to the applicant or a person directly or indirectly controlling the applicant or being under its control with regard to the requested subsoil plot (its part) was terminated;

6) the issue of a licence will entail the emergence of a threat to national security;

7) the requested subsoil plot or its part refers to a subsoil plot being in use by another person under a subsoil space use licence or a licence for explore or production of solid minerals;

8) the boundaries of the requested subsoil plot do not comply with the requirements of this Code;

9) non-compliance by the applicant with the time limit for submission to the competent authority of the draft mining plan approved according to the requirements of this Code.

2. The refusal to issue a licence shall be motivated.

The refusal to issue a licence under sub-paragraph 6) of paragraph 1 of this Article shall be made without specifying the grounds serving as the basis for such a refusal.

3. Applicant in accordance may appeal against refusal to issue the license according to the legislation of the Republic of Kazakhstan no later than ten business days from the date of the decision to refuse.

4. Refusal to issue a license does not deprive the applicant of the right to reapplication.

5. The refusal to issue a licence for production of solid minerals at the request of a subsoil user filed on the basis of the exclusive right under a licence for exploration of solid minerals is allowed only if there are unresolved violations of the terms of the exploration licence or under sub-paragraph 9) of paragraph 1 of this Article.

If the circumstances specified in sub-paragraphs 1) and 2) of paragraph 1 of this Article exist when applying for a production licence based on the exclusive right, the competent authority accepts the application and notifies the applicant of the need to eliminate the identified nonconformity. In this case, the period for consideration of the application shall be extended for thirty calendar days for removal by the applicant of the indicated observations and re-submit the application to the competent authority.

In the event of non-removal of the indicated observations or a failure to re-submit an application within the established time limit, the competent authority refuses to issue a licence for production of solid minerals.

Footnote. Article 207 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 208. Content of a licence for production of solid minerals

In addition to the information and conditions specified in Article 31 of this Code a licence for production of solid minerals shall contain the following subsoil use conditions:

1) the obligation to pay a subscription bonus and a fee for use of land plots (rental payment) at the amount and under the procedure set out by the tax legislation of the Republic of Kazakhstan;

2) the amount of the obligation regarding annual minimum expenses for operations on production of solid minerals;

3) the amount of the minimum share of local content in works and services used in production operations;

4) the amount of the subsoil user's obligation to finance Kazakhstan personnel training;

5) the amount of the subsoil user's obligation to finance research, scientific technical and (or) development works;

6) the grounds for revoking the licence for violation of obligations.

A license for the production of solid minerals at sites of man-made mineral formations located within the territory of settlements and within a distance of one thousand meters from adjacent territories shall additionally contain the following conditions:

1) carrying out solid mineral production operations exclusively through the removal of man-made mineral formations located within the territory of settlements and within a distance of one thousand meters from adjacent territories;

2) removal and processing of the extracted man-made mineral formations outside the territory of settlements and adjacent territories within a distance of one thousand meters;

3) remediation of the consequences of the removal of man-made mineral formations by reclaiming disturbed land, cleaning it of contamination, and restoring the extraction site in accordance with the surrounding landscape;

4) compliance with the terms of the agreement on socio-economic support of the local population concluded in accordance with subparagraph 1) of part one of paragraph 3 of Article 25 of this Code.

Footnote. Article 208 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 02.05.2025).

Article 209. Site for the extraction of solid minerals

1. The external boundaries of the territory of the site for the extraction of solid minerals shall comply with the requirements of paragraph 3 of Article 19 of this Code and be determined in a way that ensures the effective use of the production area. If it is impossible to determine the external boundaries of the territory of a solid minerals extraction site in accordance with the specified requirements, they can form a polygon with the least possible number of angles.

When determining the boundaries of a site for the extraction of solid minerals, the following shall be taken into account: the contours of the resources of solid minerals indicated in the report provided for in subparagraph 6) of paragraph 3 of Article 204 of this Code, observation hydrogeological wells, the location of the mine and the prospects for the development of its boundaries, auxiliary mine facilities and infrastructure facilities, sites for overburden (host rock) and poor (substandard) ores.

The facilities of placement of man-made mineral formations of mining and processing production can also be located and taken into account when determining the boundaries of the mining site. Facilities of placement of man-made mineral formations of mining and

processing production can be located on a separate subsoil area in accordance with a license for the use of subsoil space.

2. The territory of a site for the extraction of solid minerals may also have internal boundaries if the boundaries of another subsoil area for conducting exploration or production of solid minerals, hydrocarbon production do not allow it to be formed only along the external borders. In this case, the internal boundaries of the production area shall be determined by the external territorial boundaries of the specified other subsoil area.

Footnote. Article 209 as reworded by Law of the Republic of Kazakhstan № 284-VI dated 26.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 210. Annual minimum expenses for operations on production of solid minerals

1. A subsoil user possessing a production licence shall comply with the requirements on annual minimum expenses for production operations set out by this Article.

2. The annual minimum costs of production operations shall be established under a separate production license in the following amounts:

530-fold monthly calculation index when mining on the territory of a site with an area of up to five hectares inclusive;

1063-fold monthly calculation index when mining on the territory of a site with an area of more than five to one hundred hectares inclusive;

10-fold monthly calculation index additionally when calculating for each subsequent hectare over one hundred to ten thousand hectares inclusive;

120 times the monthly calculation index additionally when calculating for each subsequent hectare over ten thousand hectares.

3. If, in accordance with the mining license and the mining plan, the mining of ferrous metal ores is envisaged, the annual minimum costs for mining operations under such a license shall be established in the following amounts:

3170-fold monthly calculation index when mining on the territory of a site with an area of up to five hectares inclusive;

6350 times the monthly calculation index for mining on the territory of a site with an area of more than five to one hundred hectares inclusive;

60-fold monthly calculation index additionally when calculating for each subsequent hectare over one hundred to ten thousand hectares inclusive;

720 times the monthly calculation index additionally when calculating for each subsequent hectare over ten thousand hectares.

4. In case of the incomplete last year of production period, the minimum expenses are calculated proportionally for each full month of the production period in the specified year.

5. If a production site is relinquished within any year of the production licence, the minimum expenses requirements are calculated proportionally for each full month of the production period in that year.

6. Calculation of the minimum expenses for production operations is based on the size of the monthly calculated index established for the relevant fiscal year by the law on the republican budget and effective as of January 1 of the reporting year.

7. For the purposes of this Article, expenses for production operations under a separate licence for production of solid minerals shall include the subsoil user's expenses for the following types of work:

1) tunnelling works or overburden removal works;

2) maintaining the ventilation;

3) drilling and explosion operations;

4) fixing or maintaining the mine workings;

5) management of rock pressure;

6) transportation of ore or rock;

7) dumping and (or) storing of ore;

8) crushing of ore, rocks;

9) leaching (heap and (or) underground);

10) all works on the construction of the mine, enrichment production and auxiliary facilities of the production infrastructure at the production site.

8. For the purposes of this Article, expenses for production operations under a separate licence may include expenses for management and administration needs, accounting, scientific research, personnel training and other similar expenses.

When calculating the expenses of production operations, the share of such expenses shall not exceed twenty percent of the total expenses declared by the subsoil user in the periodic report.

9. Expenses for exploration operations may not include expenses for:

1) placement of boundary and geodesic designations of the boundaries of a production site on the terrain, including land surveying works;

2) acquisition of subsoil use right, land use right or ownership right to the land plot, including expenses associated with such an acquisition;

3) research works not directly related to the production site;

4) the compensation in connection with the buying-out of land plots or compensation for losses to owners and users of land plots and bringing land to a condition suitable for their use for the intended purpose.

10. In the event of a breach of obligations for the minimum expenses of production operations provided for in this Article, the subsoil user shall incur the deficit of the amount that was to be spent and report thereof to the competent authority within the time limit not later than three months following the reporting year.

The expenses incurred by the subsoil user under this paragraph are not accounted for in the expenses of the current year.

Footnote. Article 210 as amended by Law of the Republic of Kazakhstan № 284-VI dated 26.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 211. Term of a licence for production of solid minerals

1. The term of a licence for production of solid minerals may not exceed twenty-five consecutive years.

2. The term of a production licence may be extended at the request of a subsoil user for a period not exceeding the original term of the licence.

Number of extensions of a production licence is not limited.

3. An application for extension shall be submitted to the competent authority in the form approved thereby not earlier than four years before the licence expiry date.

If during the period of consideration of the application the period of the production licence expired, the licence continues to operate during the period of such consideration. The calculation of the term for the extension of production licence begins on the day following the last day of the completed period.

4. The term of a production licence is not subject to extension in the cases of:

1) if the declared term of the extension does not comply with paragraph 2 of this Article;

2) the violation of the time limit for filing an application for extension of the licence provided for in paragraph 3 of this Article;

3) existing breaches of the conditions of a production licence with regard to paying a fee for use of land plots for (rental payments) and the minimum production expenses for the reporting periods preceding the date of the application for extension, which have not been removed by the subsoil user.

Article 212. Obligations of a subsoil user in the field of training and science at production of solid minerals

1. Starting from the second year of the production licence validity, the subsoil user is obliged annually:

1) to finance the Kazakhstan personnel training in the amount of one percent of production expenses incurred by the subsoil user in the previous year, under the procedure determined by the competent authority jointly with the authorized body in the field of education;

2) to finance research, scientific technical and (or) development works in the amount of one percent of production expenses incurred by the subsoil user in the previous year under the procedure determined by the competent authority jointly with the authorized body in the field of science.

2. The amount of financing effected according to paragraph 1 of this Article exceeding the specified minimum is accounted for in the execution of the corresponding obligations of the subsoil user in the following year.

Article 213. Procurement of goods, works and services for operations on production of solid minerals

1. Procurement of goods, works and services at performance of operations on production of solid minerals, including by contractors, is carried out in one of the following ways:

1) open competition;

2) from one source;

3) open competition for prices decrease (electronic trading);

4) purchase of goods, works and services without applying the norms of this paragraph;

5) on commodity exchanges.

Procurement of goods, works and services used at performance of production operations shall be carried out in the way specified in subparagraphs1), 2) and 3) of part one of this paragraph, with the mandatory use of the register of goods, works and services used at performance of subsoil use operations, and their producers or with the use of other electronic procurement systems located in the Kazakhstani segment of the Internet, the work of which is synchronized with the operation of such register.

The organizer of the tender for the purchase of works and services, when determining the winner of the tender, conditionally reduces the price of the tender application of the participants of the tender – Kazakhstani producers of works and services by twenty percent. Individual entrepreneurs and (or) legal entities established in accordance with the legislation of the Republic of Kazakhstan with their location on the territory of the Republic of Kazakhstan, attracting at least ninety-five percent of the citizens of the Republic of Kazakhstan from the total number of employees, excluding the number of chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan, are recognized as Kazakhstani producers of works and services as part of an intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on migration of the population.

At the same time, the number of foreign chief executives, managers and specialists engaged in labor activity on the territory of the Republic of Kazakhstan within the framework of intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on migration of the population should not exceed fifty percent of the total number of chief executives, managers and specialists in each relevant category.

The procedure of procurement by subsoil users and their contractors of goods, works and services used at performance of operations on production of solid minerals is determined by the authorized body in the field of solid minerals.

The expenses for procurement of goods, works and services used at performance of operations on production of solid minerals, based on the results of a tender held outside the Republic of Kazakhstan, or acquired in violation of the established procedure, are excluded from the expenses that are considered by the competent authority as fulfillment of licence obligations by the subsoil user.

2. The procedure for synchronizing the work of electronic procurement systems in relation with respect to solid minerals with the work of the register of goods, works and services used at performance of subsoil use operations and their producers is approved by the authorized body in the field of solid minerals

3. For the purposes of this article:

1) the register of goods, works and services used in the conduct of subsoil use operations, and their producers means a state information system designed to control and monitor the procurement of goods, works and services used in subsoil use operations, and their producers, as well as conducting electronic procurement and forming a list of goods, works and services used in the conduct of subsoil use operations;

2) the electronic procurement system means the electronic information system used by procurement organizers (subsoil users or persons authorized by subsoil users) to acquire goods, works and services under the procedure for acquiring goods, works and services at performance of subsoil use operations approved by the authorized body in the field of solid minerals.

4. Subsoil users are obliged to submit to the authorized body in the field of solid mineral under the procedure defined by the latter, annual (for one fiscal year) and medium-term (for five fiscal years) programs for procurement of goods, works and services, as well as information on the planned procurement of reimbursable operator's services in case of its engagement by the subsoil user under Chapter 6 of this Code.

The annual program of procurement of goods, works and services is understood a document drawn up by a subsoil user, defining the nomenclature and volumes of goods, works and services planned for the subsoil user for one calendar year, methods and terms of their acquisition.

The medium-term program of procurement of goods, works and services is understood a document drawn up by the subsoil user, which determines the nomenclature and volumes of goods, works and services, methods and terms of their acquisition for a period of up to five years.

The information on the planned procurement of the operator’s services means a document compiled by the subsoil user, which determines the scope and timelines of rendering the services provided by the operator on a reimbursable basis.

5. The requirements of paragraph 1 of this Article shall not apply to:

1) subsurface users, performing procurement of goods, works and services in accordance with the legislation of the Republic of Kazakhstan on state procurements;

2) legal entities holding the right to subsurface use, fifty percent of shares (participating interests) or more is directly or indirectly owned by the national management holding.

Footnote. Article 213 as amended by the Law of the Republic of Kazakhstan dated 20.04.2023 № 226-VII (effective from 01.07.2023).

Article 214. Procedure for performance of operations on production of solid minerals

1. A subsoil user is entitled to conduct production and exploration of any kinds of solid minerals at the subsoil site under a licence for production of solid minerals.

2. Extraction of solid minerals is carried out on a subsurface area with reserves and (or) resources included in the state accounting of minerals and representing commercial interest for the subsoil user.

3. All works on production of solid minerals shall be documented. The documentation should contain a description of the work necessary for reliable study and subsequent cultivation of the subsoil site.

4. At performance of production of solid minerals, the subsoil user is obliged to ensure:

1) optimality and safety of the technical facilities applied for production;

2) protection of the deposit of solid minerals against manifestations of dangerous technogenic processes, leading to a complication of its development, a decrease in the quality of resources of the deposit;

3) reliable accounting of extracted solid minerals, production wastes generated during production;

4) reliability and safety of all primary and secondary geological information obtained during production, including data from laboratory studies and analysis.

5. The volume of rock mass and (or) moving soil during production of solid minerals is not limited, if this does not contradict the environmental and industrial safety requirements.

Solid minerals (useful components) extracted during production are the property of the subsoil user.

6. At performance of operations on production of solid minerals, a subsoil user is obliged to implement water protection measures, as well as to comply with other requirements for the protection of water bodies established by the water and environmental legislation of the Republic of Kazakhstan with respect to underground waters flowing into mine workings.

The technologically unavoidable flow of underground waters to mine workings during performance of operations on production of solid minerals does not require special permissions or licences.

The use of underground waters flowing into mine workings is carried out under the water and environmental legislation of the Republic of Kazakhstan.

Footnote. Article 214 as amended by the Law of the Republic of Kazakhstan dated 28.12.2023 № 52-VIII (effective from 31.12.2023).

Article 215. Reporting of the subsoil user at performance of production of solid minerals

1. Under a licence for production of solid minerals, the subsoil user is obliged to submit the following periodic reports:

1) a report on the execution of license obligations;

2) a report on the purchased goods, works and services and the share of local content in them;

3) a report on the composition of persons and (or) organizations directly or indirectly controlling the subsoil user;

4) geological reports - in case of exploration at the production site;

5) a report on the extracted solid minerals.

6) report on implementation of program of work - in the case of assigning the status of retention.

2. Periodic reports are submitted annually for the previous calendar year no later than April 30 of each year, with the exception of the report provided for in subparagraph 2) of paragraph 1 of this article, which is submitted quarterly no later than the twenty-fifth day of the month following the reporting period.

Reports for an incomplete calendar year are submitted for the actual period of subsoil use.

Reports for the last incomplete calendar year of the period of subsoil plot use are submitted no later than two months after the end of the specified period.

3. The reports provided for in subparagraphs 1) and 6) of paragraph 1 of this article shall be submitted to the competent authority in the manner approved by it.

Information on expenses related to the production site specified in the report on performance of licence obligations shall be confirmed by the auditor according to the Law of the Republic of Kazakhstan on Auditing.

This information is also considered as confirmed by an auditor if it is separately presented (disclosed) in the audited financial statements.

The reports provided for in sub-paragraphs 2) and 3) of paragraph 1 of this Article shall be submitted to the authorized body in the field of solid minerals under the procedure determined by it.

The reports provided for in sub-paragraphs 4) and 5) of paragraph 1 of this Article shall be submitted to the authorized body in the field of minerals under the procedure determined by it.

Footnote. Article 215 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 15.11.2021 № 72-VII (shall be enforced from 01.01.2022).

Article 216. Mining plan

1. A project document for conducting operations on production of solid minerals is a mining plan.

2. The mining plan is developed and approved by the subsoil user.

3. The mining plan describes the types, methods and ways of production of solid minerals, the approximate volumes and timelines of works, as well as the technological solutions used.

The instructions for drawing up a mining plan are developed and approved by the authorized body in the field of solid minerals.

The content of the mining plan is determined by the subsoil user independently, taking into account the environmental and industrial safety requirements.

4. Operations for extraction of solid minerals, described in the mining plan, are carried out in the presence of an appropriate environmental permit. The mining plan is coordinated with the authorized body in the field of industrial safety.

If the operations for the extraction of solid minerals, provided for in the mining plan, are to be carried out within the water protection zones of surface water bodies, the mining plan shall also be coordinated with the basin water inspectorates for the protection and regulation of water resources use.

The subsoil user has the right to conduct operations for extraction of solid minerals only if the mining plan is agreed in accordance with this article and the appropriate environmental permit is obtained.

5. In the event of a change in the types, methods and (or) methods of planned mining operations, as well as technologies, volumes and terms of work, changes in the composition of production facilities and infrastructure facilities, the subsoil user is obliged to make appropriate changes to the mining plan and submit it to the authorized body in the field of solid minerals. If these changes require agreement on industrial safety issues, an environmental impact assessment and obtaining (re-issuing) an environmental permit, the mining plan with the changes made is submitted to the authorized body in the field of solid minerals only after such agreement, an environmental impact assessment and obtaining (reissuing) an environmental permit.

6. Performance of works under the amended mining plan prior to its submission to the authorized body in the field of solid minerals is prohibited.

Footnote. Article 216 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 217. Liquidation plan

1. The liquidation plan is a document containing a description of measures for the decommissioning of the mine and other production and infrastructure facilities located at the mining site, for the reclamation of lands disturbed as a result of mining operations, measures for progressive liquidation, other work to eliminate the consequences of mining operations, as well as the calculation of the approximate cost of such decommissioning activities.

If the objects of placement of techno-genic mineral formations of mining or ore-dressing production, located in another subsoil plot (s) under a license (licenses) for the use of subsoil space, are directly related to the operation of a mine located in the production site (s) or the operation of two mines located at adjacent production sites is carried out in a single technological process, the subsoil user has the right to develop a single liquidation plan in order to carry out all planned work to eliminate the consequences of subsoil use operations at these subsoil sites.

The liquidation plan is drawn up with the involvement of a person who has a license to perform work and provide services in the field of environmental protection, and is approved

by the subsoil user. The liquidation plan is subject to an industrial safety expertise in accordance with the legislation of the Republic of Kazakhstan on civil protection, and after it is carried out, to a state environmental expertise in accordance with the environmental legislation of the Republic of Kazakhstan.

2. The subsoil user is obliged to make changes to the liquidation plan, including making changes to the calculation of the cost of work to eliminate the consequences of mining operations:

1) no later than three years from the date of receipt of the last positive conclusions of the industrial safety expertise and state environmental expertise;

2) in case of making changes to the mining plan in accordance with paragraph 5 of Article 216 of this Code.

3. The implementation of operations for the extraction of solid minerals, the elimination of the consequences of which is not provided for by the liquidation plan, which has received positive conclusions from the industrial safety expertise and the state environmental expertise, is prohibited.

4. Instructions for drawing up a liquidation plan and a methodology for calculating the approximate cost of liquidating the consequences of operations on production of solid minerals are developed and approved by the authorized body in the field of solid minerals upon approval of the authorized body in the field of environmental protection.

Footnote. Article 217 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (see Article 2 for the procedure for enactment).

Article 218. Mitigation of the consequences of operations on production of solid minerals

1. Mitigation of the consequences of operations on production of solid minerals is carried out under a liquidation project developed on the basis of the liquidation plan.

2. The subsoil user is obliged to ensure the development, coordination, examination and approval in accordance with the land legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities in the Republic of Kazakhstan of a project of work to eliminate the consequences of the extraction of solid minerals no later than two years before the expiration of the license term.

In case of abandonment of all or part of the mining site, the project for liquidation of the consequences of the extraction of solid minerals is developed, agreed upon, subject to examination and approval before such refusal, if the need to eliminate such consequences does not follow from the provisions of part five of this paragraph.

If a licence for production of solid minerals terminates on other grounds, the person which subsoil use right is terminated shall be obliged to ensure the elaboration and approval of a project of liquidation of the consequences of production of solid minerals not later than eight months from the date of termination of the licence.

Mitigation of the consequences of operations on production of solid minerals at a part of the production plot from which the subsoil user relinquished according to Article 220 of this Code shall be performed prior to such relinquishment. The performance of production operations or another use of the part of such a site in the period after completion of the liquidation and prior to its exclusion from the production licence is not allowed.

If the use of a part of the production site, from which the subsoil user refused, was carried out without carrying out the operations provided for by the production license, and without disturbing the earth's surface (the bottom of water bodies), liquidation work on the part of the production site is not required. In this case, an inspection report is drawn up confirming the absence of the need for liquidation work, which is signed by the persons specified in paragraph 4 of this article.

3. A person which subsoil use right is terminated at a production site is obliged to commence the liquidation of the consequences of production operations within a period not later than eight months from the date of such termination. During this period, this person is entitled to take the extracted solid minerals from the territory of the subsoil site. Upon the expiration of eight months after the licence is terminated, the solid minerals that have not been taken from the territory of the production site are considered as included in the subsoil and are subject to liquidation according to this Article.

4.Remediation of the consequences of production operations on the production area (or part thereof) shall be deemed completed after the remediation act is signed. The remediation act shall be signed by a commission established by the relevant local executive body of the region, city of republican significance, or the capital, consisting of its representatives and representatives of the authorized state bodies in the field of environmental protection, industrial safety, the state body in the field of sanitary and epidemiological welfare of the population, subsoil study, and the subsoil user (the person whose subsoil use right has been terminated, if any). If remediation is carried out on a land plot in private ownership, or in permanent or long-term temporary paid land use, the remediation act shall also be signed by the owner of the land plot or the land user.

5. The signing of the act of liquidation of the consequences of operations for the extraction of solid minerals (the inspection report) is the basis for entering the relevant information into the unified cadastre of the state subsoil fund for the subsequent granting of the right to use subsoil to other persons.

6. The provisions of this Article shall not apply in the event of the termination of the subsoil use right at a production site or its part where production operations that require liquidation of their consequences have not been performed. In the event of performance of exploration operations at such a site, the liquidation of their consequences shall be carried out according to Article 197 of this Code.

Footnote. Article 218 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 30.12.2025 № 249-VIII (

effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 219. Securing the fulfillment of obligations to mitigate the consequences of production of solid minerals

1. A subsoil user is entitled to commence operations on production of solid minerals at the production plot subject to providing a security for the fulfillment of obligations to mitigate the consequences of such operations to the authorized body in the field of solid minerals.

2. A security for the fulfillment of obligations of a subsoil user to mitigate the consequences of production operations may be provided in combination of any of its types provided for by this Code, subject to the following conditions: during the first third of the term of a production licence, the security in the form of a bank guarantee or pledge of a bank deposit shall be not less than forty percent of the total amount of the security, during the second third - not less than sixty percent, and in the remaining period - one hundred percent.

If the mitigation is planned to be carried out according to the liquidation plan drawn up according to part two of paragraph 1 of Article 217 of this Code for two or more subsoil sites, the subsoil user is entitled to provide general security for the fulfillment of obligations to liquidate the consequences of subsoil use at these sites.

3. The amount of security must cover the total estimated cost of work to eliminate the consequences of mining operations and operations planned for the next three years from the date of receipt of the last positive conclusions of the industrial safety review and the state environmental expertise of the liquidation plan.

The security amount is subject to final recalculation according to the cost estimate provided for by the project of liquidation works.

The cost of liquidation works shall include administrative and management costs, as well as expenses for:

dismantling and removal of technological equipment, buildings and structures located at the site(s);

closure of the mine (shaft, gallery, quarry and the like), objects of location of technogenic mineral formations (if any);

disposal of harmful substances and materials (if any);

reclamation of disturbed lands;

restoration of river beds, streams and watercourses (if any);

monitoring of the quality of surface and underground waters, air, soil and vegetation.

4. Upon termination of a mining license, the amount of security, with the consent of the authorized body in the field of solid minerals, may be reduced in proportion to the cost of a part of the liquidation work performed at the subsoil plot and accepted in the manner prescribed by paragraph 4 of Article 218 of this Code. The authorized body in the field of

solid minerals notifies the person who issued the security of the reduction in the amount of the security within five working days from the date of receipt of the application from the subsoil user.

It is forbidden to reduce the amount of security after termination of the licence for production of solid minerals, if as a result of this reduction the remaining amount of the security does not cover the expenses incurred for the non-completed liquidation works, provided for in the cost estimate of the liquidation works project.

5. Operations on production of solid minerals, the liquidation of which consequences is not secured according to the requirements of this Code, are prohibited.

Footnote. Article 219 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (see Article 2 for the enforcement procedure).

Article 220. Relinquishment of a site for production of solid minerals

1. At any time prior to the expiry of a licence for production of solid minerals, the subsoil user is entitled to relinquish the entire production site or its part by having notified the competent authority in writing of such relinquishment.

In case of relinquishment of a part of the production site, the production site remaining in use shall comply with the provisions of Article 19 of this Code.

2. An application for premature relinquishment of all or a part of the production site shall contain a reference to the territory of the subsoil site being subject to relinquishment.

The application shall be accompanied by:

1) certificate on mitigation of the consequences of production at the entire production site or its part, which the subsoil user relinquishes;

2) a description of the territory of the subsoil site which the subsoil user relinquishes, with calculations (size) of the area and geographical coordinates of the corner points;

3) a description of the territory of the production site formed after the relinquishment of a part of the subsoil site, with calculations (size) of the area and the geographical coordinates of the corner points, with an enclosed map of the location of the site, drawn at a scale providing visibility, a survey (situational) scheme, as well as a topographic map of the surface.

3. The relinquishment of a part of production site entails the reissue of the production licence.

4. The relinquishment of a part or all of the production site is the basis for entry of information regarding the relevant subsoil site (or its part) into the unified cadastre of the state subsoil fund as about a site (or its part) that may be provided for conducting operations on production of solid minerals.

Article 221. Liability for breach of obligations under a licence for production of solid minerals and its revocation

1. Breach of the obligations set out by the licence for production of solid minerals entails a liability of the subsoil user in the form of a penalty or revocation of a licence.

2. A penalty is charged for breach of the obligation to ensure a minimum share of local content in works and services used at performance of production operations, as well as for violation of the obligation to finance the Kazakhstan personnel training and (or) the obligation to finance research, scientific technical and (or) development works.

Payment of the penalty for the obligation breach terminates the main obligation, which performance is provided for in the relevant calendar year.

A penalty for breach of the obligation to ensure a minimum share of local content in works and services used at performance of production operations is charged in the amount of thirty percent of the cost of works and services related to the unfulfilled volume of obligations .

A penalty for a failure to fulfill obligations to finance the Kazakhstani personnel training and to finance research, scientific technical and (or) development works shall be charged in the amount of the sum of the unfulfilled obligation.

3. A licence for production of solid minerals shall be subject to revocation by the competent authority if one of the following grounds exists:

1) a violation of the requirements of paragraph 1 of Article 44 of this Code, which caused a threat to national security;

2) breach of obligations to pay subscription bonus, fee for use of land plots (rental payments) and (or) the obligations regarding annual minimum expenses for operations on production of solid minerals.

4. If the breach is detected, the competent authority shall notify the subsoil user of it in writing.

5. In the event of infringement provided for in sub-paragraph 1) of paragraph 3 of this Article, this breach shall be subject to elimination within not more than one year by restoring the pre-infringement situation and, if it is impossible to restore it, by performing other actions for the transfer of the objects linked to subsoil use right upon the permit of the competent authority.

In the event of an infringement provided for in sub-paragraph 2) of paragraph 3 of this Article, the subsoil user is obliged to eliminate the violation within three months from the date of the notification receipt from the competent authority.

The subsoil user shall notify the competent authority in writing of the breach elimination with the documents confirming such removal within the time limit provided for by this paragraph.

In the event of failure to eliminate the breach within the established time limit, the competent authority shall revoke the licence according to paragraph 6 of this Article.

6. The licence is revoked by the competent authority by sending a written notice to the subsoil user about the revocation of the licence.

The license expires after three months from the date of receipt by the subsoil user of a license revocation notice.

7. The subsoil user may appeal against the licence revocation under the procedure stipulated by the legislation of the Republic of Kazakhstan, within fifteen business days from the date of receipt of the licence revocation notice. In the period of such challenge, the period specified in paragraph 6 of this Article shall be extended until the decision made on the results of the challenge comes into effect.

8. The revocation of a licence is not allowed if the failure to perform or improper performance of the obligations that served as the basis for revocation of the licence took place because of force majeure, that is extraordinary and unavoidable circumstances (spontaneous phenomena, military actions, etc.). Such circumstances do not include the absence of technical and (or) financial resources of a subsoil user, if the required goods, works or services are not available on the market, as well as the imposition of an administrative penalty .

9. A person deprived of a production licence according to this Article shall immediately cease subsoil use operations and proceed with the maintenance of a subsoil site in a safe state according to the liquidation plan.

The revocation of a licence for production of solid minerals constitutes the ground for entry of information on the relevant subsoil plot into the unified cadastre of the state subsoil fund.

Chapter 28-1. Granting subsoil use rights for solid minerals, except common minerals and uranium, on the basis of an auction

Footnote. The Code is supplemented by Chapter 28-1 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 221-1. Territories for granting subsoil plots for exploration or production of solid minerals, except common minerals and uranium, on the basis of an auction

1.It is established that the following subsoil plots shall be granted for exploration or production of solid minerals, except common minerals and uranium, on the basis of an auction:

1) for the production of solid minerals in subsoil plots containing reserves and/or resources of solid minerals, except common minerals and uranium, included in the state mineral inventory and free from subsoil use operations provided for in subparagraphs 2), 3), and 4) of Article 22 of this Code;

2) for the exploration of solid minerals in subsoil plots with identified prospects based on the results of state geological study of the subsoil;

3) for the exploration of solid minerals in the territories of contracts for exploration, combined exploration and production of solid minerals that have been declared invalid, not extended, or prematurely terminated, except for the territories provided for in subparagraph 1) of this paragraph.

2. The territory of subsoil plots granted on the basis of an auction shall be determined in the state subsoil fund management program and formed in the procedure determined by the authorized body for subsoil study.

3. The territory of a subsoil plot granted for exploration operations for solid minerals on the basis of an auction shall not exceed two hundred blocks.

Article 221-2. Conducting an auction

1.The auction shall be conducted on the basis of a decision of the tender commission, the composition of which is approved by the competent authority.

The tender commission shall have the right to include in the auction conditions additional obligations under the license to be issued, in addition to the obligations provided for in Articles 191 and 208 of this Code, as well as additional grounds for revocation of the license or payment of a penalty for breach of additional obligations.

The procedure for conducting the auction and issuing the license based on the auction results for exploration or production of solid minerals shall be determined by the competent authority.

2. In addition to compliance with other requirements established by the rules for conducting the auction and issuing the license based on the auction results for exploration or production of solid minerals, applicants with professional and financial capabilities sufficient to cover the minimum costs of exploration or production operations for solid minerals during the first year of the license term shall be admitted to participate in the auction.

3. The announcement of the auction shall be published no earlier than two months before the date of its conduct.

The auction conditions shall provide for the starting amount of the signing bonus.

The winner of the auction shall be the participant who offered the highest amount of the signing bonus.

The auction results may be appealed in accordance with the legislation of the Republic of Kazakhstan no later than ten working days from the date of the auction.

4. Failure of the auction winner to pay the signing bonus shall result in the competent authority’s refusal to issue the subsoil use license to the auction winner and to persons directly or indirectly controlling the winner, as well as their exclusion from participation in auctions for the granting of subsoil use rights for a period of five years from the date of the auction.

During this period, such persons shall be prohibited from being granted permission for the transfer of subsoil use rights and/or objects associated with subsoil use rights upon their acquisition.

Article 221-3. Procedure and grounds for declaring an auction unsuccessful

1.The auction shall be declared unsuccessful if no applicant has registered by the date of the auction. In this case, the auction shall be subject to re-conducting no earlier than two months from the date of the auction.

2. If the auction is declared unsuccessful twice for subsoil plots provided for in subparagraph 1) of paragraph 1 of Article 221-1 of this Code, an auction providing for the issuance of an exploration license for solid minerals shall be held no earlier than two months from the date the auction is declared unsuccessful.

3. The auction territory shall be excluded from the state subsoil fund management program in the following cases:

1) if the auction for exploration is declared unsuccessful twice for subsoil plots provided for in subparagraphs 2) and 3) of paragraph 1 of Article 221-1 of this Code and paragraph 2 of this Article;

2) if the exploration territory is not included in the territory of exploration plots when an exploration license for solid minerals is issued based on the auction results.

4. Subsoil use rights for exploration operations for solid minerals in auction territories excluded from the state subsoil fund management program shall be granted in the procedure provided for in Article 189-1 of this Code.

Article 221-4. Invalidity of an auction

1.An auction for granting subsoil use rights for exploration or production of solid minerals may be declared invalid by a court at the request of a participant or the competent authority.

2. The grounds for declaring an auction invalid shall be:

1) violation of the auction procedure established by this Code, if such violation affected the determination of the auction winner;

2) establishing the fact that the person to whom a license for exploration or production of solid minerals was issued based on the auction submitted knowingly false information to the competent authority, and such information affected the authority's decision to admit that person to participate in the auction.

Article 221-5. Obligations for remediation of the consequences of subsoil use on the territory granted on the basis of an auction

1.If a license for exploration or production of solid minerals is issued for a subsoil plot based on the results of an auction, the person who was the holder of subsoil use rights under the terminated contract shall be obliged to transfer to the new subsoil user the funds or rights under the liquidation fund and other property formed for the remediation of the consequences of subsoil use under the terminated contract, within one month from the date of issuance of the relevant exploration or production license for solid minerals.

The obligations for remediation of the consequences of subsoil use operations on the relevant subsoil plot shall pass in full to the auction winner after the provision of security for remediation of the consequences of exploration or production of solid minerals in accordance with this Code.

If a license for exploration or production was not issued on the basis of the auction, the person who was the holder of subsoil use rights under the terminated contract or license shall

be obliged to remediate the consequences of subsoil use operations in the manner provided for by this Code.

2. The provisions of subparagraph 6) of paragraph 2 of Article 186 and subparagraph 4) of paragraph 2 of Article 203 of this Code shall not apply when issuing subsoil use licenses based on the results of an auction in accordance with this Article.

Chapter 29. Definition of retention status and the grounds for granting it

Article 222. The concept of retention status and the grounds for its granting

1. The retention status is recognized as a special legal regime for a subsoil plot under a license for the extraction of solid minerals, which provides for the right of the subsoil user not to start or suspend the extraction of solid minerals in the specified plot (or part thereof) on the terms and in the manner provided for by this Code.

The provisions of this chapter can be applied at any time during the term of the license for the extraction of solid minerals.

2. The assignment of a retention status to a subsoil plot exempts the subsoil user for the period of the retention status validity from the discharge of duty provided for by Article 210 of this Code, as well as related reporting obligations.

The assignment of the retention status of a subsoil plot part under a mining license entails a proportional decrease of a subsoil user obligations, provided for by subparagraph 2) of Article 208 of this Code.

3. The retention status is assigned for a period of up to five consecutive years with the possibility of its extension for a subsequent term of up to five years. The aggregate term of the retention status, taking into account its extension in relation to the subsoil plot under the license for the extraction of solid minerals, cannot exceed ten years.

4. The assignment of the retention status is confirmed by issuing the re-issued mining license to the subsoil user, indicating the area of the subsoil plot where the retention status applies, and the period of validity of such status.

5. The retention status is assigned if there is any of the following grounds:

1) extraction of identified mineral resources is unprofitable for the subsoil user due to unfavorable market conditions and tin the presence of reasonable grounds to believe that such mining may become profitable in the next five years;

2) the lack of technology that allows the extraction of solid minerals in accordance with the requirements of environmental safety;

3) the presence of insuperable force, that is, extraordinary and unavoidable circumstances under given conditions (natural catastrophe, military actions, etc.);

4) the entry into force of the court decision on the application of the rehabilitation procedure regarding subsoil user.

Footnote. Article 222 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 223. Procedure for granting retention status

1. The retention status is assigned at the request of the subsoil user or the rehabilitation manager.

2. The application shall indicate and describe the circumstances that are the basis for the subsoil user to apply for the assignment of the retention status.

3. Application shall be attached by:

1) documents confirming the circumstances provided for in sub-paragraphs 1 - 4) of paragraph 5 of Article 222 of this Code;

2) the work program approved by the subsoil user.

4. The competent authority shall consider the application and in the absence of grounds for refusing to assign retention status provided for in sub-paragraphs 1), 2) and 4) of paragraph 1 of Article 224 of this Code, and also after agreeing on the work program within ten business days from the date of the application receipt sends the applicant notification of the need to submit a conservation project.

The conservation project is developed in accordance with the environmental permit and submitted by the applicant to the competent authority no later than four months from the date of notification. The applicant has the right to apply to the competent authority for an extension of the specified period with justification for the need for such an extension.

The competent authority shall extend this period for a period not exceeding four months from the date of expiry of the period specified in part two of this paragraph, if the need for such an extension is caused by circumstances beyond the control of the applicant.

5. The competent authority assigns a retention status to the extraction site (its part) and issues a renewed license to the subsoil user no later than five business days from the date of the conservation project submission developed in accordance with the procedure provided for in Article 226 of this Code. The license, reissued in connection with the assignment to the mining site (its part) of the retention status, indicates the territory of this plot (its part) with the retention status.

Footnote. Article 223 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 224. Refusal to grant retention status

1. The competent authority refuses to assign to the mining site (its part) under a mining license for solid minerals the retention status if one of the following grounds exists:

1) the application or the documents attached to it do not comply with the requirements provided for by this Code;

2) Required by this Code documents are not attached to the application;

3) the applicant’s failure to comply with the deadline for submitting to the competent authority a conservation project developed in accordance with the procedure provided for in Article 223 of this Code;

4) the justifications provided by the subsoil user and the submitted documents are insufficient to confirm the existence of circumstances that constitute the ground for assigning the production site (its part) of the retention status to the production plot (its part).

2. The refusal to assign a retention status to the exploration site (its part) shall be made in writing, reasoned and issued to the applicant within the time limit stipulated for the assignment of the retention status.

3. The competent authority shall notify the applicant of the refusal to assign to the production site (its part) the retention status within two business days from the date of the decision made to refuse.

4. A refusal to assign a retention status to a mining site (its part) may be appealed by the applicant in accordance with the legislation of the Republic of Kazakhstan no later than ten business days from the date of the applicant notification of the refusal.

5. The refusal to assign to the extraction site (or part thereof) the retention status does not deprive the applicant of the right to reapplication.

Article 225. Work program on retention status

1. The work program is a document developed by a subsoil user in order to remove a extraction site (its part) from the retention status and resume the mining operations thereon.

2. Work program contains a description and timeline of:

1) conservation measures at the extraction site (its part), to which the retention status is assigned;

2) measures taken by the subsoil user to remove the extraction site (its part) from the retention status and the resumption of mining operations;

3) social and economic support measures that the subsoil user undertakes to take up in respect of workers employed in the extraction site (its part), to whom is assigned the retention status (transfer to another job (other area of the work), retraining with a purpose for training new specialties (professions), advanced training and others).

3. Instructions for developing a work program on retention status shall be approved by the competent authority.

Article 226. Conservation of subsoil plot

1. Conservation of a solid minerals production site is a set of measures taken during the temporary cessation of mining operations in the subsoil area in order to ensure that production facilities and other facilities can be brought to a condition suitable for their future operation when resuming mining operations, as well as reducing the harmful effects of hazardous production factors and the prevention of emergency situations.

2. Conservation of a subsoil plot is carried out in accordance with a conservation project developed on the basis of a work program agreed by the subsoil user with the competent authority.

3. The conservation project is developed in accordance with the environmental permit and is subject to agreement with the authorized body in the field of industrial safety.

4. Design and implementation of conservation is carried out by the subsoil user.

5. Conservation works shall be deemed completed after the conservation act is signed by the subsoil user and the commission established by the competent authority from representatives of the authorized bodies in the field of environmental protection and industrial safety, subsoil study, as well as the owner of the land plot or the land user, if conservation is carried out on a land plot in private ownership, or in permanent or long-term temporary paid land use.

Footnote. Article 226 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the date of its first official publication).

Article 227. Conditions for retention status

1. When the retention status is assigned to extraction site (its part), the production period for this subsoil plot (its part) is extended for the entire validity period of this status.

2. The subsoil user is obliged to use the subsoil plot that is in the retention status in accordance with the work program.

3. In the subsoil plot with the retention status, the subsoil user may conduct exploration of the resources of solid minerals, on condition that such exploration is provided for by the program of work.

4. excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Footnote. Article 227 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 228. Extension of retention status

1. The retention status is extended at the request of the subsoil user, submitted before the end of the retention status primary term.

2. The retention status is extended in the order provided for assigning the retention status to the subsoil plot. When extending the retention status, the project of conservation of the subsoil plot is not drawn up.

3. In the case of submission by the subsoil user of an application for extension of the retention status, the retention status continues to apply to the subsoil plot until the renewed license is issued to the subsoil user with an indication of the extended retention period.

Calculation of the retention status extension period starts from the day following the last day of the previous term of the retention status.

Article 229. Termination of retention status

1. The retention status validity terminates upon expiration of the term for which it was assigned, or early upon the request of the subsoil user.

2. An application for early termination of the retention status is submitted by the subsoil user to the competent authority in the case when the circumstances that were the basis for the assignment of the retention status ceased to exist.

3. Termination of the retention status constitutes the ground for renewal of the mining license and application to the subsoil user of the requirements of subparagraph 2) of Article 208 of this Code in full volume.

Article 230. Termination of retention status at the request of the competent authority

1. The competent authority may at any time after six months from the date of assignment of a retention status to a subsoil plot to request the subsoil user to submit documents confirming that the circumstances that were the basis for assigning retention status continue to exist.

The subsoil user is obliged to submit these documents no later than forty business days from the date of receipt of the notification. The applicant may apply to the competent authority for the extension of the specified period with justification for the need for such an extension. The competent authority may extend this period for a period not exceeding twenty business days, if the need for such an extension is caused by circumstances beyond the control of the subsoil user.

2. If, after reviewing the submitted documents, the competent authority determines that the circumstances that formed the basis for assigning the retention status ceased to exist or the documents were not submitted within the specified period, the competent authority notifies the subsoil user of the need to apply for termination of the retention status and resumption of operations on the extraction of solid minerals in the area of the subsoil, which is in the status of retention.

In this case, the application for termination of the retention status must be submitted by the subsoil user no later than twenty working days from the date of receipt of the notification from the competent authority.

If within the specified period the subsoil user does not apply for termination of the retention status, the competent authority withdraws the mining license in the way provided for in paragraph 6 of Article 221 of this Code.

Footnote. Article 230 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Chapter 30. PRODUCTION OF COMMONLY OCCURRING MINERALS

Article 231. Relations arising at production of commonly occurring minerals

1. The provisions of this chapter apply in cases of mining only the widespread minerals.

2. The provisions of Chapter 28 shall apply to relations arising from operations for the extraction of exclusively common minerals, to the extent that they do not contradict the provisions of this Chapter, with the exception of subparagraph 9) of paragraph 3 of Article 204, Articles 212, 213, parts two and three of paragraph 3 Article 215 of this Code. At the

same time, regulation and state control over operations for the extraction of exclusively common minerals and control over compliance with the conditions of licenses for the extraction of common minerals are carried out by the relevant local executive body of the region, city of republican significance, the capital.

If the territory of a site for extraction of common minerals is located in two or more regions of the Republic of Kazakhstan, regulation and state control over operations for the extraction of common minerals and control over compliance with the terms of licenses for the extraction of common minerals are carried out by the local executive body of the region that accounts for most of the territory of the mining site.

Footnote. Article 231 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 232. Production of commonly occurring minerals for entrepreneurial purposes

1. Extraction of exclusively widespread minerals for entrepreneurial purposes is carried out under a license to extract widespread minerals.

2. Under the license for the extraction of widespread minerals, its holder has the exclusive right to use a subsoil plot for the following operations:

1) mining of widespread minerals;

2) use of the plot space for the purpose of conducting mining operations, locating the mining and (or) mining and processing man-made mineral formations;

3) exploration of the extraction site (operational exploration).

Under the extraction of widespread minerals, the set of activities aimed and directly related to the separation and extraction of widespread minerals from their deposits are understood.

3. An application for issuing a license for the extraction of common minerals is submitted to the local executive body of the region. The consideration of the application and the issuance of a license are carried out by the local executive body of the region, city of republican significance, the capital in accordance with the provisions of Chapter 28 of this Code, taking into account the fact that, in order to comply with the requirements of paragraph 4 of this Article, the conclusion of the territorial subdivision of the authorized body for the study of subsoil is additionally attached to the application, confirming the absence in the declared area of subsoil resources of solid minerals that are registered with the state and are not common minerals.

If the territory of the subsoil plot requested by the applicant for use is located in the territories of two or more regions, cities of republican significance, the capital, an application for issue of license to extract common minerals is submitted to the local executive body of the region within which most of the territory of declared subsoil plot is located.

4. Issue of a license for extraction of widespread minerals is prohibited, except for the cases provided for by paragraph 2 of Article 203 of this Code, in areas with resources or with prospects for solid mineral resources other than widespread minerals.

Footnote. Article 232 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 233. Content of a licence for production of commonly occurring minerals

1. A license to extract the widespread minerals, apart from the information and conditions specified in Article 31 of this Code, shall contain the following conditions for subsoil use:

1) the obligation to pay a subscription bonus and a fee for use of land plots (rental payment) at the amount and under the procedure set out by the tax legislation of the Republic of Kazakhstan;

2) the size of the annual minimum costs of operations for the extraction of widespread minerals;

3) the grounds for recalling the license for violation of its terms.

2. The term of the license for extraction of widespread minerals is not more than ten consecutive years.

Article 234. Site for production of commonly occurring minerals

1. The territory of common minerals mining site is determined by the results of exploration.

2. The lower boundary of the common minerals mining site is located at a depth not lower than thirty meters from the lowest point of the earth's surface of the subsoil plot.

Article 235. Annual minimum expenses at a site for production of commonly occurring minerals

1. A subsoil user who holds a mining license for widespread minerals is obliged to comply with the requirements for annual minimum mining costs established by this article.

2. Annual minimum costs for the mining of widespread minerals are established under a separate license in the following amounts:

1160-time monthly calculation index for production at the area of up to five hectares;

2300-time monthly calculation index for production at the area from five to eight hectares inclusive;

120-time monthly calculation index for each additional hectare for production at the area of more than eight hectares.

3. For the purposes of this article, the costs of extraction of common minerals under a separate license include expenses of the subsoil user for the following types of work:

1) overburden removal, drilling and blasting and other works to extract commonly occurring minerals;

2) displacement of the extracted commonly occurring minerals, rocks, rock mass, soil and upper soil layers within the production site;

3) dumping and (or) storage of extracted widespread minerals;

4) all works on the construction of the mine and creation of infrastructure at the mining site.

Article 236. Reporting of the subsoil user at performance of operations for production of commonly occurring minerals

1. Under the license for the extraction of widespread minerals, the subsoil user is required to submit the following periodic reports:

1) a report on the execution of license obligations;

2) geological reports - in the case of exploration at the production site;

3) a report on the extracted widespread minerals.

2. The report provided for by sub-paragraph 1) of paragraph 1 of this article shall be submitted to the local executive body of the region, the city of republican significance, the capital in the manner determined by the authorized body in the field of solid minerals.

The reports provided for by sub-paragraphs 2) and 3) of paragraph 1 of this article shall be submitted to the relevant territorial unit of the authorized body for the study of the subsoil in the manner determined by the authorized body for the study of the subsoil.

Footnote. Article 236 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 237. Particularities of production of commonly occurring minerals for the purposes not related to entrepreneurial activity

1. Owners of land plots and land users may extract for personal, household and other economic needs not related to entrepreneurial activities the commonly occurred minerals within the boundaries of their land plots.

2. The widespread minerals in accordance with this article are extracted without the use of explosives, chemicals and poisonous substances.

3. Commonly occurring minerals located within the boundaries of a land plot and used by land owners or land users for personal, household and other needs not related to entrepreneurial activities may not be alienated to another person.

4. The use of subsoil by owners of land plots and land users in accordance with this article does not apply to subsoil use operations and is free of charge.

5. The right to use subsoil by owners of land plots and land users in accordance with this article arises and terminates simultaneously with the right of ownership or the right of land use to a land plot, respectively.

6. The right to use subsoil resources arising in accordance with this article is indivisible from the right to a land plot.

7. Subsoil use in accordance with this article does not require obtaining permission, reporting or other documents that are mandatory for persons using the subsoil under a license or subsoil use contract.

Chapter 31. TRANSFORMATION OF SUBSOIL PLOTS FOR EXPLORATION AND PRODUCTION OF SOLID MINERALS

Article 238. Concept and types of transformation

1. Transformation of subsoil plots provided for the exploration or extraction of solid minerals is a change in their territorial boundaries, produced by attaching one subsoil plot under one license to another subsoil plot (main plot) under another license or by separating one subsoil plot by one licenses of another plot (dedicated plot).

2. Transformation of subsoil plots is allowed provided that the user (users) of the converted subsoil plots is (are) one person (one persons).

3. Transformation of subsoil plots is carried out by the competent authority at the request of the subsoil user within one month from the date of filing the application.

Article 239. Consolidation of subsoil plots

1. The subsoil plots may be consolidated in the case of one mining plot merger into another mining plot of solid minerals.

2. Merger of one mining plot into another mining plot shall be carried out under the following conditions:

1) the mining plot under merger has an adjacent boundary with the main mining plot;

2) the main and merged mining plots are not assigned retention status either full or partial;

3) the license for the mining plot under merger is issued later than the mining license for the main plot;

4) there is a preliminary consent of the pledge holder to consolidation, if the subsoil use right under the mining license of the main or merged mining plot is burdened with a pledge;

5) there are no unfulfilled obligations under the licenses of the main and merged mining plots.

3. Validity of license for the main mining plot, with due regard to consolidation made, shall apply to the merged mining plot and the license of the merged mining plot shall be terminated. Merger of the mining plot into the main mining plot is made by amending the mining license for the main site.

Article 240. Allocation of the subsoil plot

1.The subsoil plot is allocated in the following cases:

1) allocations of a part of the subsoil plot under an exploration license;

2) the allocation of part of the subsoil plot under a mining license.

2. The subsoil plot is allocated under the following conditions:

1) the subsoil plot, for which the allocation is made, does not have retention status;

2) there is a preliminary consent of the pledge holder for the allocation, if the subsoil use right under the licence for the subsoil plot, for which the allocation is made, is encumbered with a pledge

3) under the license for the subsoil plot for which the allocation is made, there are no unfulfilled obligations;

4) the type of subsoil use operations in the allocated plot conforms to the type of subsoil use operations in the subsoil plot for which allocation is made.

3. The allocation of a subsoil plot is made by amending the license for the subsoil plot for which the allocation is made, and issuing a separate license for allocated subsoil plot.

4. The term of exploration license for the allocated subsoil plot is equal to the remaining term of exploration license for the subsoil plot for which a part of the lot was parcelled.

5. The term of mining license for the allocated plot is determined by the duration of the remaining term of the mining license for the subsoil plot for which a part of the site was allocated.

6. The transformation of subsoil plots by allocation of a plot entails revision and recalculation of the amount of obligations provided for in Articles 191 and 208 of this Code, in proportion to the size of the formed territories of subsoil plots.

Article 241. Application for the transformation of a subsoil plot

1. Application for transformation of a subsoil plot shall be made in the form established by the competent authority.

2. Application shall contain the following information:

1) reference to the method of transformation;

2) information about the subsoil user using transformed plots:

for individuals - surname, first name and patronymic (if specified in the identity document) of the applicant, place of residence, citizenship, information on the identity documents of the applicant, information on the registration of the applicant as a taxpayer;

for legal entities - name of the applicant, location, information on state registration as a legal entity and registration in the tax authorities, information about managers;

3)reference to licenses and subsoil plots to be transformed.

3. The application is submitted in the Kazakh and Russian.

4. The application shall be accompanied by a document confirming the authority of the person acting on behalf of the applicant when submitting the application, if such person is appointed by the applicant.

Documents attached to the application shall be executed in Kazakh and Russian. Copies of documents made in foreign language, attached to the application, are submitted with a translation into Kazakh and Russian the authenticity of which shall be notarized.

5. The issue on transformation of licensed plots is considered by the competent authority within thirty calendar days from the date of submission of the application separately for each case of such conversion.

6. The refusal of the competent authority to transform the subsoil plots shall be motivated and may be challenged by the applicant in the manner prescribed by the legislation of the Republic of Kazakhstan, within fifteen business days from the date of the notification of the refusal.

Chapter 32. AGREEMENT ON PROCESSING OF SOLID MINERALS

Article 242. Definition of an agreement on processing of solid minerals

1. The agreement on the processing of solid minerals is a contract under which the Republic of Kazakhstan undertakes to give preferences to the holder of the right (rights) of subsoil use for the extraction of solid minerals, and the subsoil user on his own hook undertakes to invest in a project for the processing of solid minerals (processing agreement).

A solid minerals processing project is a set of measures providing for the creation of new production facilities for the processing of solid minerals, as well as the creation of industrial, energy, and/or transport infrastructure directly related to such solid minerals processing production.

For subsoil users whose list is approved by the Government of the Republic of Kazakhstan, a solid minerals processing project is a set of measures providing for the creation of new, expansion, and/or modernization of existing solid minerals processing production facilities.

2. On behalf of the Republic of Kazakhstan, the processing agreement is concluded by the competent authority.

A processing agreement may be concluded for solid minerals processing projects in which the subsoil user's investment amount is at least 70,000,000 times the monthly calculation index established for the relevant financial year by the law on the republican budget and effective on the date of conclusion of the agreement.

3. The conclusion of a reprocessing agreement is not a condition for issuing a license to extract solid minerals.

4. For one and the same project for the processing of solid minerals or a production facility, only one processing agreement may be concluded.

Footnote. Article 242 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 30.12.2025 № 249-VIII (effective from 01.01.2026).

Article 243. Procedure for concluding an agreement on processing of solid minerals

1. A subsoil user who intends to conclude a processing agreement submits an application to the competent authority in the form approved by it.

2. The following is attached to the application:

1) certificate of state registration (re-registration) of the subsoil user as a legal entity;

2) a copy of the charter of the legal entity, certified by the signature of the head and the seal of the legal entity (if any);

3) financial and economic model of the processing project;

4) business plan for the processing project, drawn up in accordance with the requirements established by the competent authority;

5) a draft agreement on the processing of solid minerals.

3. The competent authority registers the application and notifies the applicant of the start date of negotiations, which cannot be later than one month from the date of receipt of the application.

4. Negotiations on the part of the competent authority are carried out by a working group. The regulation on the working group and its composition are approved by the competent authority.

5. The duration of negotiations cannot exceed six months. The results of the negotiations are documented in a protocol.

6. The subsoil user has the right to refuse negotiations and conclusion of a processing agreement at any time by notifying the competent authority in writing.

7. The draft processing agreement, agreed upon the results of the negotiations, is submitted to the competent authority for organizing the conduct of legal and economic expertise.

In case of positive expert opinions, the competent authority sends the draft processing agreement for approval to the Government of the Republic of Kazakhstan.

In case of negative conclusions of the examinations, the subsoil user finalizes the draft processing agreement in order to eliminate the remarks of the examinations.

After elimination of the specified remarks the expertise are carried out again.

8. Legal expertise is carried out by the Ministry of Justice of the Republic of Kazakhstan for compliance of the draft processing agreement with the requirements of the legislation of the Republic of Kazakhstan.

To conduct a legal expertise of a draft processing agreement, the competent authority submits the following documents to the Ministry of Justice of the Republic of Kazakhstan:

1) a draft processing agreement in the Kazakh and Russian languages, agreed on the results of the negotiations;

2) the documents specified in subparagraphs 1) and 2) of paragraph 2 of this article;

3) a copy of the protocol on the results of negotiations on the terms of the processing agreement.

9. Economic expertise is carried out by the authorized body in the field of state planning to assess the economic efficiency and feasibility of concluding a processing agreement, the validity of the planned investments and costs of the subsoil user in the implementation of the processing project, the social significance of the project.

To conduct an economic expertise of the draft processing agreement, the competent authority submits the following documents to the authorized body in the field of state planning:

1) a draft processing agreement in the Kazakh and Russian languages, agreed on the results of the negotiations;

2) documents specified in subparagraphs 3) and 4) of paragraph 2 of this article;

3) a copy of the protocol on the results of negotiations on the terms of the processing agreement.

10. The examinations provided for by this article are carried out within thirty calendar days from the date of receipt of the relevant documents necessary for the expertise.

11. The draft processing agreement, which has received positive expert opinions, is sent for approval to the Government of the Republic of Kazakhstan within five working days from the date of the expert opinions.

12. The processing agreement is subject to signing by the competent authority no later than five working days from the date of approval of its draft by the Government of the Republic of Kazakhstan.

13. The processing agreement is considered concluded after it is signed by all parties.

14. The processing agreement is subject to registration by the competent authority in the register of concluded processing agreements.

Footnote. Article 243 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 244. Content of the agreement on processing of solid minerals

1. Agreement on processing shall contain:

1) the subject of the agreement;

2) reference to the document on the basis of which the subsoil use right is granted for the extraction of solid mineral resources held by the subsoil user;

3) investment and social obligations of the subsoil user;

4) type of investment preference(s) granted in accordance with the tax legislation of the Republic of Kazakhstan;

5) the term of application of the provided investment preference;

6) obligations for the decommissioning of industrial property created, expanded or upgraded in accordance with the agreement, its dismantling, disposal and reclamation of disturbed lands;

7) liability for violation of the terms of the processing agreement.

2. The law applicable to the processing agreement is the legislation of the Republic of Kazakhstan.

3. The agreement on processing may provide for other conditions on the minimum costs of extraction and the obligations of the subsoil user to finance training, scientific research and design and experimental activities in the Republic of Kazakhstan than provided for by this Code and the license (licenses) for the extraction of solid minerals.

Amendment or exclusion of these conditions entails a corresponding reissue of the license at the date of the execution of agreement on processing.

4. The processing agreement may also contain other provisions determined by the parties.

5. The agreement on processing may not contain provisions on the granting and termination of the right to use subsoil.

6. The term of the reprocessing agreement may not exceed the term of the mining license provided for in such an agreement. If the agreement refers to two or more licenses for the extraction of solid minerals, then the term of the agreement ends at the latest date of expiration of the term of one of them.

Termination of a license (all licenses) for the extraction of solid minerals, provided for in the processing agreement, shall terminate this agreement.

7. Agreement on processing should be drawn up in the Kazakh and Russian languages. By agreement of the parties, the text of the processing agreement may also be translated into another language.

8. To the relations on conclusion, execution and termination of an agreement on processing the civil legislation of the Republic of Kazakhstan is applied in cases not regulated by this chapter.

Footnote. Article 244 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 01.01.2026).

Article 245. Investment preferences under the agreement on processing of solid minerals

1. Investment preferences are granted to a subsoil user engaged in the extraction of solid minerals, who is a legal entity established in the Republic of Kazakhstan, when implementing a project for the processing of solid minerals within the territory of the Republic of Kazakhstan. In this case, the decision of the Government of the Republic of Kazakhstan specifies the investment preferences provided under the legislation of the Republic of Kazakhstan, ensuring guarantees of stability for the granted investment preferences in the event of changes to the legislation of the Republic of Kazakhstan.

2. Investment preferences are granted on the principles of reciprocity, which may provide for social and investment obligations of a subsoil user, including by:

1) the creation and preservation of jobs for citizens of the Republic of Kazakhstan in the extractive and (or) processing industries;

2) establishment of new production facilities for the processing of solid minerals, creation of production, energy, and/or transport infrastructure directly related to such mineral processing production;

2-1) establishment of new, expansion, and/or modernization of existing production facilities for the processing of solid minerals;

3) the volume and level of processing of solid minerals;

4) the volume of products manufactured for sale as raw materials in the domestic market in accordance with the Law of the Republic of Kazakhstan "On Industrial Policy";

5) financing of the programs of Kazakhstan educational institutions for the training of specialists in the scientific and technical area, the area of environmental protection and the area of applied sciences;

6) financing of construction and (or) reconstruction of social and (or) cultural objects.

Footnote. Article 245 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (effective from 01.01.2026).

Article 246. Consequences of termination of the agreement on processing of solid minerals

Termination of a reprocessing agreement that provides for a change or exclusion of the obligations of a subsoil user for the minimum costs of mining solid minerals and / or

obligations to finance training, scientific and research, design and experimental activities for a mining license, entails the application of the license conditions in force prior to the conclusion of this agreement.

Termination of the processing agreement also entails the termination of the granted investment preferences.

Article 247. Assignment of rights and obligations under the agreement on processing of solid minerals

1. Assignment by the subsoil user of the rights and obligations under the processing agreement without a corresponding transfer of the subsoil use right under the license on the basis of which the said agreement is concluded is prohibited.

2. Transfer of a subsoil use right under a license, on the basis of which an agreement on reprocessing has been concluded, entails an obligatory assignment of rights and obligations under this agreement.

Article 248. Encumbrance of rights under the agreement on processing of solid minerals

1. Encumbrance of the rights under processing agreement, including a pledge, without encumbering a subsoil use right under a license on the basis of which the said agreement is concluded is not allowed.

2. The encumbrance of a subsoil use right, including a pledge, under a license, on the basis of which a reprocessing agreement is concluded, entails the obligatory encumbrance of rights under this agreement.

Section X. USE OF SUBSOIL SPACE, ARTISANAL MINING, FINAL AND TRANSITIONAL PROVISIONS Chapter 33. OPERATIONS ON THE SUBSOIL SPACE USE

Article 249. Subsoil space use licence

Under a license to use the subsoil space, its owner has the exclusive right to use a subsoil block in order to conduct one of the following subspecies of operations:

1) placement and operation of underground storage facilities for oil and gas, gas and oil products at a depth below five meters from the earth's surface;

2) placement and (or) operation of underground sites (facilities) for the storage or disposal of solid, liquid and radioactive waste, harmful toxic substances, discharge (injection) of waste , industrial and manufacturing waters into the subsoil;

3) water injection into the subsoil for artificial replenishment of groundwater reserves, including the construction and (or) operation of underground facilities intended for these purposes;

4) placement and (or) operation of facilities for the placement of man-made mineral formations of the mining and (or) mining and processing industries.

Footnote. Article 249 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 250. Territories for the subsoil space use

1. A license for the subsoil space use is issued for the use of a subsoil plot that does not contain a mineral deposit or contains insignificant mineral resources other than widespread minerals.

2. Issue of a license for the subsoil space use is prohibited:

1) in the cases provided for by paragraph 2 of Article 25 of this Code;

2) on the territory of a subsoil plot that is in use with another person for conducting exploration or mining operations or operations for the use of subsoil space;

3) on the territory of the subsoil plot where mitigation of the consequences of exploration or mining operations is being liquidated;

4) on subsoil plots with identified mineral resources or prospects thereof, with the exception of widespread minerals;

5) on the territory of the plot of drinking and groundwater.

Article 251. Application for issue of a subsoil space use licence

1. A person interested in obtaining a license for the use of a subsoil space shall submit to the authorized body for the study of subsoil an application in the form established by it.

2. Application shall contain the following information:

1) for individuals–surname, first name and patronymic (if specified in the identity document) of the applicant, place of residence, citizenship, information on identity documents of the applicant;

for legal entities - the name of the applicant, location, information on state registration as a legal entity (extract from the trade register or other legalized document certifying that the applicant is a legal entity under the laws of a foreign state);

2) an indication of the territory defining the relevant subsoil plot, which the applicant asks for use;

3) reference to the period of use at the request of subsoil plot;

4) indication of the purpose of the subsoil space use in article with Section 249 of this Code.

3. The documents attached to the application are:

1) copies of the documents confirming the information provided for in subparagraph 1) of paragraph 2 of this article;

2) document confirming the authority of the person acting on behalf of the applicant when submitting the application, if such person is appointed by the applicant;

3) the geological report in the form determined by the authorized body for subsoil study, containing the characteristics of the object of the underground structure, the characteristics of its insulation, the type of rocks, the depth of occurrence and the effective thickness of the reservoir, its area, the porosity coefficient, the characteristics of the underlying and overlapping water resistance, the speed of natural flow of underground water, qualitative and quantitative indicators, mining engineering, special engineering geological, hydrogeological and ecological conditions of placement, storage and discharge;

4) characterization of harmful, toxic substances, solid and liquid wastes, waste and industrial waters, indicating the name of the product, technical production or the process in which it is formed, its physical characteristics, full chemical composition, content of toxic components, fire hazard, explosion hazard, solubility, compatibility with other substances during storage, the main polluting radionuclides, their activity, as well as the characteristics of the transportation system.

4. Copies of the documents attached to the application shall be notarized.

5. The application and the documents attached to it shall be made in the Kazakh and Russian languages. If the application is submitted by a foreigner or a foreign legal entity, the documents attached to the application can be drawn up in another language with a mandatory attachment to each document of translation into Kazakh and Russian languages, whose loyalty is certified by a notary.

6. The time of filing an application is determined by the date and time of receipt of the application to the authorized body for the study of the subsoil and is subject to registration.

7. Information about the submitted application is posted on the unified subsoil use platform on the day the application is submitted and includes:

1) name (surname, first name, patronymic (if indicated in the identity document) of the applicant;

2) coordinates of the territory determining the subsoil plot, which the applicant requests for use;

3) date and time of the application receipt.

Footnote. Article 251 as amended by the Law of the Republic of Kazakhstan dated 30.12.2025 № 249-VIII (shall enter into force upon the expiration of sixty calendar days after the day of its first official publication).

Article 252. Consideration of an application for a licence for the subsoil space use

1. The authorized body for the study of subsoil proceeds to the consideration of the application and the attached documents within three business days from the date of receipt.

In the process of reviewing the application, the authorized body for the study of the subsoil organizes the state examination of the geological report attached to the application. The state expertise of the geological report is carried out within two months by the state commission for the examination of the subsoil in the manner determined by the authorized body for the study of the subsoil. This period may be extended by the state commission for the examination of the subsoil for the period necessary for carrying out additional studies, submitting the necessary materials and eliminating preliminary remarks and suggestions from members of the commission, but for no more than six months. The negative conclusion of the state examination of the geological report is the basis for the refusal to issue a license to use the subsoil space.

In the case of a positive conclusion of the state examination and in the absence of grounds for refusing to issue a license for the use of the subsoil space, provided for in sub-paragraphs

1) - 7) of paragraph 1 of Article 254 of this Code, the authorized body for the study of subsoil within three business days from the date of the state commission on examination of the subsoil positive conclusion sends to the applicant a notice of the need to prepare a project for the exploitation of the subsoil space and a liquidation plan, as well as for conducting expert examinations on them harmonization provided for in this chapter.

Positive conclusions of examinations and coordination of the project for the exploitation of the subsoil space and the liquidation plan shall be submitted by the applicant to the authorized body for subsoil study no later than one year from the date of the notification provided for in part three of this paragraph.

The applicant may apply to the authorized body for the study of the subsoil for the extension of the specified period with justification for the need for such an extension. The authorized body for the study of subsoil extends this period for a period not exceeding six months from the date of expiry of the period specified in part four of this paragraph, if the need for such an extension is caused by circumstances beyond the control of the applicant.

2. The authorized body for the study of subsoil issues to the applicant a license to use the subsoil space within five business days from the date of submission of positive conclusions from examinations of the project for the exploitation of the subsoil space and the liquidation plan subject to the deadlines provided for in paragraph 1 of this article.

3. The issue of a license to use the subsoil space is the basis for granting the subsoil user by the local executive body of the region the right of land use rights to the land plot in accordance with the land legislation of the Republic of Kazakhstan.

4. For the purposes of this article, the preparation, submission and expertise of a liquidation plan is required in cases provided for in Article 260 of this Code.

Article 253. Priority of issue of subsoil space use licences

1. Applications for the issue of licenses for the use of the subsoil space submitted to the authorized body for the study of the subsoil, including the same territory, are considered in the order of their receipt.

2. The next application is considered only after a decision is taken to refuse to issue a license for the previous application considered.

Consideration of the next application begins after ten business days from the date of the decision to refuse to issue a license for the previous application considered.

If the decision to refuse was appealed by the applicant to the court, the question of the consideration of the next application is decided by the authorized body for the study of the subsoil after the court decision enters into force.

3. A license for the use of a subsoil space is issued to an applicant whose application is the first among the considered applications that meets the requirements of this Code.

4. According to the applications received after the application for which the decision to issue a license was taken, a decision is taken to refuse to issue licenses.

Article 254. Refusal to issue a subsoil space use licence

1. The authorized body for the study of the subsoil refuses to issue a license to use the subsoil space in the presence of one of the following reasons:

1) the application or the documents attached to it do not comply with the requirements provided for by this Code;

2) required by this Code documents are not attached to the application;

3) the requested subsoil plot or its part relates to a subsoil plot that is in use by another person under a license to use the subsoil space;

4) the requested subsoil plot does not meet the requirements of paragraph 1 of Article 250 of this Code;

5) the requested subsoil plot is fully or partially located in the territories specified in paragraph 2 of Article 250 of this Code;

6) the issue of a license entails a threat to national security;

7) in accordance with the conclusion of the examination of the geological report attached to the application, it has been established that according to its geological and (or) geotechnical characteristics the requested subsoil plot is not suitable for conducting operations on the use of the subsoil space for the purposes specified in the application;

8) if the applicant fails to comply with the deadline for submitting to the authorized body for the study of the subsoil of the required positive conclusions of examinations and approval of the project for the exploitation of the subsoil space and the liquidation plan.

2. Refusal to issue a license shall be made in writing, reasoned and issued to the applicant within the time limits provided for the consideration and issue of the license.

The refusal to issue a licence under sub-paragraph 6) of paragraph 1 of this Article shall be made without specifying the grounds serving as the basis for such a refusal.

Refusal to issue a license may be appealed by the applicant in accordance with the legislation of the Republic of Kazakhstan no later than ten business days from the date of the decision to refuse.

3. Refusal to issue a license does not deprive an applicant of the right to re-submit an application.

Article 255. Content of a subsoil space use licence

A license to use the subsoil space besides the information and conditions specified in Article 31 of this Code shall contain the following conditions for the use of subsoil resources:

1) the obligation to pay the subscription bonus and pay fees for the use of land plots (rental payments) in the amount and manner established by the tax legislation of the Republic of Kazakhstan;

2) the target purpose of the use of the subsoil space in accordance with Article 249 of this Code;

3) grounds for recall of a licence for breach of obligations.

Article 256. Term of a subsoil space use licence

1. The term of a license for the use of subsoil space cannot exceed twenty-five consecutive years.

The license period may be extended at the request of the subsoil user for a period not exceeding the initial term of the license.

The number of renewals of the license is not limited.

2. An application for renewal shall be submitted to the authorized body for the study of the subsoil in the form approved by it no earlier than one year before the expiration of the license.

If during the consideration of the application for renewal of a license has expired, the license continues to be valid during the period of such consideration. The calculation of the term of renewal of a license begins on the day following the end of the previous term.

3. The term of the license for the use of subsoil space cannot be extended in the event of:

1) if the announced extension period does not comply with the provisions of paragraph 1 of this article;

2) breach of the deadline for submission of an application for the renewal of a license provided for by paragraph 2 of this article;

3) if there are breaches of the license terms not eliminated yet.

Article 257. Project for exploitation of subsoil space

1. The project document for the use of subsoil space is a project for the exploitation of a subsoil space, which defines the conditions for the use of the subsoil space.

2. The project for the exploitation of the subsoil space, as well as the changes made to it, are subject to sanitary and epidemiological expertise and coordination with the authorized body in the field of industrial safety. The subsoil user has the right to carry out operations on the use of subsoil space only in case of obtaining an appropriate environmental permit, a positive conclusion of the sanitary and epidemiological examination and agreement on the project for exploiting the subsoil space or, accordingly, changing it.

3. The instruction for drawing up a project for the exploitation of a subsoil space is developed and approved by the authorized body for the study of the subsoil in coordination with the authorized body in the field of environmental protection.

Footnote. Article 257 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 258. Procedure for performance of subsoil space use operations

1. A subsoil user who holds a license to use a subsoil space is required to submit reports on the operation of an underground structure to the authorized body for the study of subsoil in the manner and time provided for by this Code.

2. All works on the use of subsoil space shall be documented. The documentation should contain a description of the work necessary for reliable study and subsequent cultivation of the subsoil site.

3. When conducting operations on the use of subsoil space, the subsoil user is obliged to ensure:

1) optimality and safety of the applied technical facilities;

2) protection of the subsoil against the manifestations of hazardous man-made processes;

3) reliable accounting during storage and (or) disposal of solid, liquid and radioactive waste, harmful toxic substances, discharge (injection) of waste, industrial and manufacturing water;

4) reliability and safety of all primary and secondary geological information obtained in time of using subsoil space, including data from laboratory experiments and analyzes.

4. The volume of extracted rock mass, soil and (or) soil moved during operations for the use of subsoil space is not limited if it meets the requirements of environmental and industrial safety.

Extracted rock mass and soil can be used solely for the purpose of erecting and operating structures, devices and other objects that ensure the use of subsoil space.

Footnote. Article 258 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 259. Mitigation of the consequences of subsoil space use

1. Mitigation of the consequences of operations on the subsoil space use, other than the effects provided for in Article 260 of this Code, shall be carried out by reclaiming fault lands in accordance with the Land Code of the Republic of Kazakhstan.

2. A person the subsoil use right of which is terminated in the relevant subsoil plot is obliged to proceed with liquidation within a period not later than eight months from the date of such termination. man-made mineral formations located on the territory of the subsoil space as a result of mining or ore-dressing production are recognized as included in the composition of the subsoil as their resources from the date of termination of the license and are subject to liquidation in accordance with this article.

3. Mitigation of the consequences on a part of a subsoil space plot, which the subsoil user has refused in accordance with the provisions of Article 261 of this Code, shall be carried out before such a refusal. The use of such a part of the plot in the period after the completion of the liquidation and before excluding it from the license to use the subsoil space is not allowed .

4. Liquidation of the consequences of operations on the use of subsoil space at the site of use of subsoil space (its part) is considered completed from the date of signing the act of liquidation. The liquidation act is signed by a commission established by the relevant local executive body of the region, city of republican significance, or the capital, consisting of its representatives and representatives of the authorized bodies for subsoil study, environmental protection, industrial safety, the state body in the field of sanitary and epidemiological welfare of the population, and the subsoil user (the person whose subsoil use right has been terminated, if any). If the liquidation is carried out on a land plot that is in private ownership,

permanent or long-term temporary paid land use, the act of liquidation is also signed by the owner of the land plot or land user.

5. Completion of mitigation of the consequences of operations on the use of the subsoil space is the basis for entering relevant information into the unified cadastre of the state subsoil fund.

Footnote. Article 259 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the day of its first official publication).

Article 260. Particularities of planning and maintaining works on elimination of consequences of certain operations on the subsoil space use

1. Mitigation of the consequences of operations on the use of the subsoil space in order to locate and (or) operate facilities for the placement of man-made mineral formations of the mining or mineral processing industry is carried out in accordance with the liquidation project developed on the basis of the liquidation plan provided for by paragraph 3 of this article.

2. The subsoil user is obliged to ensure the development and approval in accordance with the legislation of the Republic of Kazakhstan on architectural, city-planning and construction activities in the Republic of Kazakhstan on a project to eliminate the effects of the deployment and operation of objects of man-made mineral formations of the mining or mining and processing industry two years before expiration license.

If the license for the subsoil space use has been terminated due to other reasons, the person whose subsoil use right is terminated is obliged to ensure the development and approval of the liquidation project no later than eight months from the date of the license termination.

3. For the purposes of this article, the plan for mitigation of the consequences of the subsoil space use is a document containing a description of measures to maintain the subsoil plot use in a safe condition in the event of license revocation, liquidation of objects for placing man-made mineral formations of the mining or ore-dressing production, and an approximate cost of work on such liquidation.

4. The liquidation plan is drawn up with the involvement of a person who has a license to perform work and provide services in the field of environmental protection, and is approved by the subsoil user. The liquidation plan is subject to an industrial safety expertise in accordance with the legislation of the Republic of Kazakhstan on civil protection, and after it is carried out, to a state environmental expertise in accordance with the environmental legislation of the Republic of Kazakhstan.

5. The subsoil user is obliged to make changes to the liquidation plan, including making changes to the calculation of the cost of liquidation work, no later than three years from the date of receipt of the last positive conclusions of the industrial safety and state environmental expertise.

6. The placement and (or) operation of objects of techno-genic mineral formations of mining or ore-dressing production, the elimination of the consequences of which is not provided for by the liquidation plan, which received positive conclusions from the industrial safety and state environmental expertise, are prohibited.

7. The liquidation plan and an approximate calculation of the cost of liquidation of the effects of operations on the use of the subsoil space for the storage and disposal of man-made mineral formations of the mining and processing or mining production shall be drawn up in accordance with paragraph 4 of Article 217 of this Code.

8. The subsoil user is entitled to begin operations to use the subsoil space to locate and (or) operate objects of man-made mineral formations of the mining or mineral processing industry, upon condition provided enforcement of obligations to eliminate the consequences of such operations.

9. Ensuring of fulfillment of the obligations of a subsoil user under liquidation may be provided in any form provided for by this Code, with the compliance following conditions: during the first third of term of the license for the use of the subsoil space, the guarantee in the form of a second-tier bank guarantee or bank deposit shall be at least forty percent of the total amount of security, during the second third of the term - at least sixty percent, and in the remaining period one hundred percent.

10. The amount of the security must cover the total estimated cost of work to eliminate the consequences of the operations performed and operations planned for the next three years from the date of receipt of the last positive conclusions of the industrial safety review and the state environmental expertise of the liquidation plan.

The cost of these works shall include administrative and management expenses, as well as expenses:

dismantling and removal of technological equipment, buildings and structures;

on the closure of facilities for the placement of man-made mineral formations (storages, dumps and other locations);

disposal of hazardous materials;

for reclamation of disturbed lands;

for restoration of the bed of river, streams and watercourses;

for monitoring of the quality of surface and groundwater, air, soil condition and vegetation.

11. The placement and (or) operation of the placing facilities for man-made mineral formations of the mining or mining and processing industry, the elimination of which is not ensured in accordance with the requirements of this Code, is prohibited.

Footnote. Article 260 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 261. Relinquishment of the subsoil plot provided for the subsoil space use

1. At any time before the expiration of the license for the use of a subsoil space, a subsoil user has the right to refuse the entire plot, in writing declaring such a refusal to the authorized body for the study of subsoil.

2. In case of refusal of a part of a subsoil space plot, the subsoil space plot that remains in use shall comply with the provisions of Article 19 of this Code.

3. Application for refusal of a part of a subsoil space plot shall contain an indication of the territory of the subsoil plot to be excluded from the license for the use of a subsoil space.

The application shall be accompanied by:

1) certificate on mitigation of the consequences of operations on the subsoil space use in the subsoil plot, a part of which is relinquished by the subsoil user;

2) description of the territory of the subsoil plot, part of which the subsoil user refuses, with calculations (sizes) of the area and the geographic coordinates of the corner points;

3) description of the territory of the subsoil space formed after the refusal of a part of the subsoil plot, with calculations (sizes) of the area and geographic coordinates of the corner points, attached map of the location of the plot, made on a scale, providing visibility, overview (situational) diagram, and surface topographic map.

4. Refusal of a part of a subsoil space area entails re-issue of a license to use subsoil space .

5. The refusal of a subsoil plot provided for the use of the subsoil space is the basis for entering information about the relevant subsoil plot into the unified inventory of the state subsoil fund.

Article 262. Revocation of a subsoil space use licence

1. A license to use the subsoil space is subject to revocation by the authorized body for the study of subsoil in cases of violation of the license conditions provided for in Article 255 of this Code, as well as the prohibition of activities stipulated by the environmental legislation of the Republic of Kazakhstan.

2. If a violation of the license conditions is detected, the authorized body for the study of the subsoil shall notify the subsoil user in writing.

The subsoil user is obliged to eliminate the breach and notify the authorized body for the study of the subsoil in writing with the documents confirming the elimination of the violation, within three months from the date of receipt of the notification of the violation.

In case of the failure to eliminate the breach within the prescribed period, the authorized body for the study of the subsoil shall revoke the license in accordance with paragraph 3 of this article.

3. The license is revoked by the authorized body for the study of the subsoil by sending a written notice to the subsoil user about the revocation of the license.

The license expires after three months from the date of receipt by the subsoil user of a license revocation notice.

4. The subsoil user may challenge the revocation of the license in the procedure prescribed by the legislation of the Republic of Kazakhstan, within fifteen business days from the date of receipt of the notice of revocation of the license. During the period of such challenge, the time period specified in paragraph 3 of this article shall be extended until the entry into force of the decision made on the basis of the results of the challenge.

5. License revocation is not allowed if failure to perform or improper performance of obligations constituting the ground for license revocation, occurred due to force majeure, that is, extraordinary and unavoidable circumstances under given conditions (natural phenomena, military actions, etc.). Such circumstances do not include the lack of technical and / or financial resources by the subsoil user or the absence of the necessary goods, works or services on the market.

6. A person the license of which has been revoked in accordance with this article shall immediately cease subsoil use operations and begin work on maintaining the subsoil plot in a safe condition.

7. The revocation of a license for the use of a subsoil space is the basis for entering information about the relevant subsoil plot into a single cadaster of the state subsoil fund.

Chapter 34. ARTISANAL MINING

Article 263. Artisanal mining licence

1. Under an artisanal licence, its owner has the exclusive right to use a subsoil plot for operations on the artisanal mining of precious metals and precious stones at alluvial and man-made deposits (dumps and stockpiled waste from mining and metallurgy) carried out manually or using means mechanization and other low-power equipment, including stripping work, sand and soil washing operations, and other related works.

The list of specified precious metals and precious stones is established by the Law of the Republic of Kazakhstan "On precious metals and precious stones".

2. Only citizens of the Republic of Kazakhstan can be holders of licenses for artisanal mining.

3. One person may have only one artisanal mining license.

4. The transfer or encumbrance of a subsoil use right (an interest in a subsoil use right) under prospecting license is prohibited.

Article 264. Territories for artisanal mining

1. A prospecting license shall be issued in the territories determined by the local executive bodies of the oblasts in coordination with the territorial bodies of the authorized body in the field of environmental protection, territorial units of the authorized body for the study of mineral resources, basin water inspectorates for the protection and regulation of the use of water resources.

2. Artisanal mining licenses are not issued for:

1) specially protected natural territories with the status of a legal entity and their protected zones;

2) the territory of the lands for health-improving, recreative, historical and cultural purposes;

3) the territory of land for the needs of space activities, defense and national security;

4) territories of residential places and territories adjacent to them at a distance of one thousand meters;

5) land territories intended for burial grounds, graves and cemeteries, and territories within which underground structures are located that are not related to the exploration and mining of mineral resources;

6) territories of geological and mineralogical state natural reserves.

3. Artisanal mining on land plots owned by private owners or land users, as well as on the territory of subsoil plots used by other persons, shall be carried out only with their consent.

Footnote. Article 264 as amended by the Law of the Republic of Kazakhstan dated 09.04.2025 № 180 (to be enacted sixty calendar days after the date of its first official publication).

Article 265. issue of an artisanal mining licence

1. A person interested in obtaining a license for artisanal mining, submits to the local executive body of the region a written application in the form approved by the authorized body in the field of solid minerals.

2. Application shall contain the following information:

1) surname, name, patronymic (if indicated in the identity document) of the applicant, place of residence, data on identity documents of the applicant;

2) reference to the territory defining the area of prospecting, which the applicant asks to provide for use, in scale with the geographic coordinates of the corner points and an indication of the total area.

3. The documents attached to the application are:

1) copies of the documents confirming the information provided for in subparagraph 1) of paragraph 2 of this article;

2) excluded by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (effective from 01.03.2021);

3) a document confirming the authority of the person acting on behalf of the applicant when submitting the application, if such a person is appointed by the applicant;

4) a document approved by the applicant and containing a list of the means of mechanization and equipment that are planned to be used during the prospecting, as well as a description of the types and methods of the prospecting activities that are planned to be carried out at the prospecting plot;

5) the consent of the land user or private owner of the land plot, as well as the user of the subsoil plot in whose territory the application is submitted in accordance with this paragraph;

6) a mining plan, if the applicant intends to use mechanization during the first year of the mining license.

4. Copies of the documents attached to the application shall be notarized.

5. The application and the documents attached to it shall be made in the Kazakh and Russian languages.

6. The time of filing an application is determined by the date and time the application is received by the local executive body of the region and is subject to registration.

7. Information about the submitted application is posted on the unified subsoil use platform on the day the application is submitted and includes:

1) name (surname, name, patronymic (if indicated in the identity document) of the applicant;

2) the coordinates of the territory determining the subsoil plot, which the applicant requests for use;

3) date and time of the application receipt.

8. The local executive body of the region shall consider the application within seven business days from the date of its receipt and issue a license or refuse to issue it.

9. A person who has received a license for artisanal mining is obliged to pay a subscription bonus in the amount, in the way and time specified by the tax legislation of the Republic of Kazakhstan.

10. The procedure for submitting and considering applications for the issuing of licenses for artisanal mining is determined by the authorized body in the field of solid minerals.

Footnote. Article 265 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021); dated 30.12.2025 № 249-VIII (effective upon the expiration of sixty calendar days after the day of its first official publication).

Article 266. Priority of the issue of artisanal mining licences

1. Applications for the issuing of licenses for artisanal mining, filed with the local executive body of the region, including the same territory, are considered in the order of the order of receipt of applications.

2. The local executive body of the region starts consideration of the next application only after a decision is taken to refuse to issue a license for the previously considered application.

Consideration of the next application begins after ten business days from the date of the decision to refuse to issue a license for the previous application considered.

If the decision to refuse was appealed by the applicant to the court, the question of consideration of the next application is decided by the authorized body for the study of the subsoil after the court decision enters into force.

3. A license for artisanal mining is issued to an applicant whose application is the first among the considered applications that meets the requirements of this Code.

4. According to the applications received after the application on which the decision to issue a license was taken, a decision is taken to refuse the issue of license.

Article 267. Refusal to issue an artisanal mining licence

1. The local executive body of the region refuses to issue a license if one of the following reasons exists:

1) the application or the documents attached to it do not comply with the requirements provided for by this Code;

2) Required by this Code documents are not attached to the application;

3) within two years prior to the submission of the application, the applicant has withdrawn the license for prospecting on the grounds provided for by this Code;

4) the requested territory or its part relates to a subsoil block under a permit for prospecting issued to another person, or to a territory in respect of which the issue of a permit for artisanal mining is prohibited in accordance with this Code;

5) within one year prior to the submission of the application, the license for artisanal mining, previously issued to the applicant in respect of the requested subsoil plot (its part), was terminated;

6) the territory of the requested prospecting plot does not meet the requirements of Section 269 of this Code.

2. Refusal to issue a license shall be made in writing, reasoned and issued to the applicant within the time limits provided for the consideration and issue of a license for artisanal mining.

Refusal to issue a license may be appealed by the applicant in accordance with the legislation of the Republic of Kazakhstan no later than ten business days from the date of the decision to refuse.

4. Refusal to issue a license does not deprive the applicant of the right to reapplication.

Article 268. The term of an artisanal mining licence

1. A license for artisanal mining is issued for a period of three years. The indicated period shall be extended once for three years at the request of the license holder.

2. The local executive body that issued the artisanal mining license refuses to extend its validity period if, at the date of consideration of the application, the boundaries of the prospecting plot are fully located within the territory of the subsoil plot provided for use to another person under a subsoil use contract or under a subsoil use license, issued by the competent authority.

The provisions of this paragraph shall not apply if the artisan miner has obtained the consent of such a person to continue the artisanal mining.

Article 269. Artisanal mining site

1. The boundaries of the artisanal mining site shall comply with the requirements of paragraph 3 of Article 19 of this Code.

2. The area of prospecting plot should be not less than five hundred square meters and not more than five hectares.

Article 270. Content of an artisanal mining licence

A license for artisanal mining, besides the information and conditions specified in Article 31 of this Code, shall contain the following conditions for subsoil use:

1) the obligation to pay the subscription bonus in the amount and way established by the tax legislation of the Republic of Kazakhstan;

2) subsoil user rights for:

the use of mechanization in the form of a single truck of not more than ten tons carrying capacity, drilling equipment, as well as an excavator and / or bulldozer with a bucket volume in the aggregate of not more than half a cubic meter beneficially owned by him;

drilling and other earthworks at a depth of no more than three meters from the lowest point of the earth's surface of the prospecting plot;

3) when conducting mining for alluvial gold, the subsoil user is allowed to mine gold for no more than fifty kilograms per calendar year;

4) on the artisanal mining plot, the subsoil user may not:

use excavators and bulldozers on the water facilities and lands of the water fund which fall under the limits of artisanal mining;

use chemicals and explosives;

construct and erect capital structures;

remove the soil and the extracted mountain mass outside the plot.

Article 271. Order of performance of artisanal mining

1. A subsoil user who holds a license for artisanal mining may conduct artisanal mining of any kinds of precious metals and precious stones according to the list specified in the second part of paragraph 1 of Article 263 of this Code.

2. When conducting mining, the subsoil user is obliged:

1) to exclude the destruction of the natural relief of the banks and bottom of reservoirs and rivers, the water resources of which are used for the purpose of prospecting;

2) to reclaim land disturbed during the prospecting;

3) to observe the restrictions on the use of mechanization, provided for by the terms of the license.

3. The volume of soil and solid moved during the prospecting inside the provided subsoil plot is not limited, unless otherwise following from the requirements of this chapter, environmental or industrial safety.

4. When conducting artisanal mining the subsoil user may use water resources without special permits or licenses.

In the case of using water resources, a subsoil user is obliged to comply with water protection measures, as well as other requirements for the protection of water bodies established by the water and environmental legislation of the Republic of Kazakhstan.

On the lands of the water fund and water facilities, the artisanal mining is done only manually.

Article 272. Reporting of the subsoil user on performance of artisanal mining

1. Under the artisanal mining license, the subsoil user is required to submit a periodic report on the mined precious metals and precious stones to the local executive body of the region, which issued the artisanal mining license, in a manner determined by the authorized body for the study of the subsoil.

2. Reports shall be submitted annually for the previous calendar year no later than the thirtieth of January of each year.

Reports for an incomplete calendar year are submitted for the actual period of subsoil use.

Reports for the last incomplete calendar year of the period of subsoil plot use are submitted no later than two months after the end of the specified period.

Article 273. Artisanal mining plan

1. A subsoil user using mechanization facilities has the right to carry out mining operations only if there is a mining plan. Mining, planned with the use of mechanization in the riverbeds or on the lands of the water fund, is subject to impact screening in accordance with the environmental legislation of the Republic of Kazakhstan.

2. A prospecting plan is developed and approved by the subsoil user.

The plan of development describes the types, methods and ways of work on prospecting, the approximate volumes and terms of work.

Instructions for the making prospecting plan are approved by the authorized body in the field of solid minerals.

Content of the artisanal mining plan is determined by the subsoil user independently, with due regard to the requirements of environmental safety.

3. Artisanal mining plan is subject to the state environmental examination. The subsoil user has may conduct the artisanal mining operations with the use of mechanization means only in the event of a positive conclusion from the state environmental examination of the artisanal mining plan.

Footnote. Article 273 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.07.2021).

Article 273-1. Elimination of consequences of mining

1. Elimination of the consequences of mining is carried out by reclamation of disturbed lands in accordance with the Land Code of the Republic of Kazakhstan.

2. A person whose subsoil use right has been terminated at a mining site is obliged to complete the liquidation of the consequences of mining at such a site no later than six months after the license for mining is terminated.

At the request of the said person, the local executive body of the region extends the period for eliminating the consequences of mining for a period of up to four months from the date of

expiration of the period provided for in part one of this paragraph, if the liquidation was impossible or significantly hindered due to weather and (or) natural and climatic conditions.

3. Elimination of the consequences of mining on a part of the mining area, which the subsoil user refused before the expiration of the license for mining in accordance with Article 275 of this Code, is carried out until such refusal.

4. If the subsoil user did not carry out mining in the area of mining (its part), from which the subsoil user refused, liquidation work in such area of mining (its part) is not required.

In this case, an inspection report of the mining site (its part) is drawn up, confirming the absence of the need for liquidation work, which is signed by the persons specified in paragraph 5 of this article.

5. Liquidation of the consequences of operations in the mining area (its part) is considered completed after the signing of the act of liquidation. The liquidation act is signed by a commission created by the relevant local executive body of the region consisting of its representatives and representatives of the authorized body in the field of environmental protection, and the subsoil user (the person whose subsoil use right has been terminated, if any). If the liquidation is carried out on a land plot that is in private ownership, permanent or long-term temporary paid land use, the act of liquidation is also signed by the owner of the land plot or land user.

6. The signing of the act of liquidation of the consequences of mining is the basis for entering the relevant information into the unified cadastre of the state subsoil fund for the purpose of subsequently granting the right to use subsoil for mining to other persons.

Footnote. Chapter 34 is supplemented by Article 273-1 in accordance with the Law of the Republic of Kazakhstan dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021).

Article 274. Security for mitigation of the consequences of artisanal mining

Ensuring the fulfillment of the obligations of a subsoil user to mitigate the consequences of artisanal mining is provided in the form of pledge of a bank deposit or guarantee issued by a second-tier bank.

The total amount of security is calculated on the basis of the number of hectares that make up the territory of the artisanal mining site, and the monthly calculation index established by the law on the republican budget for the corresponding financial year and valid in the year of application for the artisanal mining license. The amount of security per hectare is determined by the local executive body of the region.

The amount of security may be reduced by the subsoil user in proportion to the number of hectares corresponding to the part of the territory of the prospecting plot returned to the state.

Article 275. Relinquishment of artisanal mining site

At any time before the expiration of the artisanal mining license, the subsoil user has the right to refuse any part of the artisanal mining site.

Early relinquishment of fully developed or all part of a prospecting plot results in the termination of a license for an artisanal mining or its reissue.

Article 276. Liability for violation of obligations under an artisanal mining licence and its revocation

1. Violation of the terms of the artisanal mining license entails the responsibility of the subsoil user in the form of a penalty or revocation of a license.

2. Penalty shall be charged for violation of the conditions of the artisanal mining license of gold mining.

The penalty is charged in the amount of one hundred percent of the market value of gold mined over the established limit.

3. The license for artisanal mining is subject to revocation by the local executive body of the region if one of the following reasons exists:

1) the entry into force of a court decision prohibiting subsoil use activities due to the violation of environmental and industrial safety requirements;

2) in case of non-payment of the subscription bonus within the period stipulated by the tax legislation of the Republic of Kazakhstan;

3) carrying out work on prospecting without providing security for the fulfillment of obligations to eliminate the effects of prospecting;

4) violation of the conditions of the license for artisanal mining of works on the prospecting, the use of means of mechanization, the prohibition of the use of chemicals, explosives, the erection of capital structures, removal of soil and rock mass outside the artisanal site;

5) to carry out work on artisanal mining without a plan of prospecting, when its presence is required in accordance with the provisions of this chapter.

4. In the cases provided for by sub-paragraphs 3) and 4) of paragraph 3 of this article, the local executive body of the region shall notify the subsoil user in writing of the violation.

The subsoil user is obliged to eliminate the violation and notify the local executive body of the region in writing with the documents confirming the elimination of the violation, within one month from the date of receipt of the notice of violation.

In case of non-elimination of the violation within the specified period, the local executive body of the region revokes the artisanal mining in accordance with paragraph 3 of this article.

5. The revocation of a license for artisanal mining is carried out by the local executive body of the region by sending a written notice to the subsoil user about the revocation of the prospecting license.

The license validity terminates after one month from the day the notification is received by the subsoil user, unless it expires before the specified date.

6. The subsoil user is obliged to stop work on the revoked license after fifteen business days from the date of receipt of the notice of revocation of the license and to begin liquidation work in the way provided for in this chapter.

7. The subsoil user may challenge the legality of revoking a license in court within two months from the date of receipt of the notification. In case of the subsoil user bringing the

matter before the court, the term specified in paragraph 5 of this article shall be suspended until the court decision enters into legal force.

8. The revocation of a licence is not allowed if the failure to perform or improper performance of the obligations that served as the basis for revocation of the licence took place because of force majeure, that is extraordinary and unavoidable circumstances (spontaneous phenomena, military actions, etc.). Such circumstances do not include the lack of technical and / or financial resources by the subsoil user or the absence of the necessary goods, works or services on the market.

Chapter 35. Final and transitional provisions

Article 277. Procedure for this Code entry into force

1. This Code shall enter into force six months after the day of its first official publication, with the exception of:

1) of the third part of paragraph 4 of Article 278, which shall enter into force upon the expiry of ten calendar days after the day of its first official publication;

2) paragraphs 5 and 6 of Article 144, which come into force on January 1, 2020;

2-1) the heading of Article 98 in the table of contents, paragraph 3 of Article 94, paragraphs 5 and 6 of Article 95, heading, paragraphs 1 , 2 , 5 and 6 of Article 98, Article 99 , which shall come into force on September 1, 2020;

3) paragraph 2 of Article 153, which comes into force on January 1, 2021.

2. It shall be established that this Code applies to the relations on subsoil use that have arisen after its introduction into effect, except as provided for in this Chapter.

3. It shall be established that from the day of his Code entry into force, the positions on permits, licenses and contracts for subsoil use issued and entered into before this Code entry into force are applied by its provisions governing the relevant positions provided for:

chapter 1;

Chapter 2, taking into account the fact that before January 1, 2024, when classifying mineral deposits under contracts for the extraction of solid minerals concluded prior to the enactment of this Code, the number of reserves included in the state balance of minerals;

Chapter 3, with the exception of paragraph 3 of Article 17, paragraphs 2 and 3 of Article 19, paragraph 1 of Article 20, Article 22, Article 24, Article 25, Part One of Article 28;

article 38;

Chapter 5, taking into account the fact that the issuance of a permit for the transfer of subsoil use rights under subsoil use contracts concluded with local executive bodies of regions, cities of republican significance, the capital, and registration of a pledge of such subsoil use rights are carried out by the indicated local executive bodies;

chapter 6;

chapter 7;

Article 54, and paragraphs 1, 2, 3, 5, and 6 of Article 55 (with respect to permits, licenses, and contracts for the use of subsoil resources for hydrocarbons and uranium concluded (issued) prior to the entry into force of this Code);

chapter 9;

chapter 10;

chapter 11, with the exception of article 77;

Chapter 12, taking into account that paragraph 1 Article 80, does not apply to contracts for solid minerals and widespread minerals, with the exception of uranium, concluded prior to the enactment of this Code;

chapter 13;

paragraph 3 of chapter 15, with the exception of paragraph 2 of article 106 regarding agreements (contracts) on production sharing approved by the Government of the Republic of Kazakhstan and a subsoil use contract approved by the President of the Republic of Kazakhstan;

Articles 113 and 114;

Article 120, except for positions under agreements (contracts) on production sharing, approved by the Government of the Republic of Kazakhstan, and a subsoil use contract, approved by the President of the Republic of Kazakhstan. Additional extension of the term of these agreements (contracts) and a subsoil use contract is possible by agreement of the parties ;

articles 121 - 125;

article 126, except for

paragraph 6, which applies to the positions on permits and licenses for the use of mineral resources for hydrocarbons issued as well as for contracts for the use of mineral resources for hydrocarbons concluded prior to the enactment of this Code, after thirty-six months from the date of enactment of this Code as follows:

"6. Fulfillment of the obligation to mitigate the consequences of subsoil use of hydrocarbons is ensured by the liquidation fund formed by the subsoil user in accordance with the established procedure, which is used by the subsoil user with the permission of the competent authority.

In this case, subsoil users, with the permission of the competent authority, shall have the right to replace the entire amount of collateral for liquidation of subsoil use consequences on hydrocarbons, formed as a liquidation fund, with a pledge of a bank deposit by transferring the liquidation fund to the bank deposit acting as collateral for the relevant pledge.

If there is no existing liquidation fund or the excess of the market value of works on liquidating the effects of exploration and (or) hydrocarbon production over the amount of funds of the actually formed liquidation fund, the fulfillment of the obligation to eliminate the effects of subsoil use on hydrocarbons in the missing part is secured by a pledge of a bank deposit formed in accordance with paragraphs 7 or 8 of this article, and (or) a complete,

unconditional and irrevocable guarantee provided for a period of up to completion liquidation of effects of subsoil use in accordance with the requirements of this Code:

1) in regard to subsoil users, fifty or more percent of voting shares (partnership shares in the authorized capital) of which are directly or indirectly owned by the national managing company of the national managing holding, the national company in the field of hydrocarbons , a subsidiary of the national company in the field of hydrocarbons and / or partners of the national company in the field of hydrocarbons or their subsidiaries that own a block of shares (partnership share in the authorized capital) of subsoil users.

The guarantors indicated in the first part of this sub-paragraph, with the exception of the national managing holding company and the national company in the field of hydrocarbons, shall have an annually confirmed minimum long-term credit rating in foreign currency not lower than “BB-” on the Standard and Poor’s scale or a similar level on the rating agencies Moody's, FitchRatings;

2) in regard to subsoil users not indicated in sub-paragraph 1) of this paragraph, by another organization that has an annually confirmed minimum long-term credit rating in foreign currency not lower than “BB-” on the Standard and Poor’s scale or a similar level on Moody’s rating agencies’ scales, FitchRatings.

If the guarantor’s credit rating fails to confirm at the level and within the terms required under this paragraph, the guarantor’s credit rating falls below the minimum acceptable level under this paragraph, or the subsoil user for whom this guarantor has lost the guarantor of the credit rating specified in this paragraph guarantee, is obliged to replace such security in accordance with this article within one calendar year or suspend subsoil use operations on recovery of security provided for in this paragraph.

The law applicable to the content and conditions of the guarantee provided in accordance with this paragraph, as well as to the positions arising in connection with such a guarantee is the legislation of the Republic of Kazakhstan. Provisions of this part do not apply to guarantees issued prior to this Code entry into force in accordance with agreements (contracts) on production sharing approved by the Government of the Republic of Kazakhstan or a contract for subsoil use approved by the President of the Republic of Kazakhstan.";

paragraphs 7 and 8, which apply to the positions of permits, licenses and subsoil use contracts for hydrocarbons issued and concluded prior to the enactment of this Code, after thirty-six months from the day of enactment of this Code;

articles 127, 128;

Articles 130 (with the exception of paragraphs 2 and 3 regarding agreements (contracts) on production sharing approved by the Government of the Republic of Kazakhstan and a subsoil use contract approved by the President of the Republic of Kazakhstan, which establishes positions on the state’s priority right to purchase alienated liquefied petroleum gas and (or) a wide spread of light hydrocarbons), 131 (with the exception of cases provided for by paragraph 30 of Article 278 of this Code), 132, 133;

chapter 19, with the exception of Article 143, in the event of changes and additions to the approved project documents;

articles 144-152;

chapter 21, with the exception of article 153;

paragraph 2 of chapter 22;

Articles 173 and 174, paragraphs 1, 7, 8, and 9 of Article 176, and Articles 177, 178, 179, 180, 181, and 184;

paragraph 7 of Article 182;

paragraphs 2, 3 and 6 of article 194, article 195, with the exception of parts two and three of paragraph 3, and article 197;

article 213, article 214, with the exception of paragraph 1, article 215, with the exception of parts two and three of paragraph 3, and article 218;

article 236;

by Chapter 32, taking into account that an agreement on the processing of solid minerals may be concluded with a subsoil user who possesses the right of subsoil use under a contract for combined exploration and production (during the production period) and/or under a contract for the production of solid minerals concluded before the enactment of this Code;

articles 258, 259, paragraphs 1 - 6 of article 260.

3-1. The effect of paragraph 2 of Article 25 in terms of granting the right to subsurface use for exploration or production of solid minerals and common minerals, subparagraph 1) of paragraph 2 of Article 186, subparagraph 1) of paragraph 2 of Article 203 of this Code shall be suspended until January 1, 2023.

3-2. Establish that in respect of large hydrocarbon fields, on which, as of January 1, 2023, production was carried out under a subsoil use contract, including under a production sharing agreement, a contract approved by the President of the Republic of Kazakhstan, concluded before enactment of this Code, after expiration of the relevant subsoil use contract, the provisions shall apply of part four of paragraph 1, part three of paragraph 2 of Article 28, subparagraphs 1) and 2) of paragraph 1-1, paragraphs 1-2 and 2-1, parts two and four of paragraph 4, paragraph 5-1 of Article 36, paragraph 2 of Article 78, paragraph 2-1 of Article 95, paragraphs 2 – 8, 11 of Article 116, paragraph 1-1, part two of paragraph 7, part three of paragraph 8, paragraphs 18-1 – 18-4 Article 119, part three of paragraph 16 of Article 121, paragraph 15 of Article 123, paragraphs 6-1 – 6-4, part three of paragraph 7 of Article 126, part three of paragraph 1 of Article 130, paragraph 8 of Article 131 of this Code.

4. To establish that until September 1, 2020, Article 99 of this Code is valid in the following edition:

"Article 99. Holding an auction

1. In cases where, within the time frame specified in Article 95 of this Code, not a single application for participation in the auction is submitted and (or) if, based on the results of consideration of applications, no applicant was admitted to the auction, (except for the person

who submitted application for holding an auction), the commission for holding auctions within three working days from the date of the expiration of the period provided for filing applications for participation in the auction, or from the date of expiry of the period for considering applications for participation in the auction, shall make a decision to cancel the auction. In this case, a subsoil use contract shall be concluded with the person who applied for the auction in the manner prescribed by Article 100 of this Code for concluding a contract with the winner of the auction, provided that such person pays the starting amount of the signature bonus.

Information on the cancellation of the auction within three working days from the date of the adoption of the relevant decision by the commission must be posted on the Internet resource of the competent authority, as well as published in a printed periodical distributed throughout the territory of the Republic of Kazakhstan, in Kazakh and Russian languages.

2. The auction shall be attended by applicants admitted to participate in the auction and registered as participants in the auction.

3. The auction shall be held on the day according to the date specified in the notice of the auction.

4. The competent authority, at least ten working days before the date of the auction, shall inform the applicants admitted to participate in the auction of the date, time and place of the auction.

5. Registration of representatives of applicants admitted to participate in the auction shall commence one hour and shall be ended five minutes before the start of the auction.

6. Registered participants of the auction shall have the right to conduct audio and video recording of the auction being held.

7. The auction shall be held in an open form by the auction participants announcing their bids for the size of the signature bonus, starting from the starting size of the signature bonus specified in the notice of the auction, to the auction step.

The size of the auction step shall be from five to fifty percent of the starting size of the signature bonus.

8. Direct holding of the auction may be entrusted to the auctioneer, attracted by the commission or elected from the composition of the commission.

9. Participants in the auction shall be given plates with assigned registration numbers, which they raise after announcing the next size of the signature bonus, if they are ready to declare this amount.

10. The auction shall begin with the announcement of the number of auction participants, information about the subsoil plot, its main characteristics, as well as the conditions for granting the right to subsoil use, the procedure for holding the auction, the starting size of the signature bonus and the step of the auction.

11. During the auction, the participants in the auction shall submit proposals for the amount of the signature bonus, providing for an increase in the current minimum proposal for the amount of the signature bonus by the size of the auction step.

12. The auctioneer shall announce the first value of the size of the signature bonus equal to its starting size, increased by the size of the auction step.

13. If, after the announcement of the first value of the signature bonus amount and the threefold repetition of this value, none of the auction participants raised the plate with his/her registration number, the auction shall be terminated and declared invalid.

14. A bidder shall have the right to submit a proposal for the amount of the signature bonus above the starting size of the signature bonus, regardless of the size of the auction step, provided that there is no current minimum offer.

15. In the case of raising one plate, the auctioneer shall announce the registration number of the auction participant who raises his/her plate. In the case of raising several plates, the auctioneer shall name the registration number of the auction participant who first raised his/her plate.

16. Only the number of the auction participant named by the auctioneer shall be entered in the list of the steps of the auction.

17. The auctioneer shall assign each subsequent value of the signature bonus by increasing the current value by the size of the auction step."

5. It shall be established that until January 1, 2020, paragraphs 5 and 6 of Article 140 of this Code are as follows:

"5. The central commission, within ten business days from the date of receipt of the basic project document or analysis of the development, sends them to the expert (experts) determined by it for an independent examination.".

5-1. Excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced from 01.01.2026).

6. To establish that until January 1, 2030:

paragraphs 3, 4 and 5 of Article 141 of this Code are valid in the following wording:

"3. The report on the calculation (operational calculation) of geological reserves is compiled in accordance with regulatory and technical documents approved by the authorized body in the field of subsoil exploration.

4. State expertise of subsoil is carried out by the State Commission on Hydrocarbon Reserves of the Republic of Kazakhstan (State Commission on Reserves) with the involvement of independent experts with special knowledge in the field of geology and subsoil use and not interested in the results of expertise.

5. Arrangement of the activities of the State Commission on Reserves, its composition, work procedures and record keeping are determined by the Regulations on the State Commission on Mineral Reserves of the Republic of Kazakhstan, approved by the authorized body for subsoil study.

7. It shall be established that for the purposes of applying the provisions of paragraph 2 of Article 186, paragraph 2 of Article 203 and paragraph 2 of Article 250 of this Code when issuing an appropriate license for subsoil use:

1) the territory of a subsoil plot that is in use by another person for carrying out hydrocarbon production operations is equal to the contract territory defined by the mining allotment to the subsoil use contract for hydrocarbons, as well as the territory in respect of which the protocol on concluding a contract for the production of hydrocarbons is valid. the results of direct negotiations or following the results of a tender for the granting of the right to subsurface use that took place before the entry into force of this Code;

2) the territory of a subsoil plot provided for carrying out operations for the exploration of solid minerals (the territory of the exploration plot) is equal to the contract territory determined by the geological allotment to the contract on solid minerals or widespread minerals, as well as the territory in respect of which the protocol on the conclusion of a contract for the exploration of solid minerals or widespread minerals as a result of direct negotiations or as a result of a tender for the grant of the right to subsurface use, which took place before the entry into force of this Code;

3) to the territory of a subsoil plot provided for carrying out operations for the extraction of solid minerals or widespread minerals (the territory of the production site) or the use of subsoil space, the contract territory determined by the mining allotment is equated to the contract for solid minerals or widespread minerals or, respectively , to a contract for the construction and (or) operation of underground structures not related to exploration and (or) production, as well as the territory in respect of which the protocol on the conclusion of a contract for the extraction of solid minerals or common minerals or a contract for construction and (or) the operation of underground structures not related to exploration and (or) production, as a result of direct negotiations or as a result of a tender for the grant of the right to subsurface use, which took place before the entry into force of this Code.

8. It shall be established that from July 1, 2019, the provisions of Article 258 of this Code apply to relations under contracts for the use of mineral resources for the purposes specified in Article 249 of this Code concluded prior to its entry into force.

9. Man-made mineral formations that have been stored at disposal facility, which was in operation at the date of this Code entry into force, and that have arisen as a result of mining and metallurgical production, located outside the subsurface plot in use, belong to these industries. The ownership of such man-made mineral formations is retained by the owner of production until the date of closure of the providing ground (part of the providing ground) of the location of these man-made mineral formations in accordance with the environmental legislation of the Republic of Kazakhstan.

10. It shall be established that the requirement to obtain a license for use of the subsoil space specified in Article 249, as well as the restrictions provided for by subparagraph 2) of paragraph 1 of Article 25 of this Code, shall not apply shall not apply to the facilities intended

for placement and (or) operation of man-made mineral formations of the mining and (or) mining and processing industries that arose prior to this Code entry into force, including their reconstruction due to the change in the territorial boundaries.

11. Holders of subsoil use rights under the contracts for production of solid minerals concluded in accordance with the Law of the Republic of Kazakhstan “On Subsoil and Subsoil Use” have the exclusive right to obtain a license to extract solid minerals within the contract area by filing an application in accordance with paragraph 1, 4 and 6 of Article 201, Article 204, with the exception of subparagraph 7) of paragraph 3 of this Code.

The refusal to issue to the applicant a license for production of solid minerals on an application filed in accordance with this paragraph is allowed on the grounds provided for in subparagraph 9) of paragraph 1 and in part two of paragraph 5 of Article 207 of this Code.

If the competent authority refuses to issue a license for the extraction of solid minerals, the applicant is obliged to liquidate the effects of subsoil use in the way prescribed by this Code to mitigate the consequences of exploration of solid minerals.

Holders of subsoil use rights under the contracts for exploration of widespread minerals concluded in accordance with the Law of the Republic of Kazakhstan “On Subsoil and Subsoil Use” have the exclusive right to obtain a license for the extraction of widespread minerals within the contract territory by filing an application in accordance with the provisions of chapter 30 of this Code taking into account the special features provided for in this paragraph.

12. To establish that by January 1, 2030:

1) in paragraph 4 and subparagraph 2) of paragraph 7 of Article 118, subparagraph 2) of paragraph 10 of Article 119, paragraph 4 of Article 139, sub-paragraphs 6) and 7) of paragraph 10 of Article 140 and article 141 of this Code, the words "geological reserves" are replaced by the word " reserves", respectively;

2) in Article 141 [State expertise of subsoil] of this Code, the words "by the central commission" are replaced, respectively, by the words "by the state commission";

3) Section 143 of this Code is effective as amended as follows:

Article 143. Indicators of the project documents for exploration and production of hydrocarbons attributable to contractual obligations of the subsoil user

The subsoil use contract for hydrocarbons establishes the fulfillment of the following indicators of project documents as an obligation for a subsoil user:

1) the density of the grid of production wells;

the ratio of production and injection wells for each production facility;

3) coefficient of compensation for deposits;

4) ratio of formation and bottom hole pressure to bubble point pressure or condensing pressure;

5) ratio of formation pressure to bottom hole pressure;

6) the maximum permissible value of the gas factor per wells;

7) hydrocarbon production volumes;

8) volumes of the re-injection of the working substance to increase formation pressure;

9) indicators of production wells input.

In this case, the values of the indicators specified in this paragraph are not included in the contract and are determined on the basis of project documents. ".

13. To establish that until January 1, 2022, the fourth and fifth parts of paragraph 1 of Article 131, the third and fourth parts of paragraph 1 of Article 179, and the third and fourth paragraph of paragraph 1 of Article 213 are as follows:

"The organizer of the tender for the acquisition of works and services in determining the winner of the tender conditionally reduces the price of the tender bid of the bidders - Kazakhstani developers of works and services by twenty percent. Kazakhstan providers of works and services are individual entrepreneurs and (or) legal entities established in accordance with the legislation of the Republic of Kazakhstan, located in the Republic of Kazakhstan, engaging at least ninety-five percent of the citizens of the Republic of Kazakhstan of the total number of employees excluding the number of chiefs, managers and professionals engaged in labor activities on the territory of the Republic of Kazakhstan as part of internal corporate transfer in accordance with the legislation of the Republic of Kazakhstan on employment and migration.

With that the number of foreign chiefs, managers and specialists engaged in labor activities on the territory of the Republic of Kazakhstan as part of an internal corporate transfer in accordance with the legislation of the Republic of Kazakhstan on employment and migration should not exceed twenty-five percent of the total number of managers, managers and specialists in each relevant category. ".

14. To recognize as invalid from the date of entry into force of this Code the Law of the Republic of Kazakhstan dated June 24, 2010 "On subsoil and subsoil use" (Bulletin of the Parliament of the Republic of Kazakhstan, 2010, № 12, Article 60; 2011, № 1, Article 2; № 11, Article 102; № 12, Article 111; 2012, № 2, Articles 11, 14; № 3, Article 21; № 4, Article 30; № 6, Article 46; № 8, Article 64; № 11, Article 80; № 15, Article 97; № 23-24, Article125; 2013, № 9 51; № 14, Article 75; № 15, Article 81; 2014, № 4-5, Article 24; № 7, Article 37; № 10, Article 52; № 19-I, 19-II, Article 96; № 21, Article 122; № 23, Article 143; № 24, Article 145; 2015, № 8, Article 45; № 11, Articles 52, 57; № 19-II, Article 102; № 20-IV, Article 113; 2016, № 2, Article 9; № 6, Article45; № 7-II, Article 56; № 8-II, Articles 71, 72; № 22, Article 116; 2017, № 4, Article 7; № 14, Article51, 54), with the exception of the following provisions applicable to relevant relations in the field of subsoil use arising from subsoil use contracts concluded and licenses issued before the entry into force of this Code, as well as in other cases provided for by this Code:

1) subparagraph 29) of Article 1, valid until January 1, 2030;

2) subparagraphs 25), 90) of Article 1;

3) paragraph 7 of Article 10;

4) sub-paragraphs 8), 15), 32-2) of Article 20;

5) Article 24;

6) Article 30;

7) third, fourth and sixth parts of paragraph 2 and paragraph 6 of Article 61;

8) paragraph 2-1 of Article 61 and paragraph 4 of Article 69, which are valid until January 1, 2021;

9) parts two and three of paragraph 1 and paragraph 6 of article 68;

10) part two of paragraph 3 and paragraph 4 of article 69;

11) paragraph 2 of Article 70;

12) paragraphs 2, 3, 3-1, 6, 7, 7-1, 8, 9 and 11 of Article 72;

13) subparagraph 12) of paragraph 1 of Article 76, effective given that the procedure for financing the training of Kazakhstan personnel under contracts for subsoil use on hydrocarbons and uranium mining, concluded before enactment of this Code is determined in accordance with subparagraph 1) of paragraph 1 of Article 129 and subparagraph 1) of paragraph 1 of Article 178 of this Code;

13-1) subparagraph 12-1) of paragraph 1 of Article 76, effective taking into account that the procedure for financing research, scientific-technical and (or) research and development work under contracts for subsoil use on hydrocarbons and uranium mining, concluded before enactment of this Code, shall be determined in accordance with subparagraph 2) of paragraph 1 of Article 129 and subparagraph 2) of paragraph 1 of Article 178 of this Code;

14) paragraph 6 of Article 77, with the exception of subsurface use contracts for hydrocarbons and uranium mining;

15) paragraph 2, as well as paragraphs 6 and 7 of Article 111, effective as follows:

"6. Financing of works related to the liquidation or conservation of the object is carried out at the expense of the liquidation fund. Deductions to the liquidation fund are made by the subsoil user to a special deposit account in any second-tier bank in the Republic of Kazakhstan.

For subsoil use contracts concluded and whose validity was not terminated before January 1, 2009, on which the subsoil user began to make payments to the liquidation fund and deducted them in the tax period before January 1, 2009 in accordance with the tax legislation of the Republic of Kazakhstan, the amount of deductions shall be placed on a special deposit account in any second-tier bank in the Republic of Kazakhstan. This amount of deductions is subject to placement on a special deposit account and reduced by the amount used by the subsoil user at the expense of such liquidation fund for liquidation of the consequences of the development of deposits.

At that, the use of the liquidation fund is carried out by the subsoil user with the permission of the competent authority, and under contracts concluded with local executive

bodies of regions, cities of republican significance, the capital, with the permission of the specified bodies. The conditions on the procedure for forming the liquidation fund, amount of deductions to the liquidation fund, frequency of such payments is established by the contract.

7. If the actual costs for abandonment of the subsoil use facilities exceed the size of liquidation fund, the subsoil user is obliged to make additional financing for the liquidation of subsoil use objects. If the actual costs for liquidation are less than the size of the liquidation fund, then the remaining money remains with the subsoil user";

16) Articles 121 and 122.

With that, in regard to permits and licenses for the use of mineral resources for hydrocarbons issued, as well as contracts for the use of mineral resources for hydrocarbons concluded prior to the enactment of this Code, paragraphs 6 and 7 of Article 111 are valid for thirty-six months from the date of enactment of this Code.

At the same time, Articles 121 and 122 of the Law of the Republic of Kazakhstan dated June 24, 2010 "On subsoil and subsoil use" continue to be in force in cases provided for in paragraph 10 of Article 278 of this Code.

Footnote. Article 277 as amended by Laws of the Republic of Kazakhstan № 284-VI dated December 26, 2019 (refer to Art. 2 for the enactment procedure); № 297-VI dated 30.12.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 29.06.2018); dated 09.03.2021 № 14-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (for the procedure of entry into force, see Article 2); dated 26.12.2025 № 243-VIII (for the procedure of enactment see Art. 2); dated 30.12.2025 № 249-VIII (effective from 01.01.2026)

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Article 278. Transitional provisions

1. It shall be established that permits, licenses and contracts for subsoil use issued and concluded prior to this Code entry into force, as well as all acts related to them of the executive bodies of the Republic of Kazakhstan, remain valid, except as provided for in this chapter.

Functions of the licensing authority, that is, the Government of the Republic of Kazakhstan, in respect of previously issued licenses for subsoil use are assigned to the competent authority.

The competent authority, as well as local executive bodies of regions, cities of republican significance, the capital, monitor compliance with the terms of contracts concluded with them

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2. It shall be established that the holder of a subsoil use right under a contract for the extraction of groundwater is required within three years from the date of enactment of this Code to obtain permission for special water use within the boundaries of the territory of the

subsoil plot specified by the contract in accordance with the water legislation of the Republic of Kazakhstan.

The contract for the groundwater production is terminated from the date of issue of the permit for special water use or after the expiration of the specified period, if the permit for special water use has not been obtained.

3. It shall be established that the granting of the right to subsurface use to the person who wins the tender for granting the right to subsurface use for solid minerals or widespread minerals, held before the day this Code enters into force, as well as to the person in respect of whom the competent authority or local executive body of the region, the city of republican status, the capital, a decision is made to conclude a subsoil use contract for solid minerals or widespread minerals based on the results of direct negotiations or following the results of a tender for granting the right to subsoil use, which is declared invalid, is carried out by concluding a contract with the competent authority or local executive body of the region, city of republican status, the capital in the manner and under the conditions established by the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use", which is in effect on the day this Code comes into force, taking into account the following riding:

1) the subsoil use contract is concluded on the basis of the provisions of model contracts approved by the competent authority;

2) a draft contract for the exploration of solid minerals or widespread minerals with an approved exploration plan developed in accordance with Article 196 of this Code and received a positive conclusion of the state environmental expertise must be submitted to the competent authority or local executive body of the region, city of republican significance, the capital not later than ten months from the date of the announcement of the results of the tender for granting the right to subsurface use (declaring the tender invalid) or signing the protocol of direct negotiations. The specified period may be extended by the competent authority or local executive body of the region, city of republican status, the capital upon the request of the person who is granted the right to subsurface use;

3) a draft contract for the extraction of solid minerals or widespread minerals with an approved mining plan drawn up in accordance with Article 216 of this Code and having received the approvals provided for by this Code must be submitted to the competent authority or local executive body of the region, city of republican status, the capital no later than twenty-one months from the date of the announcement of the results of the tender for granting the right to subsoil use (declaring the tender invalid) or signing the protocol of direct negotiations. The specified period may be extended by the competent authority or the local executive body of the region, city of republican status, the capital upon the request of the person who is granted the right to subsurface use.

The terms of the subsoil use contract shall be determined by the working group of the competent body or local executive body of the region, city of republican status, the capital, created in accordance with part six of paragraph 12 of this article. The draft subsoil use

contract agreed by the parties shall be subject to legal expertise. The draft contract for the extraction of solid minerals shall also be subject to economic examination by the authorized body in the field of state planning. The draft contract for the extraction of widespread minerals shall subject be to economic examination by the local executive body of the region, the city of republican status, the capital. The subsoil use contract must be concluded no later than six months from the date of submission of the draft contract in accordance with part one of this paragraph. The specified period may be extended by the competent authority or the local executive body of the region, city of republican status, the capital upon the request of the person who is granted the right to subsurface use.

Under production contracts concluded in accordance with this paragraph, the subsoil user shall be obliged to ensure the existence of a liquidation plan that receives a positive opinion from the comprehensive examination of the authorized body for solid minerals, no later than one year from the date of the conclusion of the production contract. Subsequent amendments to the liquidation plan and a comprehensive examination of the liquidation plan shall be carried out in the manner prescribed by paragraph 2 of Article 217 of this Code.

Subsoil use contracts concluded in accordance with this paragraph, for the purpose of applying the provisions of this chapter, shall be equated to subsoil use contracts concluded prior to the entry into force of this Code.

3-1. It shall be established that, upon the written request of the applicant, the right to explore or extract common minerals used for the construction (reconstruction) and repair of public highways, state-owned railways, as well as for the reconstruction and repair of hydraulic structures and hydraulic structures, up to 1 January 2029 is granted by issuing a written permit from the local executive body of the region, the city of republican significance, the capital in agreement with the territorial divisions of the authorized body for the study of subsoil and the authorized body in the field of environmental protection in the manner determined by the authorized body in the field of solid minerals. The validity period of such a permit cannot exceed the validity period of the corresponding contract for the construction (reconstruction) and repair of public roads, railways, hydraulic structures and hydraulic structures owned by the state, for the implementation of which the subsoil use right is granted . The state body, which is the customer for the construction (reconstruction) and repair of state-owned facilities, shall approve the list of contractors (subcontractors) who are entitled to carry out exploration or production of common minerals for construction (reconstruction) and repair purposes. Subsoil users engaged in the extraction of widespread minerals on the basis of a permit issued in accordance with this paragraph shall not be entitled to alienate them to third parties.

A permit for exploration or production of widespread minerals shall be issued within territories located at a distance of no more than ten kilometers from the reconstructed or designed public highways, railways, the customer of which is the relevant state body, as well as hydraulic structures and hydraulic engineering installations. In this case, such a permit

shall be issued in the territory not specified in subparagraph 2) of paragraph 3 of Article 70 of this Code.

The presence of a permit for exploration or production of widespread mineral resources, issued on the basis of this paragraph, shall not prevent the granting of the right to subsurface use to other persons in accordance with this Code. In this case, the conduct of subsoil use operations by several subsoil users shall be regulated by Article 24 of this Code.

A permit for exploration or production of widespread mineral resources may be issued in territories occupied by other subsoil users, with their prior written consent and subject to the conclusion of an agreement provided for in paragraph 2 of Article 24 of this Code.

A permit for exploration or production of widespread mineral resources shall not apply to permits regulated in accordance with the legislation of the Republic of Kazakhstan on permits and notifications.

4. It shall be established that the program of management of the state subsoil fund, besides the information specified in paragraph 3 of Article 70 of this Code, may additionally contain:

1) geographic coordinates of the subsoil plot containing reserves of industrial categories of solid minerals, with the exception of commonly occurring and uranium, included in the state balance of minerals before the day of this Code entry into force;

2) the geographic coordinates of the territories indicated by lines located at a distance not exceeding thirty kilometers from the outer perimeter of the borders of the mining allotment (production plot), mining contract or joint exploration and mining of solid minerals, concluded until December 31, 2017 by a subsoil user being a legal entity attributed by the legislation of the Republic of Kazakhstan to the city-forming ones.

The territory of the subsoil plot included in the program of management of the state subsoil fund in accordance with the first part of this paragraph shall not exceed two hundred blocks.

The territories specified in sub-paragraph 2) of the first part of this paragraph shall be included in the program of management of the state subsoil fund upon application of the relevant subsoil user. The application shall be submitted to the competent authority in writing no later than three months after the day of the first official publication of this Code, indicating the geographic coordinates of the territory and with showing causes for the need for its inclusion.

Subsoil plots for conducting exploration or production of solid minerals within the territories provided for in part one of this paragraph shall be provided for use on the basis of an auction. The procedure for holding an auction and issuing, based on its results, a license for exploration or production of solid minerals shall be determined by the competent authority . The auction shall be held by decision of the competent authority. For the territories provided for in subparagraph 2) of part one of this paragraph, the decision of the competent authority to hold an auction shall be made at the proposal of the subsoil user, upon whose request the relevant territories are included in the state subsoil fund management program.

The auction is held by the tender commission, composition of which is approved by the competent authority. The tender commission may include in the auction conditions the higher requirements for size of the annual minimum expenses stipulated by this Code for the relevant license for subsoil use. Besides the obligations stipulated in Articles 191 and 208 of this Code , a license issued for subsoil use may contain additional obligations of a subsoil user and the grounds for revoking a license or paying a penalty for breach of these obligations.

In addition to other requirements established by the rules for holding an auction, the following applicants shall be admitted to participation in the auction who have:

for conducting exploration operations - professional and financial capabilities sufficient to cover the minimum costs of exploration operations on at least ten blocks during the first year;

to carry out mining operations - professional, technical and financial capabilities sufficient to cover the minimum production costs for at least one hundred hectares during the first year. The applicant's non-compliance with these requirements shall be the basis for refusing admission to participation in the auction.

The auction announcement shall be published not earlier than three months prior to the date of its holding. The notice of auction holding, its conditions and results are published in printed periodicals distributed throughout the territory of the Republic of Kazakhstan in Kazakh and Russian. Terms of the auction shall contemplate a start amount of the subscription bonus. The auction winner becomes the participant having offered the largest amount of the subscription bonus. Auction participants may appeal against its results in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

The auction is not held in the following cases:

1) absence of applications for participation in the auction;

2) filing of less than two applications for participation in the auction;

3) admission to participate in the auction of less than two persons.

If the auction is not held on the grounds provided for in sub-paragraph 3) of the ninth part of this paragraph, a license for subsoil use shall be issued to the only person allowed to participate in the auction.

The auction is declared void in the following cases:

1) less than two bidders registered on the date of the auction;

2) not a single auction participant is registered on the date of the auction.

If an auction is declared void on the ground stipulated in sub-paragraph 1) of the eleventh part of this paragraph, a license for subsoil use shall be issued to a registered auction participant.

If the auction, on the basis of which the subsoil use right is granted for exploration or mining of solid minerals within the territory specified in subparagraph 1) of the first part of this paragraph, has not been held in the cases provided for in subparagraphs 1) and 2) of the ninth part of this paragraph, or declared void in the case specified in subparagraph 2) of the part of the eleventh of this paragraph, this territory shall be excluded from the management

program of the state subsoil fund for the purposes of this paragraph. In this case, the subsoil use right for exploration or mining of solid minerals within such territory is granted in the order provided for in Section 9 of this Code, with due regard to the provisions of paragraph 5 of this article.

The special procedure for granting the right to use subsoil for subsoil plots within the territories included in the program of management of the state subsoil fund in accordance with subparagraphs 1) and 2) of the first part of this paragraph shall apply until January 1, 2023.

5. In the event of early termination of a production contract (a contract for combined exploration and production under which production operations were carried out) for solid minerals, concluded before the entry into force of this Code, by a decision of the competent authority, a subsoil plot affecting the contract territory under the terminated contract, shall be provided for use for conducting exploration or production of solid minerals following the results of an auction held in the manner prescribed by paragraph 4 of this article, taking into account the specifics established by this paragraph.

The announcement of the auction must be published no later than three months from the date of termination of the subsoil use right or from the date of entry into force of the court decision in case of an appeal against the decision of the competent authority to terminate the subsoil use right. The period between the announcement of the auction and the date of the auction must be at least one month.

If the license for extraction of solid minerals was not issued, the person who was the holder of the subsoil use right under the terminated contract shall be obliged to mitigate the consequences of subsoil use operations in the order provided for by this Code.

If the license for production of solid minerals is issued for the subsoil plot which was put up for auction, the person who was the holder of the subsoil use right under the terminated contract is exempt from the obligation to mitigate the consequences of subsoil use operations. Obligations on mitigation of the consequences of subsoil use operations in such subsoil plot are transferred in full to the holder of the license for extraction of solid minerals, issued as a result of the auction, after providing security on mitigation of the mining consequences in accordance with Article 219 of this Code.

During the period from the date of contract termination to the date of issue of the license for production of solid minerals or the commencement of works on liquidation, the person who holds the subsoil use right under the terminated contract is obliged to take measures to maintain the subsoil plot in a condition that ensures the safety of the environment and the population.

6. It shall be established that the state subsoil fund management program should include the date when the competent authority starts accepting applications for issuing exploration licenses for solid minerals within the territories included for the first time in the state subsoil fund management program and not in the territories specified in paragraphs 4 and 5 of this

article. The specified date is set no earlier than two months from the date of approval of the program for managing the state fund of mineral resources or making the appropriate changes to it.

The following features shall be established for consideration and issue of the licenses for exploration of solid minerals within the territories, which are first included in the management program of the state fund of mineral resources:

1) applications received within a month from the date of commencement of their admission are considered without taking into account the provisions provided for by paragraphs 1, 2 and 3 of Article 188 of this Code, and are considered to have the same priority;

2) if as a result of consideration of applications received within the period provided for in sub-paragraph 1) of this part, it will be established that the same block (blocks) are included in several applications for which no decision has been taken to refuse to issue a license for this the block (blocks) among the applicants are held an auction in the way and time frame determined by the competent authority. Refusal to participate in the auction or failure to appear at the auction of the applicant constitutes the ground for rejecting the application for the relevant block;

3) according to the auction results, the licenses under applications specified in sub-paragraph 2) of this part are issued in accordance with Article 188 and the provisions on the priority of Article 189 of this Code, taking into account that the application of the person recognized as the winner of the auction is considered a priority in relation to the block (blocks) for which held an auction. Applications for issue of the exploration license submitted after the expiration of the period provided for in sub-paragraph 1) of this part shall be considered in accordance with the provisions on the consideration of the application and the issue of an exploration license for solid minerals provided for in Chapter 27 of this Code.

7. It shall be established that the industrial-innovative actors implementing industrial-innovative projects included in the single map of industrialization under the Law of the Republic of Kazakhstan “On Industrial Policy”, the activities (technological process) thereof associated (related) to subsoil use, have the power to obtain a license for exploration or production of solid minerals based on the application submitted for a subsoil plot located within the territory not indicated in sub-paragraph 2) of paragraph 3 of Article 70 of this Code , as prescribed by this paragraph. This right may be exercised by industrial-innovative activity actors within five years from the date of enactment of this Code.

An application for the license for exploration or production of solid minerals filed under this paragraph, in addition to the documents stipulated by Article 187 or Article 204 of this Code respectively, shall be accompanied by the opinion of the competent authority in the field of state incentives for industry, confirming that the production activity (technological process) of the applicant is (are) associated with the use of subsoil.

The procedure for recognition of the industrial and innovation activity (technological process) of industrial and innovation actors as an activity (technological process) associated with subsoil use shall be established by the competent authority in the field of state incentives for industry in the field of entrepreneurship.

The terms and conditions of a license for exploration or production of solid minerals, issued pursuant to this paragraph, in addition to the conditions stipulated by Article 191 or Article 208 of this Code, respectively, must specify:

1) obligations of the industrial-innovation activity actor to implement an industrial-innovation project;

2) obligations to supply extracted solid minerals on a priority basis for the needs of production activities (technological process) of the industrial and innovation activity entities.

The subsoil user on the subsoil area, provided in compliance with the provisions of this paragraph, may not start production of minerals before the operation of the production facility under the relevant industrial-innovative project.

A license for exploration or production issued in accordance with this paragraph may be revoked in addition to the grounds provided for in accordance with Article 200 or Article 221 of this Code, in case of non-fulfillment of the obligations stipulated in part four of this paragraph.

7-1. A subject of industrial and innovative activity implementing industrial and innovative projects, in accordance with paragraph 7 of this article, may transfer the right of subsoil use to a person who is a subject of industrial and innovative activity, provided that:

1) rights to the relevant construction object and/or the modernization of the object under the industrial and innovative project are transferred;

2) the obligations provided for in subparagraphs 1) and 2) of part 4 and part 5 of paragraph 7 of this article are transferred.

The authorized body in the field of state industrial stimulation monitors the implementation of the industrial and innovative project within the prescribed time limits and submits information on the results of the monitoring to the competent authority annually, no later than April 30 of the year following the reporting year.

A license for exploration or production issued in accordance with this paragraph may be revoked, in addition to the grounds provided for by Articles 200 or 221 of this Code, in the event of non-fulfillment of the obligations provided for in subparagraphs 1) and 2) of part one of this paragraph.

7-2. It is established that subjects of industrial and innovative activity implementing industrial and innovative projects with a value exceeding 14,500,000 times the monthly calculation index established by the law on the republican budget and effective as of January 1 of the relevant financial year, included in the unified industrialization map in accordance with the Law of the Republic of Kazakhstan “On Industrial Policy,” whose production activity (technological process) is related to subsoil use, may, taking into account the

specifics provided for in this paragraph, obtain a subsoil plot located within the territory specified in subparagraph 2) of paragraph 3 of Article 70 of this Code for exploration or production of solid minerals, except uranium or coal.

This right may be exercised by subjects of industrial and innovative activity within five years from the date this paragraph enters into force.

An application for a license for exploration or production of solid minerals for the specified territory may be submitted at any time before the announcement of an auction. In this case, no auction is held for the specified territory.

To an application for a license for exploration or production of solid minerals submitted in accordance with this paragraph, in addition to the documents provided for by Articles 187 or 204 of this Code, the following shall be additionally attached:

a decision of the interdepartmental commission on industrial policy, coordinated with the President of the Republic of Kazakhstan, confirming that the applicant's production activity (technological process) is connected with subsoil use;

any of the following documents confirming that the applicant has the financial capability to implement the proposed industrial-innovative project at the declared cost:

a guarantee from a foreign bank, a second-tier bank of the Republic of Kazakhstan, a national development institute of the Republic of Kazakhstan, and/or an organization that has an annually confirmed minimum long-term foreign currency credit rating of at least "BB-" on the Standard & Poor’s scale or an equivalent level on the scales of Moody's or Fitch Ratings;

a loan agreement with any organizations defined in paragraph four of this part, with the loan used exclusively for the implementation of the proposed industrial-innovative project;

a statement of the balance and movement of funds in a bank account in a second-tier bank of the Republic of Kazakhstan or with the National Postal Operator.

The procedure for recognizing the production activity (technological process) of entities engaged in industrial-innovative activities as production activity (technological process) connected with subsoil use shall be determined by the Government of the Republic of Kazakhstan.

The subsoil use right granted on the basis of and for the implementation of an industrial-innovative project is tied to it by a common purpose and follows the object of construction and/or modernization under such a project.

The terms of an exploration or production license for solid minerals issued in accordance with this paragraph, in addition to the conditions provided for by Articles 191 or 208 of this Code, must provide for:

1) an indication of the parameters of the new industrial-innovative project to be implemented as an obligation and providing for the production of goods of at least a medium level of processing;

2) an indication of additional annual minimum expenses for the implementation of the industrial-innovative project, amounting in total, over the years and the duration of the project

, to a sum exceeding 14,500,000 times the monthly calculation index (MCI) established by the law on the republican budget and effective as of January 1 of the year the license is issued ;

3) intermediate and final deadlines for the implementation of the industrial-innovative project;

4) obligations to pay an average monthly salary higher than the statistical indicator of the average monthly salary for the year preceding the reporting year for the corresponding region;

5) obligations to ensure the needs of the domestic market of manufacturing industry enterprises with the products of the industrial-innovative project in accordance with the Law of the Republic of Kazakhstan "On Industrial Policy";

6) obligations to process all extracted solid minerals within the framework of the industrial-innovative project;

7) obligations to ensure a minimum share of in-country value in goods used during subsoil use operations and the implementation of the industrial-innovative project;

8) an additional ground for license revocation in case of failure to fulfill the conditions provided for by subparagraphs 1) – 7) of this part.

An entity engaged in industrial-innovative activities that implements industrial-innovative projects in accordance with this paragraph has the right, by decision of the interdepartmental commission on industrial policy, coordinated with the President of the Republic of Kazakhstan, to transfer the subsoil use right to a person who is an entity engaged in industrial-innovative activities, provided that:

1) there is a transfer of rights to the corresponding construction object and/or modernization of the object under the industrial-innovative project;

2) there is a transfer of obligations provided for by part seven of this paragraph.

The authorized body in the field of state industrial stimulation monitors the implementation of the industrial-innovative project within the prescribed timeframes and submits information based on the monitoring results to the competent authority annually no later than April 30 of the year following the reporting year.

A subsoil user on a subsoil plot granted in accordance with the provisions of this paragraph is not entitled to begin the extraction of minerals until the start of the operation of the production facility under the industrial-innovative project.

A license for exploration or production issued in accordance with this paragraph may be revoked, in addition to the grounds provided for by Articles 200 or 221 of this Code respectively, in case of non-fulfillment of the obligations provided for by parts seven and ten of this paragraph.

8. It shall be established that national companies in the field of subsoil use are entitled to obtain a license for the exploration or mining of solid minerals by filing an application for subsoil areas located within the territory not specified in sub-paragraph 2) of paragraph 3 of Article 70 of this Code, with the exception of territories on which carrying out operations on

subsoil use is not allowed according to article 25 of this Code. This right may be exercised by national companies engaged in subsoil use, taking into account the distinction between the activities of national companies in subsoil use, approved by the Government of the Republic of Kazakhstan, within two years from the date of this Code entry into force.

9. It shall be established that before January 1, 2023 for the purposes of Article 72 of this Code, recording of losses in the extraction of solid minerals are taken into account on the basis of data on standard losses submitted by subsoil users to the authorized body for the study of subsoil in the way prescribed by it. The data on standard losses shall be accompanied by supporting documents. Within fifteen business days after submission of data on normalized losses, the authorized body for the study of subsoil is entitled to send an argumented objection to the subsoil user regarding the amount of standard losses. If such objection is submitted within a specified time, the standard losses are determined by the authorized body for the study of the subsoil independently on the basis of the available data on standard losses for similar projects or on the basis of previously submitted information.

10. To establish that from January 1, 2024, with respect to the territories of subsurface areas and (or) deposits for which mining contracts concluded or licenses for the extraction of solid minerals issued before December 31, 2023, are valid, the subsoil users have the right to calculate reserves of solid minerals in accordance with Article 121 of the Law of the Republic Kazakhstan "On subsoil and subsoil use".

Applicants, when applying for a license to extract solid minerals in accordance with Article 204 of this Code, have the right to submit to the competent authority a report on the calculation of reserves of solid minerals in accordance with Article 121 of the Law of the Republic of Kazakhstan "On subsoil and subsoil use".

11. It shall be established that, for the purposes of sub-paragraph 16) of paragraph 14 of Article 277 of this Code, the state balance of mineral reserves is maintained by the authorized body for the study of the subsoil.

At the same time, from January 1, 2024, information from the state balance sheet of mineral reserves is maintained in the state accounting of minerals within the framework of maintaining the unified cadastre of the state subsoil fund in accordance with Article 72 of this Code.

12. Contracts for subsoil use concluded by agreement of the parties prior to this Code entry into force as well as in cases provided for by the laws of the Republic of Kazakhstan or by contracts, may be amended.

Agreement to amend the subsoil use contract specified in part one of this paragraph is concluded in the way established by this paragraph, taking into account the specifics provided for by paragraphs 13, 14, 16 of this article.

A subsoil user having intent to conclude the agreement on amendments and additions to the subsoil use contract sends to the competent authority (the state body that is a party to the contract) a statement outlining the proposed changes to the contract, their justification and

other information necessary for making a decision upon request. Draft addendum to the subsoil use contract is attached to the application.

The competent authority, no later than five working days, submits the received application for consideration by the expert commission on subsoil use issues, created in accordance with Article 45 of this Code. Under a contract to which another state body is a party, an expert commission is created by the decision of such a state body. The expert commission is a consultative and advisory body under the competent body (state body that is a party to the contract) in order to develop recommendations when considering applications from subsoil users on the issues of amending and supplementing the contract. The expert commission considers the application within a period of not more than twenty working days from the date of its receipt and sends its recommendations to the competent authority (state authority that is a party to the contract).

Based on the recommendations of the expert commission, the competent authority (the state body that is a party to the contract) within five business days from the date of receipt of the recommendations of the expert commission makes a decision to refuse to make changes and additions to the contract for subsoil use or to start negotiations on making changes and additions to the contract for subsoil use with due regard to the recommendations of the expert commission.

Negotiations on making amendments and additions to the contract for subsoil use are held by the working group of competent body (a state body that is a party to the contract). Provision on the working group and its composition are approved by the competent authority (the state body that is a party to the contract).

Negotiations are held within two months from the date of submission by the subsoil user to the competent authority (the state body that is a party to the contract) of the draft supplement and other necessary documents for consideration by the working group. By agreement of the parties, this period may be extended.

The results of the negotiations are documented in a protocol. The draft amendments and additions to the subsoil use contract approved by the working group are signed by the competent authority (state authority that is a party to the contract). If the draft addendum to the subsoil use contract affects the key financial and economic indicators of the subsoil use contract, by decision of the working group of the competent authority (the state body that is a party to the contract), the specified project is sent for economic expertise before it is signed. The procedure for conducting an economic expertise is determined by the authorized body in the field of state planning.

For common minerals, the procedure for conducting economic expertise is determined by the local executive body of the region.

The terms of the amendments to the contract may not be less beneficial for the Republic of Kazakhstan than the conditions under which the subsoil use right was granted.

This paragraph shall not apply to amendments and additions to subsoil contracts for hydrocarbons and uranium.

12-1. Subsoil use contracts for hydrocarbons and uranium, concluded before enactment of this Code, may be amended and supplemented by agreement of the parties, as well as in cases provided for by the laws of the Republic of Kazakhstan or contracts.

Addendum to the subsoil use contract specified in part one of this paragraph shall be concluded in accordance with the procedure established by this paragraph, taking into account the specifics stipulated by paragraphs 13 and 16 of this article.

A subsoil user intending to conclude an addendum to a subsoil use contract for hydrocarbons, uranium shall submit an application to the competent authority, which shall set forth the proposed amendments and additions to the subsoil use contract for hydrocarbons, uranium, rationale to them and other information necessary to make a decision on the application.

No later than five working days the competent authority shall place the received application for consideration by the expert commission on subsoil use created in accordance with Article 45 of this Code. The expert commission is a consultative and advisory body under the competent authority in order to develop recommendations when considering applications from subsoil users on the issues of making amendments and additions to the subsoil use contract for hydrocarbons and uranium. The expert commission shall review the application within at least five working days from the date of its receipt and direct its recommendations to the competent authority.

On recommendations of the expert commission, the competent authority within five working days from the date of receipt of the expert commission's recommendations shall make a decision on rejecting the amendments and additions to the contract on subsoil use for hydrocarbons, uranium or on starting negotiations on making amendments and additions to the contract on subsoil use on hydrocarbons, uranium, taking into account the recommendations of the expert commission.

The decision of the competent authority on starting negotiations shall specify its validity period.

Negotiations on amendments and additions to the contract on subsoil use for hydrocarbons, uranium shall be conducted by the task force of the competent authority. Regulations on the task force and its composition shall be approved by the competent authority.

Negotiations are held within fifteen working days from the date of presenting by the subsoil user to the competent authority of a draft addendum to the subsoil use contract for hydrocarbons, uranium and other necessary documents for examination of the task force. By agreement of the parties this term may be extended. The negotiations results shall be documented in the minutes.

The draft amendment to the subsoil use contract for hydrocarbons and uranium approved by the task force shall be signed by the competent authority within twenty working days from the date of its submission by the subsoil user to the competent authority.

The terms of amendments and additions to the subsoil use contract for hydrocarbons and uranium cannot be less beneficial for the Republic of Kazakhstan than the conditions under which the subsoil use right was granted.

Amendments and additions to the contract for subsoil use of hydrocarbons, uranium in accordance with this paragraph, providing for the extension of the term of such contract, shall not be allowed.

13. If it is necessary to make changes and additions to the work program of a subsoil use contract concluded before the enactment of this Code, the following shall be attached to the application sent in accordance with paragraph 12 or 12-1 of this article:

1) a draft work program drawn up in the form approved by the competent authority;

2) rationale for the proposed changes and additions to the subsoil use contract.

In case the competent authority (state body, which is a party to the contract) decides to negotiate amendments and additions to the subsoil use contract, the subsoil user, in addition to the documents specified in part one of this paragraph, shall submit to the competent authority (state body, which is a party to the contract) for consideration of the task force:

1) on contracts for exploration and (or) extraction of solid minerals, except for uranium, as well as common minerals - project documents and liquidation plan (project) developed, coordinated, approved and endorsed by expert examinations in accordance with this Code;

2) on contracts for exploration and (or) production of hydrocarbons and uranium - project documents developed, agreed upon, approved and endorsed in accordance with this Code.

If the volumes of extraction of common minerals or solid minerals, other than uranium, provided for by the work program of the subsoil use contract, actually change by less than twenty percent in physical terms, no changes shall be required to the work program. Such changes in production shall be considered to be consistent with the terms of the contract. The content of the work program of the subsoil use contract and its form shall be determined by the competent authority.

The provisions of this paragraph shall not apply to contracts for the exploration of solid minerals, concluded on the standard form prior to this Code entry into force.

14. Amending a contract for exploration or for combined exploration and production (during the exploration period) of solid (common) minerals, with the exception of uranium, concluded prior to the entry into force of this Code, in order to extend its validity period (exploration period under the contract for combined exploration and production) is allowed in the event of the discovery of mineralization (manifestation) of solid (common) minerals, the exploration of which is provided for by the contract, to assess such discovery.

Introducing amendments to the contract for the extraction (combined exploration and production during the production period) of solid (common) minerals, with the exception of

uranium, concluded before the entry into force of this Code, in order to extend its validity period (the production period under the contract for combined exploration and production) is allowed if such an extension is stipulated by the contract.

An application for an extension of the term of a subsoil use contract may be submitted to the state body that is a party to the contract before the expiration of the exploration period or the production period, respectively.

To the application for extension of the term of subsoil use contract for uranium, in addition to the information specified in paragraphs 12-1 and 13 of this article, a rationale shall be attached for the work and expenses for it during the extension period.

The application for the extension of the exploration period under the subsoil use contract for solid (common) minerals, with the exception of uranium, to assess the discovered mineralization (manifestation) of solid (common) minerals, the exploration of which is provided for by the terms of the contract, in addition to the documents specified in part four of this paragraph, is attached with the information confirming such discovery (conclusion of the authorized body for the study of subsoil on the discovery of mineralization (manifestation) requiring assessment), and the geographical coordinates of the subsoil plot, where it is supposed to carry out an assessment of the discovered mineralization (manifestations). The procedure for confirming the mineralization (manifestation) of solid (common) minerals under a subsoil use contract is determined by the authorized body for subsoil study.

The contract for production (period of extraction under a contract for combined exploration or extraction) of solid minerals, with the exception of uranium, may be extended for a period of not more than five years in order to determine the possibility of extracting mineral components from man-made mineral formations located within the contract territory.

In the case of extension of the contract in accordance with part five of this paragraph, the subsoil user ma, before the expiry of the term for such extension, apply to the competent authority to extend the contract for the period necessary for the extraction of minerals from man-made mineral formations with the purpose of further extraction of useful components from them. In this case, the subsoil user is obliged to abandon part of the contract territory (part of the subsoil plot) not used for the specified purposes.

The contract for exploration (combined exploration and production during the exploration period) of solid (common) minerals, with the exception of uranium, to assess the discovered mineralization (manifestation), may be extended for the period necessary to carry out work on assessment of the discovered deposit, provided for by the work program, which is determined by the parties as a result of negotiations.

A contract for extraction (combined exploration and production during the production period) of solid (common) minerals, with the exception of uranium, may be extended for a period not exceeding the initial term (the initial period of production under the contract for combined exploration and production) of the mining contract, but no more than the maximum term of a mining license established by this Code. Subject to the above restrictions, the term

for extending the contract for the extraction (combined exploration and production during the production period) of solid (common) minerals, with the exception of uranium, is determined on the basis of the planned mining activities provided for by the work program.

In case of extension of a contract for the extraction (combined exploration and production) of solid (common) minerals, with the exception of uranium, in a subsoil plot containing a large deposit, concluded before the entry into force of this Code, for a period of more than ten years, the competent authority has the right to demand inclusion in the conditions for such an extension of one of the following obligations of the subsoil user:

1) on establishing the processing industries by it or its subsidiary, or a joint venture;

2) on modernization or reconstruction of the existing extractive industries of the subsoil user;

3) on modernization or reconstruction of the existing processing industries;

4) on the supply of the extracted mineral for processing to the processing enterprises (plants) located in the territory of the Republic of Kazakhstan;

5) on ensuring of implementation (by it or its subsidiary, or joint venture) of the investment project in accordance with the Entrepreneur Code of the Republic of Kazakhstan or a project aimed at the socio-economic development of the region.

If the subsoil user refuses to extend the contract under the conditions specified in part seven of this paragraph, after the expiration of the contract validity period, the relevant part of the subsoil plot is to be auctioned in the way provided for in paragraph 5 of this article.

A subsoil user under a contract for the extraction of solid (common) minerals (combined exploration and production during the production period), with the exception of uranium, concluded before the entry into force of this Code, the terms of which did not provide for the right of the subsoil user to extend the term of such contract (production period under a contract for combined exploration and production), has the exclusive right during the term of the contract to obtain a license for the extraction of solid (common) minerals in accordance with Article 201 (licenses for the extraction of common minerals in accordance with Article 232) of this Code. An application for a production license under the exclusive right can be submitted no earlier than three years before the expiration of the contract. If during the period of consideration of the application the term of the contract expired, the contract is considered renewed for the period of such consideration.

Extension of term of the contract (agreement) on the state geological study of the subsoil concluded prior to this Code entry into force and financed by extrabudgetary funds is not allowed unless otherwise provided for by the terms and conditions of such contract. If the conditions of this contract provide for the possibility of extending its term, such an extension is allowed for a period not exceeding one year. During the period of such extension, the provisions on the restriction of work as provided for in Article 89 of this Code shall apply.

14-1. Excluded by the Law of the Republic of Kazakhstan dated 26.12.2025 № 243-VIII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

15. It shall be established that the right to the subsoil plot, granted to the person under the contract (agreement) for the state geological study of subsoil, concluded before the introduction of this code and financed from extrabudgetary funds shall be applied Provisions on the right to subsurface use, provided by paragraph 2 of article 84 of this Code.

Such person may not interfere with the use of the subsoil block by other persons having the right of subsoil use in accordance with this Code.

16. On subsoil use contracts, with the exception of uranium, concluded before enactment of this Code, changes in the subsoil plot boundaries shall be made by introducing appropriate amendments to the contract.

In this case, the spatial boundaries of subsoil plot are determined by the territory, denoted by the corner points in the geographic values system and datum planes emanating from the boundaries of such a territory to a certain depth.

Under contracts for the extraction of solid (common) minerals, with the exception of uranium, concluded prior to the entry into force of this Code, the expansion of the territory of a subsoil plot is allowed in an amount not exceeding half of the subsoil plot determined as of the date of entry into force of this Code.

Changing the boundaries of a subsoil plot under contracts for subsoil use for solid (common) minerals, with the exception of uranium, concluded before the entry into force of this Code, is carried out by re-issuing a geological and (or) mining allotment. The procedure for issuing and re-issuing geological and mining allotments is determined by the authorized body for the study of subsoil.

17. By decision of the Government of the Republic of Kazakhstan, the competent authority has the right to unilaterally terminate a subsoil use contract on a subsoil plot containing a large solid mineral deposit, concluded prior to the enactment of this Code, if the subsoil user’s actions during its subsoil use operations lead to changes in economic interest of the Republic of Kazakhstan creating a threat to national security In the event of unilateral termination of the contract on the abovementioned basis the competent authority is obliged to notify the subsoil user of this no later than two months.

18. The competent authority unilaterally terminates the subsoil use contract for solid minerals in the subsoil plot containing a large deposit or a strategic deposit concluded prior to the enactment of this Code, in case of violation of the requirements provided for by paragraph 1 of Article 44 of this Code that entailed national security, except the cases when obtaining a permit from a competent authority in accordance with this Code is not required.

In case of violation of these requirements this violation shall be eliminated within a period of not more than one year by restoring the situation that existed before the violation, and if it is impossible to recover, by carrying out other activities related to the transfer of facilities

associated with the strategic subsoil plot with the permission of the competent authority. In case of elimination of the violation, the subsoil user shall notify the competent authority in writing with the attached documents confirming the elimination within the time specified in this part.

In case of failure to eliminate the breach within the prescribed period, the competent authority unilaterally refuses to execute the contract by sending a written notice to the subsoil user. The contract is terminated after three months from the date of receipt by the subsoil user of the notice of unilateral refusal to execute the contract.

19. Upon termination of a contract concluded before the entry into force of this Code, the fulfillment of obligations to eliminate the consequences of subsoil use shall be carried out in the manner determined by this Code, taking into account the following:

in the absence of a liquidation plan two years before the expiration of the contract for the extraction of solid minerals, with the exception of uranium, or a contract for the extraction of widespread minerals, or by the time of their early termination, the development of the liquidation project takes into account the relevant technical features of liquidation provided for in the instructions on drawing up a liquidation plan;

upon termination of a permit for exploration or production of widespread minerals for use for the construction (reconstruction) and repair of public roads, state-owned railways, hydraulic structures and hydraulic structures, the fulfillment of obligations to eliminate the consequences of subsoil use is carried out by reclamation of disturbed lands in accordance with the land legislation of the Republic of Kazakhstan.

Persons who have commenced liquidation of the consequences of mining operations prior to the entry into force of this Code shall be obliged to ensure its completion in the manner and terms established by this Code.

20. Subsoil users carrying out, under the single subsoil use contract in the field of hydrocarbons concluded before January 1, 2004, mining at several hydrocarbon deposits, some of which are included in the list of highly viscous, watered, marginal or depleted deposits, with the tax legislation of the Republic of Kazakhstan, has the right to apply to the competent authority to conclude a separate mining contract for such deposits. Such contract may be concluded for a period remaining until the expiration of the term of the initial contract

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20. Subsoil users carrying under the single subsoil use contract in the field of hydrocarbons, concluded before January 1, 2004, mining at several hydrocarbon deposits, some of which are included in the list of highly viscous, water-cut, low-marginal or worked-out fields, with the tax legislation of the Republic of Kazakhstan, has the right to apply to the competent authority with the application to conclude a separate mining contract regarding such deposits. Such contract may be executed for a term remaining until the expiry date of the initial contract.

21. Final reports on exploration work submitted by subsoil users to state bodies in order to obtain a conclusion on the profitability of proven mineral reserves are subject to review in accordance with the provisions of Article 121 of the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use" with due regard to the provisions of paragraph 11 of Article 277 of this Code.

22. Holders of the subsoil use right under contracts concluded prior to the entry into force of this Code shall be entitled to carry out activities on the subsoil plot in accordance with the project documents approved in the manner established by the legislation of the Republic of Kazakhstan in effect prior to the entry into force of this Code.

Amendments to these project documents, taking into account the provisions of part three of this paragraph, shall be made in accordance with the provisions on amending project documents provided for by this Code. At the same time, the indicators of project documents must correspond to those provided for in the work program of the contract.

If the volumes of extraction of widespread minerals or solid minerals, with the exception of uranium, under subsoil use contracts concluded before the entry into force of this Code, as determined by the approved project documents, change by less than twenty percent in physical terms from the approved design indicators, such changes shall not be the basis for the mandatory introduction of changes in the specified project documents (development of a project document in accordance with this Code).

22-1. Under contracts for uranium exploration concluded prior to the entry into force of this Code, subsoil users have the right to carry out pilot production of uranium.

The pilot production project is approved by the subsoil user and is subject to the examinations provided for by this Code and other laws of the Republic of Kazakhstan. At the same time, such examinations do not require a report on the assessment of resources and reserves of solid minerals.

Entering the amendments to contracts for uranium exploration concluded prior to the entry into force of this Code in connection with pilot production is made in accordance with paragraph 14-1 of this article.

23. Under the contracts for extraction of solid minerals concluded prior to this Code entry into force, operations on subsoil use, in addition to operations specified in this Code, include the primary processing (enrichment) of mined solid minerals in accordance with the list of works determined by contract.

For the purposes of this paragraph, the primary processing (enrichment) extracted from solid minerals subsoil includes a type of mining activity, which includes collection on-site, crushing or grinding, classification (sorting), briquetting, nodulizing and enrichment by physico-chemical methods (without qualitatively changing mineral forms of minerals, their aggregate-phase state, crystal-chemical structure), and may also include processing technologies that are special types of work of mining of the minerals (underground gasification and smelting, chemical and bacterial leaching, dredging and hydraulic mining of

alluvial deposits). This processing are the works associated with the extraction of useful components from the extracted raw materials, as well as work (if there is primary processing), following the primary processing.

24.It shall be established that man-made mineral formations, located separately with non-state technological mineral formations at different sites (dump, tailing pond, sludge depository, landfill, etc.):

1) within the contract territories of mining contracts (mining period under contracts for combined exploration and mining) of solid minerals concluded with subsoil users prior to the implementation of this Code, or

2) on land plots of mining companies operated at the date of this Code entry into force and owned by non-state legal entities on the right of private property, shall be subject to gratuitous transfer to the ownership of these persons on the basis of their applications submitted to the competent authority within two years enactment of this Code.

State man-made mineral formations located outside the contractual territories and land plots referred to in sub-paragraphs 1) and 2) of the first part of this paragraph and formed before May 30, 1992 shall be transferred free of charge to private ownership at the request of the interested person submitted to them to the competent authority. Such application may be filed within two years from the date of this Code entry into force, subject to the following conditions:

the applicant is the owner of existing ore mining, mining and processing, metallurgical company at the date of this Code entry into force;

such man-made mineral formations are located in the territories adjacent to the contract territory or the land plot on which the relevant ore mining, mining and processing, metallurgical enterprise is located.

Transfer of state man-made mineral formations indicated to in the second part of this paragraph to the applicant’s private ownership is carried out by expanding the contract territory to the area where such man-made mineral formations are located if the applicant is a subsoil user, or by granting rights to land plots within which the man-made mineral formations are located.

State man-made mineral formations not transferred to the property in accordance with the first and second parts of this paragraph, located outside the contractual territories and land plots referred to in sub-paragraphs 1) and 2) of the first part of this paragraph, are included in the subsoil content. Subsoil users who have not filed applications for the purchase of man-made mineral formations are obliged to return a part of the contract territory where such man-made mineral formations are located after four years from the day this Code enters into force.

It shall be established that state man-made mineral formations placed together with man-made mineral formations of operating companies on one object of placement owned by man-made legal entities on the right of private property, or placed on one object of placement

together with man-made mineral formations resulting from the activity of subsoil users are transferred without charge into the ownership of the said persons on the basis of their application submitted to the authorized body for the study of mineral resources. Such application may be filed within two years from the date of this Code entry into force.

If the man-made mineral formations specified in part five of this paragraph may be divided due to their physical properties (man-made mineral formations in solid stage), according to the application of the person specified in part five of this paragraph, a dividing balance sheet is drawn up between the applicant and the authorized body for subsoil study Such application may be filed within two years from the date of this Code entry into force. In this case, man-made mineral formations are transferred on the basis of the separation balance. After the separation balance is compiled, the provisions of the fourth part of this paragraph shall be applied to the provided state man-made mineral formations not put on the applicant's books.

If the application for transfer of the state man-made mineral formations to private ownership has not been filed or the separation balance has not been drawn up within the prescribed time limits, allocation of facilities for non-state and state man-made mineral formations are subject to liquidation at the expense of such person. Liquidation is carried out in the way prescribed by the legislation of the Republic of Kazakhstan, with subsequent return to the state of the territories in which the liquidated facilities are located.

The rights to man-made mineral formations transferred to the property on the basis of this paragraph are exercised in accordance with Article 13 of this Code.

State man-made mineral formations transferred to private ownership in accordance with this paragraph shall be written off from the state balance of mineral reserves.

The procedure for the transfer of state man-made mineral formations, provided for by this paragraph shall be determined by the authorized body in the field of solid minerals.

25. Holders of subsoil use rights for subsoil use contracts for solid minerals, as well as for contracts for the extraction of widespread minerals concluded prior to the enactment of this Code, have the right by decision of the commission established by the competent authority or the local executive body of the region, city of republican significance, the capital, transit to the license mode of subsoil use (reissue the right of subsoil use), provided for by this Code, by getting licence for exploration or mining of solid minerals; licenses for the extraction of widespread minerals in exchange for relevant subsoil use contracts. At the same time, if the holder of the subsoil use right under contracts for exploration of solid minerals and exploration of widespread minerals or under contracts for the production of solid minerals and production of widespread minerals with contract territories located within the boundaries of the prospecting site being formed or a site for the production of solid minerals is the same person, the transition to a licensed subsoil use regime (re-registration of subsoil use rights) shall be carried out simultaneously under both contracts for the exploration of solid minerals and the exploration of common minerals or under contracts for the extraction of solid

minerals and the production of widespread minerals by issuing one license, respectively, for exploration of solid minerals or mining of solid minerals.

On the contracts for subsoil use, a commission is established for the solid minerals by the competent authority. Status and composition of the commission are determined by the competent authority. The commission also includes representatives of the central authorized body for budget planning, the central authorized body for budget execution, the authorized body in the field of environmental protection and the Ministry of Justice of the Republic of Kazakhstan.

Under contracts for the extraction of widespread minerals a commission is created by the relevant local executive body of the region, city of republican significance and the capital. Status and composition of the commission are determined by the local executive body. The commission also includes representatives of the local authorized body for budget execution, the territorial body of the authorized body in the field of environmental protection and the territorial body of the Ministry of Justice of the Republic of Kazakhstan.

Procedure for transition to the license mode of subsoil use in accordance with this paragraph, including the procedure for work of the commission is determined by the competent authority.

The license shall be issued for a period determined in accordance with this Code. This period shall not exceed the term of the subsoil use contract, in exchange for which a license is issued, and in the event of re-registration of the subsoil use right simultaneously under contracts for solid minerals and common minerals - the term of the contract for solid minerals . At the same time, for the purposes of part one of paragraph 2 of Article 211 of this Code, the term of a license for the extraction of solid minerals issued in lieu of a subsoil use contract (s) may be extended for a period of up to twenty-five consecutive years.

Apart from the obligations stipulated in Articles 191, 208 and 233 of this Code, the license issued for subsoil use may contain additional obligations of a subsoil user and the grounds for revoking a license or paying a penalty for violation of these obligations.

The subsoil use contract is terminated from the date of issue of the relevant subsoil use license.

In the event that a subsoil use license is issued in accordance with this paragraph, the provisions of subparagraphs 2), 4) of paragraph 1 of Article 25 and subparagraph 1) of paragraph 2 of Article 40 of this Code shall not apply to the said license.

Reissue of the subsoil use right in accordance with this paragraph does not terminate the subsoil use right arising from the contract and also does not entail the termination of encumbrances of subsoil use rights existing at the time of reissue.

26. Under contracts for solid mineral subsoil use concluded prior to the effective date of this Code, reports on the fulfillment of contractual obligations regarding expenditures allocated for the training, professional development, and retraining of workers who are citizens of the Republic of Kazakhstan, as well as obligations to finance research,

scientific-technical, and (or) experimental-design work, shall be submitted in accordance with the procedure and within the time limits established by this Code for the corresponding types of obligations.

27. It shall be established that within five years from the date of this Code entry into force , subsoil users, carrying out mining of solid minerals with a metal (metals) content of more than thirty percent, under a license for extracting solid minerals, shall process at least half of the total production in the calendar year in the territory of the Republic of Kazakhstan.

If it is impossible to process these solid minerals in the stipulated amount for technological reasons, reasons for absence, insufficient production capacity or economic inexpediency, subsoil users have the right to remove them from the territory of the Republic of Kazakhstan.

28. For contracts (licenses) for exploration and (or) mining of hydrocarbons concluded (issued) prior to the enactment of this Code, the coordinates and identification indicators of the blocks are applied to the subsoil sections consisting of blocks established in accordance with regulation of the Government of the Republic of Kazakhstan dated November 16, 1995 № 1552 "On Approval of the Map of Blocks and Hydrocarbons Deposits Prepared for Geological Survey and Development" and dated December 10, 1996 № 1514 "On Approval of the Map of Blocks for Geological Survey and development of hydrocarbons in the Kazakhstan sector of the Caspian Sea", unless otherwise provided by the terms of such contracts.

29. For subsoil use contracts concluded prior to January 1, 2015, during purchase of the goods in accordance with the procedure for procurement of goods, works and services used in subsoil use operations approved in accordance with this Code, the tender organizer, in the process of determining the winner, conventionally reduces the price of the competitive bid of the bidders - Kazakhstan producers of goods- by twenty percent.

The provisions of this paragraph apply before the expiration of the indicated contracts or until January 1, 2021, whichever comes first. Under subsoil use contracts for hydrocarbons concluded prior to the enactment of this Code, the calculation of subsurface users contractual obligations on training citizens of the Republic of Kazakhstan is carried out in accordance with the policy approved by the authorized body in the field of hydrocarbons.

30. The procedure for procurement of goods, works and services by subsoil users and their contractors operating under agreements (contracts) on production sharing approved by the Government of the Republic of Kazakhstan, or under a subsoil use contract approved by the President of the Republic of Kazakhstan is determined by the procedures established in accordance with such agreements (contracts). With that this procedure shall provide:

1) implementation of approved programs for the development of local suppliers of goods, works and services;

2) provision of all potential suppliers of goods, works and services with full and fair opportunities to participate in the competition for the purchase of goods, works and services;

3) the objective standards applying for the prior selection of potential suppliers of goods, works and services.

31. For the subsoil use contracts for hydrocarbons and uranium mining, concluded prior to the enactment of this Code, the costs of subsoil users and their contractors for the procurement of goods, works and services used in exploration and (or) hydrocarbon extraction and uranium mining operations, based on the results of a competition held outside the territory of the Republic of Kazakhstan, or procured with violation of the established procedure for the procurement of goods, works and services used in the exploration and (or) production of carbohydrate odes and uranium mining, or procedures established under agreements (contracts) on production sharing, approved by the Government of the Republic of Kazakhstan, or under a subsoil use contract approved by the President of the Republic of Kazakhstan, are excluded from expenses taken into account by competent authority performing by the relevant subsoil user of contractual obligations. The provision stipulated by this paragraph also applies to subsoil users and their contractors operating under production sharing agreements (contracts) approved by the Government of the Republic of Kazakhstan or under a subsoil use contract approved by the President of the Republic of Kazakhstan.

32. Subsoil users carrying out hydrocarbon exploration activities under subsoil use contracts concluded prior to this Code enactment have the right to transit to subsoil use conditions provided for by this Code by concluding a new version of the contract for exploration and mining of hydrocarbons developed in conformity to the standard contract for exploration and production of hydrocarbons and approved by the competent authority, in simultaneous compliance with the following conditions:

1) there are no breaches under the existing subsoil use contract concluded prior to this Code enactment, specified in notification of the competent authority, committed and not eliminated by the subsoil user;

2) the subsurface user has fully paid the subscription bonus in accordance with the requirements of the tax legislation of the Republic of Kazakhstan under the existing subsurface use contract concluded prior to this Code entry into force;

3) project for exploration works has been approved by the subsoil user in accordance with the requirements of this Code, which has received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan;

4) application for conclusion of the contract for exploration and mining of hydrocarbons in new edition in accordance with the standard contract for exploration and mining of hydrocarbons, approved by the competent authority, submitted by the subsoil user in simultaneous compliance with the following conditions:

before the expiration of the contract for subsoil use concluded prior to this Code entry into force, under which the subsoil user carries out hydrocarbon exploration activities;

within eighteen months from the date of this Code entry into force.

Application for conclusion of the contract for exploration and mining of hydrocarbons in a new edition in accordance with the model contract for the exploration and mining of hydrocarbons, approved by the competent authority, shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the existing subsoil use contract, under which the subsoil user carries out hydrocarbon exploration activities;

3) reference to the exploration plot, which shall correspond to the subsoil plot in accordance with the geological allotment under the current subsoil use contract, under which the subsoil user carries out hydrocarbon exploration activities.

The application is additionally attached by following:

1) hydrocarbon exploration and production contract signed by a subsoil user that complies with a model hydrocarbon exploration and mining contract approved by the competent authority;

2) the work program attached to the contract for the exploration and mining of hydrocarbons as its integral part, containing the volumes, description and deadlines for the work during the exploration period and complying with the requirements for the volumes and types of work stipulated by the work program under the current subsoil use contract, within whose subsoil user carries out hydrocarbon exploration activities;

3) approved by the subsoil user and received positive conclusions provided by this Code and other laws of the Republic of Kazakhstan examinations of the exploration project.

At that such contract establishes the period of exploration in accordance with the provisions provided for in the first part of paragraph 1 of Article 116 of this Code, reduced by the actual term of the existing subsoil use contract, under which the exploration of hydrocarbons is carried out by the subsoil user, on the date of submission of the application for the conclusion of a contract for exploration and mining in the new edition, developed in accordance with the model contract approved by the competent authority.

Investment commitments under the current subsoil use contract, under which the subsoil user carries out hydrocarbon exploration activities (if any), except for obligations in the field of training, science and socio-economic development of the region, are included in full in the contract for hydrocarbon exploration and production corresponding to the model contract for the exploration and mining of hydrocarbons, approved by the competent authority.

The application is subject to consideration within twenty business days from the date of its receipt by the competent authority.

Based on the results of consideration of the application, the competent authority takes a decision on conclusion of the contract for exploration and production of hydrocarbons or rejects its conclusion.

The competent authority rejects conclusion of the contract for exploration and production of hydrocarbons in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the requirements provided for by this paragraph, committed by the subsoil user.

The refusal of the competent authority does not deprive the subsoil user of the right to reapplication during the term of current subsoil use contract and compliance with other requirements provided for by this paragraph.

Conclusion of the contract for exploration and production of hydrocarbons corresponding to standard contract for exploration and production of hydrocarbons, approved by the competent authority, does not constitute grounds for relieving the subsoil user of liability for violation of the legislation of the Republic of Kazakhstan, which was committed during the subsoil use contract, under which the subsoil user has carried out hydrocarbon exploration activities.

Subsequent conditions for extending the exploration period and carrying out activities under the contract for exploration and production of hydrocarbons concluded in accordance with this paragraph shall be determined in accordance with the provisions of this Code.

33. Subsoil users engaged in hydrocarbon exploration under subsoil use contracts concluded prior to the enactment of this Code are entitled to one-time extension of the exploration period on the grounds and without complying with the requirements for the total exploration period, which are provided for in paragraphs 2 and 3 of Article 117 of this Code, while meeting the following conditions:

1) application for the extension of exploration period is submitted within eighteen months from the date of this Code entry into force;

2) there are no breaches under the existing subsoil use contract concluded prior to the enactment of this Code, specified in the notification of the competent authority, committed and not eliminated by the subsoil user;

3) the application is submitted and considered in the order provided for by paragraphs 4 to 11 of Article 117 of this Code;

4) in the case of a subsoil use contract concluded prior to this code entry into force Code, its trial operation does not exceed three years at the time of application filing

5) a new version of the contract for exploration and production of hydrocarbons signed by the subsoil user is additionally attached to the application in accordance with the standard contract for exploration and mining of hydrocarbons approved by the competent authority.

At that such contract fixes an exploration period corresponding to the requested extension period, but not exceeding three years.

Subsequent extension of the exploration period under a contract concluded on the basis provided for in paragraph 2 of Article 117 of this Code, in accordance with the first part of this paragraph is permitted only on the basis provided in paragraph 3 of Article 117 of this Code.

Subsequent extension of the exploration period under the contract concluded on the basis provided for in paragraph 3 of Article 117 of this Code in accordance with the first part of this paragraph is prohibited.

Conclusion of the contract for exploration and production of hydrocarbons corresponding to standard contract for exploration and production of hydrocarbons, approved by the competent authority, does not constitute grounds for relieving the subsoil user of liability for violation of the legislation of the Republic of Kazakhstan, which was committed during the subsoil use contract, under which the subsoil user has carried out hydrocarbon exploration activities.

33-1. For subsoil use contracts concluded before the enactment of this Code and transitioned to the subsoil use conditions provided by this Code in accordance with paragraphs 32 or 33 of this Article, a reduction in the subsoil plot shall be allowed without complying with the requirements of subparagraphs 2) of paragraph 1 of Article 114 of this Code.

When reducing the subsoil plot, it is allowed to amend the work program established in the subsoil use contract regarding the types and volumes of works related to the returned subsoil plot, provided that the following conditions are simultaneously met:

seismic exploration works have been carried out by the subsoil user on the returned subsoil plot;

the subsoil user has approved an amendment to the exploration project, which provides for the reduction of the subsoil plot and the absence of drilling structures on the returned subsoil plot, and this amendment has received positive conclusions from the expert assessments stipulated by this Code and other laws of the Republic of Kazakhstan.

In this case, the application for the reduction of the subsoil plot must also include the amendment to the exploration project approved by the subsoil user, which has received positive conclusions from the expert assessments stipulated by this Code and other laws of the Republic of Kazakhstan, in connection with the reduction of the subsoil plot.

34. Subsoil users that carry out or carried out hydrocarbon exploration activities under subsoil use contracts concluded prior to the enactment of this Code (initial contract) are entitled to conclude a hydrocarbon production contract corresponding to a model hydrocarbon production contract approved by the competent authority on the basis of statements under the following conditions:

1) the subsoil user fails to transit to the subsoil use conditions provided for by this Code by concluding a new edition of the contract for exploration and production of hydrocarbons in accordance with the provisions of paragraphs 32 and 33 of this article;

2) the subsoil user under initial contract in accordance with the requirements of this Code has compiled and approved the report on calculation of the field reserves which received a positive conclusion of the state examination of subsoil;

3) there are no breaches of obligations specified in notification of the competent authority committed and not eliminated by the subsoil user.

If under initial contract the subsoil user discovered two or more hydrocarbon fields, such subsoil user may conclude one contract for production of hydrocarbons or individual contracts for each deposit.

In the case specified in part one of this paragraph, the contract for production of hydrocarbons is concluded for a preparation period, the duration of which is determined by the subsoil user in the application, but cannot exceed three years.

If the initial geological reserves of hydrocarbon fields, report on the calculation of which received a positive conclusion provided for by this Code on state examination of subsoil, exceed the value of one hundred million tons of oil or fifty billion cubic meters of natural gas, the provisions of the production contract for such a field shall contain one of the obligations specified in paragraph 7 of Article 119 of this Code.

Application for conclusion of the contract for production of hydrocarbons is submitted by the subsoil user to the competent authority during the validity term or within twelve months after the termination of the original contract.

The competent authority, during the period specified in part five of this paragraph, as well as during consideration of the application and implementation of the actions specified in paragraphs from nine till sixteen of this paragraph, may not grant the right of subsoil use in such subsoil plot to other persons

Application for conclusion of the contract for production of hydrocarbons shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the original contract;

3) reference to the production site;

4) duration of the preparation period not exceeding three years.

The application is additionally attached by following:

1) the hydrocarbon production contract signed by the subsoil user that complies with a standard hydrocarbon production contract approved by the competent authority, except for the cases provided for in part four of this paragraph;

2) report on the calculation of reserves approved by the subsoil user and having received a positive conclusion of the state examination of reserves.

he application is subject to consideration within twenty business days from the date of its receipt by the competent authority. Based on the results of consideration of the application, the competent authority takes one of the following decisions:

1) on conclusion of the contract for production of hydrocarbons, except for the cases provided for in part four of this paragraph;

2) on negotiations with the subsoil user in the time and order specified in this paragraph, in the case provided for in part four of this paragraph;

3) to reject conclusion of the contract for production of hydrocarbons.

The competent authority rejects conclusion of the contract for production of hydrocarbons if the application does not meet the requirements established by this paragraph.

The refusal of the competent authority does not deprive the subsoil user of the right for reapplication within the period specified in part five of this paragraph.

In the case provided for by sub-paragraph 1) of the ninth part of this paragraph, the competent authority, within twenty business days from the date of such decision, concludes with the applicant for a period determined in accordance with part three of this paragraph, a contract for the extraction of hydrocarbons and sends the signed copy to the applicant.

In the case provided for by subparagraph 2) of the ninth part of this paragraph, within twenty-four months from the date of such decision, the competent authority shall negotiate with the subsoil user to determine the conditions and procedure for fulfilling the obligation provided for in paragraph 7 of article 119 of this Code.

According to the results of negotiations, the competent authority within five business days makes and notifies the subsoil user of one of the following decisions:

1) on conclusion of the contract for production of hydrocarbons;

2) on such conclusion rejection.

In the case provided for by sub-paragraph 1) of part fourteen of this paragraph, the subsoil user shall, within twenty business days from the date of receipt of the notification, send to the competent authority a signed hydrocarbon production contract determining the conditions and procedure for fulfilling the obligation provided for by paragraph 7 of Article 119 of this Code.

The competent authority within twenty business days from the date of receipt of the contract for the extraction of hydrocarbons concludes the same contract and sends signed copy to the subsoil user.

In the case provided for in sub-paragraph 2) of part fourteen of this paragraph, the former subsoil user has the right to reimburse the costs of finding and evaluating a deposit.

Such reimbursement is made by a new subsoil user in the form of the lump sum payment of the full amount of the relevant costs with due regard to inflation, determined on the basis of official statistical information of the authorized body based on the state statistics data.

The period for reimbursement of such costs shall be established by the competent authority and not exceed twelve months after the date of the contract conclusion with a new subsoil user.

A new subsoil user is entitled to audit the costs subject to reimbursement. In the event of the dispute on amount of reimbursable costs between the new and former subsoil users, such dispute is subject to settlement in the court.

35. Subsoil users engaged in the production of hydrocarbons under subsoil use contracts concluded prior to the enactment of this Code (valid contract) have the right to transfer to the subsoil use conditions provided for by this Code by concluding a new version of hydrocarbon production contract corresponding to the standard contract for the production of hydrocarbons

, approved by the competent authority, on the basis of an application, while simultaneously observing the following conditions:

1) in accordance with the requirements of this Code, the subsoil user has approved the project for development of field having received positive conclusions stipulated by this Code and other laws of the Republic of Kazakhstan;

2) the period of production under the contract for the production of hydrocarbons is determined on the basis of the deposit development project, but does not exceed the term of the existing contract for subsoil use remaining at the time of application;

3) investment obligations under the current contract (if any) are included in full in the contract for production of hydrocarbons;

4) at the time of the application submission, there are no breaches of obligations under the current subsoil use contract committed and not eliminated by the subsoil user, and specified in the notification of the competent authority.

If in the current subsoil use contract there are two or more hydrocarbon fields fixed, the subsoil user may conclude one contract for production of hydrocarbons.

Application for conclusion of the contract for production of hydrocarbons shall contain:

1) surname, name, patronymic (if specified in the identity document) or name of the subsoil user;

2) number and date of registration of the subsoil use contract.

The application is additionally attached by following:

1) the contract for production of hydrocarbons signed by a subsoil user, corresponding to a standard contract for the production of hydrocarbons, approved by the competent authority and taking into account the provisions stipulated in the first part of this paragraph;

2) approved by the subsoil user and having received positive conclusions provided for by this Code and other laws of the Republic of Kazakhstan examinations of the exploration project.

The application is subject to consideration within twenty business days from the date of its receipt by the competent authority.

Based on the results of consideration of the application the competent authority decides on conclusion of the contract for production of hydrocarbons or rejects conclusion thereof.

The competent authority rejects conclusion of the contract for production of hydrocarbons in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) failure to comply with the requirements provided for in the part one of this paragraph.

The refusal of the competent authority does not deprive the subsoil user of the right to reapplication.

If a decision is made to conclude a contract for the production of hydrocarbons, the competent authority concludes such a contract within twenty business days and sends the signed copy to the applicant.

Conclusion of the contract for production of hydrocarbons corresponding to a standard contract for production of hydrocarbons, approved by the competent authority, does not constitute grounds for relieving the subsoil user of liability for violation of the legislation of the Republic of Kazakhstan, which was committed during the subsoil use contract, under which the subsoil user has carried out hydrocarbon production activities.

Subsoil users that have concluded a hydrocarbon extraction contract in a new version in accordance with this paragraph shall not have the right to allocate a subsoil plot (subsoil plots) under such contract, except for the allocation of a subsoil plot (subsoil plots) relating to a depleting field (depleting fields).

36. Persons who are the winners of tender for granting the right of subsoil use for exploration or production of hydrocarbons (the tender winner) conducted in accordance with the requirements of the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use", the results of which were established in accordance with the legislation of the Republic of Kazakhstan have the right to conclude a contract for the exploration and production or extraction of hydrocarbons, developed in accordance with a model contract approved by the competent body, while simultaneously meeting the following conditions:

1) the tender winner fails to conclude the contract for subsoil use in the order and on the conditions provided for by the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use";

2) the tender winner has paid full subscription bonus in accordance with the requirements of the tax legislation of the Republic of Kazakhstan;

3) application for conclusion of the contract for exploration and production or extraction of hydrocarbons is submitted within twelve months from the date of this Code entry into force .

Application for conclusion of the contract for exploration and production or extraction of hydrocarbons, sent by the winner of the competition to the competent authority in accordance with this paragraph shall contain:

1) name of the person being the winner of tender for granting the right of subsoil use for exploration or production of hydrocarbons;

2) information and documents confirming compliance with the conditions provided for by this paragraph;

3) information and documents stipulated by paragraphs 2-4 of Article 96 of this Code.

Following documents shall be attached to the application:

1) the contract for exploration and production or extraction of hydrocarbons signed by the tender winner and developed in accordance with a standard contract approved by the competent authority with due regard the requirements provided for by this paragraph;

2) work program containing the volumes, description and deadlines for the work during the exploration period, drawn up on the basis of the prospecting project developed and agreed in accordance with the requirements of the Law of the Republic of Kazakhstan "On Subsoil

Use and Subsoil Use" or on the basis of conditions for works during the exploration period established in the tender offer for participation in the tender or in the application for participation in the auction.

For the purposes of this paragraph:

1) at conclusion of the contract for exploration and production of hydrocarbons corresponding to a standard contract approved by the competent authority:

the exploration site is determined in accordance with the requirements of this Code and may not exceed the size of the subsoil plot specified in the conditions of the tender for the subsoil use right for hydrocarbon exploration conducted in accordance with the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use";

development and expertise of the project for exploration works under the contract for exploration and production of hydrocarbons concluded in accordance with this paragraph shall be carried out in accordance with this Code;

1) at conclusion of the contract for exploration and production of hydrocarbons corresponding to a model contract approved by the competent authority:

the production site is determined in accordance with the requirements of this Code and may not exceed the size of the subsoil plot specified in the conditions of the tender for the subsoil use right for hydrocarbon exploration conducted in accordance with the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use";

in the contract for production of hydrocarbons, the tender winner may initiate the consolidation of the preparatory period or the production period in accordance with the provisions provided for in this Code (including the development and examination of project documents, as well as investment obligations and other issues), taking into account the specifics provided for in item;

3) the contract for exploration and production of hydrocarbons concluded in accordance with this paragraph shall include obligations corresponding to the obligations assumed by the winner of the tender in accordance with its tender offer for participation in the tender or application for participation in the auction, regarding the local content share in personnel, work, services required to perform the work under the contract;

4) the contract for production of hydrocarbons, concluded in accordance with this paragraph, shall include obligations corresponding to the obligations assumed by the winner of the tender in accordance with its tender proposal for participation in the tender or application for participation in the auction concerning the amount of social and economic development expenses of the region for and the development of its infrastructure; local content in personnel, work, services required to perform the work under the contract; the amount of expenses for training Kazakhstani personnel, research, scientific, technical and developmental works on the territory of the Republic of Kazakhstan, which are necessary to carry out the work under the contract.

The application is subject to review within the time limits established by this Code for consideration of applications for the conclusion of a contract for the exploration and production or extraction of hydrocarbons.

The competent authority decides to refuse to conclude a contract for the exploration and production of hydrocarbons in the following cases:

1) if the application fails to comply with the requirements established by this Code;

2) non-compliance committed by the tender winner with the requirements provided for by this paragraph;

3) on the grounds provided by sub-paragraphs 2) - 6), 8) and 9) of the paragraph 3, article 97 of this Code.

The refusal of the competent authority does not deprive the tender winner of the right to reapplication within the time limits and in compliance with other requirements provided for by this paragraph.

37. Provisions stipulated by paragraph 36 of this article regarding the procedure and conditions for concluding a contract for exploration and production or extraction of hydrocarbons corresponding to a model contract approved by the competent authority with the winner of the tender for the subsoil use right for exploration of hydrocarbons conducted in accordance with the requirements of the Law of the Republic of Kazakhstan " On Subsoil and Subsoil Use" (with the exception of sub-paragraph 3) of part two and sub-paragraph 3) of part six of paragraph 36 of this article), also apply to the conclusion of contracts for exploration and extraction of hydrocarbons or production with the national company in the field of hydrocarbons in the event of signing the protocol of direct negotiations in accordance with the provisions of the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use".

At that, the conditions for conducting subsoil use operations are determined on the basis of a protocol of direct negotiations.

38. It shall be established that in accordance with international treaties concluded prior to this Code entry into force, the competent authority may be granted the right to use subsoil under a contract for exploration of hydrocarbons on the basis of direct negotiations to persons specified in such international treaties.

The person intending to use the subsoil plot for hydrocarbon exploration on the basis of direct negotiations in accordance with this paragraph shall send to the competent authority a statement with specification:

1) name of the applicant, location, information on the state registration as a legal entity (extract from the trade register or other legalized document certifying that the applicant is a legal entity under the laws of a foreign state), information about the manager, individuals, legal entities, states and international organizations directly or indirectly controlling the applicant;

2) information about the previous activities of the applicant, including the list of countries in which he has carried out his activities over the past three years;

3) territory of the subsoil plot for which the applicant claims.

The application and all the documents attached thereto shall be written in Kazakh and Russian. If the application is submitted by a foreigner or a foreign legal entity, the documents attached thereto may be drafted in another language with a mandatory attachment of translations into Kazakh and Russian to each document and notarization of their authenticity.

Direct negotiations on the provision of subsoil use rights under a contract for hydrocarbon exploration are held between the authorized representatives of the applicant and the working group of the competent authority.

Direct negotiations are held within two months from the date of receipt of the application to the competent authority. Terms of direct negotiations can be extended by the competent authority decision.

Based on the results of direct negotiations, the competent authority decides whether to conclude a contract for the exploration of hydrocarbons or to refuse to conclude it.

If a decision is made to conclude an exploration contract within twenty business days from the date of its adoption, the applicant pays a subscription bonus, the amount of which is determined by the results of direct negotiations, and sends to the competent authority:

1) confirmation of the subscription bonus payment;

2) draft contract for hydrocarbon exploration;

3) work program containing the scope, description and deadlines for performing the works during the exploration period, determined on the basis of the results of direct negotiations, attached to the contract for hydrocarbon exploration as an integral part thereof.

Draft contract for hydrocarbon exploration shall include the following conditions:

1) type of the subsoil use operations;

2) the contract validity period;

3) boundaries of the subsoil plot(s);

4) obligations of the subsoil user in terms of the volumes and types of work on the subsoil areas provided for in the work program;

5) obligations of the subsoil user on the minimum share of local content in the personnel;

6) obligations of the subsoil user for the share of in-country value in goods, works and services that comply with the requirements of this Code, including by types of goods, works and services included in the list of priority goods, works and services, approved by the authorized body in the field of hydrocarbons;

7) obligations of the subsurface user to eliminate the consequences of subsurface use;

8) responsibility of the subsoil user for breach of contractual obligations, including violation of indicators of basic project documents for the exploration of hydrocarbons attributed by this Code to contractual obligations;

9) other conditions on the basis of which the subsoil was granted for use for exploration operations.

Draft contract for hydrocarbon exploration is subject to expert and legal expertise. Expertise of the draft contract by the competent authority is carried out within twenty business days from the date of its receipt.

Draft contract for exploration of hydrocarbons, within three business days from the date of its receipt, is sent to the competent authority for the passage of mandatory legal expertise, conducted on the subject of compliance of the contract provisions with the laws of the Republic of Kazakhstan. Legal expertise is carried out within twenty business days. Results of the expertises are documented by expert opinions which may be negative or positive.

The applicant finalizes the draft contract in order to eliminate the remarks set forth in the expert opinions. In case of elimination of the indicated remarks, the state body shall re-examine the expertise within ten business days.

Within ten business days from the date of receipt of positive expert opinions provided for in this paragraph, the applicant sends to the competent authority a signed contract for the exploration of hydrocarbons.

The competent authority shall, within twenty business days from the date of receipt of the contract, conclude a contract for the exploration of hydrocarbons and send the signed copy to the applicant.

It is prohibited to conclude additional agreements to the contract for the exploration of hydrocarbons, providing for the reduction or exclusion of the obligations originally stated in the work program.

39. The provisions of this Code regarding complex projects and contracts for exploration and extraction or production of hydrocarbons under complex projects shall not apply to:

1) subsoil use contracts (amendments to subsoil use contracts) concluded in accordance with Article 120 of this Code;

2) agreements (contracts) on product sharing approved by the Government of the Republic of Kazakhstan, and the subsoil use contract approved by the President of the Republic of Kazakhstan.

40. A subsoil user engaged in exploration and/or extraction of hydrocarbons under a subsoil use contract concluded before January 1, 2023, shall have the right to transition to the terms of the standard contract for exploration and extraction or production of hydrocarbons under a complex project, in accordance with the conditions provided in subparagraphs 1) or 2) of 1-1 of Article 36 of this Code, regarding subsoil plots that meet at least one of the criteria for a complex project(s) as specified in paragraph 1-2 of Article 36 of this Code, provided that the following conditions are simultaneously met:

regarding the subsoil plot that meets one or more criteria specified in subparagraphs 1) or 2) of paragraph 1-2 of Article 36 of this Code, the subsoil user is at the exploration stage, or for the subsoil plot that meets the criterion specified in subparagraphs 3) of paragraph 1-2 of Article 36 of this Code, the subsoil user is at the exploration and/or extraction stage;

the subsoil user has no unresolved violations of obligations under the initial contract as indicated in the notification from the competent authority at the time of submitting the application;

the subsoil user has fully completed the physical volume of works stipulated in the work program for the period preceding the year of submitting the application, or has fully executed the work program for the exploration period.

The requirements of the fourth sentence of part one of this paragraph shall not apply to fields meeting the criterion specified in subparagraph 3) of paragraph 1-2 of Article 36 of this Code, provided that the obligations for the unfulfilled volume of physical work as of the date of submission of the application shall be included in the obligations for subsequent periods.

The transition to the terms of the standard contract for exploration and extraction or production of hydrocarbons under a complex project shall be carried out upon the subsoil user's application submitted to the competent authority.

In addition to information about the subsoil user, the application shall indicate the grounds for the transition to the terms of the standard contract for exploration and extraction or production of hydrocarbons under a complex project.

The following documents must be attached to the application:

a draft amendment to the subsoil use contract, which stipulates the rephrasing of such a contract in accordance with the terms of the standard contract for exploration and extraction or production of hydrocarbons under a complex project;

the minimum domestic value obligations in terms of staff, as defined by the applicant in accordance with paragraph 5-1 of Article 36 of this Code, which subject to be included in the contract for exploration and extraction or production of hydrocarbons under a complex project;

regarding the complex projects specified in subparagraphs 2) and 3) of paragraph 1-2 of Article 36 of this Code, any of the documents specified in part two of paragraph 1-3 of Article 36 of this Code.

When transitioning to the terms of the standard contract for exploration and extraction of hydrocarbons under a complex project in accordance with this paragraph, the exploration period shall be determined within the maximum exploration period determined in consideration of the provisions of Articles 116 and 117 of this Code, minus the actual exploration period already utilized under such a contract.

In the event that the subsoil use right under a contract concluded before the enactment of this Code—except for contracts on subsoil plots fully or partially located within the Kazakh sector of the Caspian or Aral Sea was granted to the subsoil user as an entity engaged in industrial-innovative activities in accordance with the provisions of the Law of the Republic of Kazakhstan dated June 24, 2010, "On Subsoil and Subsoil Use," when transitioning to the terms of the standard contract for exploration and extraction or production of hydrocarbons under a complex project, such a contract must provide for the subsoil user's obligations to

ensure the implementation of the corresponding investment project, as well as other related obligations associated with the implementation of such an investment project, as stipulated in the contract terms, including obligations to ensure raw materials.

If the initial contract includes several subsoil plots (fields), some of which do not meet the criteria for complex project(s) as specified in paragraph 1-2 of Article 36 of this Code, the transition to the terms of the standard contract for complex projects in accordance with this point shall be carried out only for the subsoil plot (field) that meets the criteria for a complex project as provided in paragraph 1-2 of Article 36 of this Code, by separating the relevant subsoil plot(s) and/or field(s) into a separate contract under the terms of the standard contract for a complex project.

The application must be reviewed within twenty working days from the date it is submitted to the competent authority.

If, as a result of the review of the application for the project amendment to the contract, there are comments, the competent authority shall notify the applicant. If the applicant agrees with the comments from the competent authority, they shall have the right to eliminate them and submit a revised project amendment to the competent authority. During the period of eliminating the comments, the review period for the application shall be suspended. If the applicant does not agree with the comments from the competent authority, they shall have the right to contest them in accordance with the procedures established by the laws of the Republic of Kazakhstan.

Based on the results of consideration of the application, the competent authority shall sign an addendum to the contract and send it to the applicant or refuse to switch to the terms of the standard contract for exploration and extraction or production of hydrocarbons for a complex project in the following cases:

inconsistencies of the application and (or) the documents attached to it with the requirements of this paragraph;

failure by the applicant to remedy, or refusal by the applicant to remedy, the deficiencies identified by the competent authority and communicated in accordance with part ten of this paragraph.

The provisions of paragraphs 12, 13, 32, 33, 34 and 35 of this Article shall not apply to the transition to the terms of the standard contract for exploration and extraction or production of hydrocarbons for a complex project in accordance with this paragraph.

41. A subsoil user conducting hydrocarbon subsoil operations at a production site shall have the right, during the preparatory period, to transition to the terms and conditions of a standard contract for the extraction of hydrocarbons for a complex project, subject to the simultaneous fulfillment of the following requirements:

1) an application for the transition to the terms and conditions of a standard contract for the extraction of hydrocarbons for a complex project has been submitted prior to March 1, 2026;

2) the subsoil user, at the time of submission of the application, has no unrectified violations of obligations under the original contract specified in the notification of the competent authority;

3) the production site (field) meets one of the following conditions:

relates to onshore projects with at least one of the parameters specified in subparagraph 2) of paragraph 1-2 of Article 36 of this Code;

contains hydrocarbon field reserves collectively meeting the following indicators:

oil density is not less than 880 kg/m³ under reservoir conditions;

the upper boundary (roof) of the oil reservoir is located at a depth exceeding one thousand meters.

An application for the transition to the terms and conditions of a standard contract for the extraction of hydrocarbons for a complex project in accordance with this paragraph shall be reviewed in accordance with parts six through twelve of paragraph 40 of this Article.

In addition to the documents specified in part five of paragraph 40 of this Article, the application shall be accompanied by a report on the calculation of geological reserves, approved by the subsoil user and having received a positive conclusion from the state subsoil expertise, confirming that the production site (field) meets the requirements of subparagraph 3) of the first part of this paragraph.

Upon transition to the terms and conditions of a standard contract for the extraction of hydrocarbons for a complex project in accordance with this paragraph, the contract shall establish a production period term as provided for in paragraph 1-1 of Article 119 of this Code, reduced by the actual period of extraction under such contract.

42. Holders of the subsoil use right under licenses for geological study of subsoil, issued before January 1, 2025, valid as of the date of filing the application referred to in this paragraph, the boundaries of whose subsoil plots are fully located within the territory of subsoil plots situated in poorly studied areas according to the state subsoil fund management program, shall have the right to conclude a standard contract for exploration and production of hydrocarbons, provided for in subparagraph 3-1) of paragraph 1-1 of Article 36 of this Code, by submitting an application to the competent authority prior to the expiration of the license for geological study of subsoil for the corresponding subsoil plot.

In the event a contract for exploration and production of hydrocarbons is concluded for a subsoil plot located within poorly studied areas in accordance with this paragraph, the previously issued license for geological study of subsoil shall terminate as of the date of conclusion of the contract.

For the purposes of this paragraph, the exploration period shall be fixed at six years, reduced by the actual term of the valid license for geological study of subsoil as of the date of filing the application for transitioning to the contractual subsoil use regime for subsoil plots located within poorly studied areas.

Any subsequent extension of the exploration period under a contract for exploration and production of hydrocarbons for a subsoil plot located within poorly studied areas shall be permitted in accordance with the procedure and under the conditions provided for in Article 117 of this Code, with the exception of the provisions of part three of paragraph 1 of Article 117 of this Code.

The work program for the exploration period shall include the minimum requirements for the types and scope of work specified in subparagraphs 1) and 2) of paragraph 3-1 of Article 95 of this Code. When concluding a subsoil use contract, the competent authority shall have the right to establish higher minimum requirements for the scope and types of work.

Actual work performed on a subsoil plot located within poorly studied territories under a valid license for geological study of subsoil, on the basis of which the subsoil user transitions to the contractual subsoil use regime in accordance with this paragraph, may be taken into account toward the fulfillment of the corresponding types of work on such subsoil plot as provided for in the work program of the exploration period under the subsoil use contract.

When concluding a contract for exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, the exploration area shall be determined in accordance with the requirements of Article 110 of this Code.

If the person referred to in the first part of this paragraph holds two or more licenses for geological study of subsoil, the boundaries of whose plots are entirely located within subsoil plots situated in poorly studied territories, such person shall have the right to conclude one or several separate standard contracts for exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, based on the corresponding license for geological study of subsoil in accordance with the requirements of Article 110 of this Code.

Under subsoil use contracts concluded in accordance with this paragraph, any transfer of the subsoil use right and (or) assets related to the subsoil use right shall be prohibited during the exploration period determined according to the third part of this paragraph.

When concluding a contract for exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, the subsoil user shall pay a signature bonus in an amount equal to the starting amount of the signature bonus determined in accordance with the tax legislation of the Republic of Kazakhstan.

A subsoil plot located within poorly studied territories must be free from subsoil use for hydrocarbons.

An application for the conclusion of a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories shall contain:

1) information on the holder of the license for geological study of subsoil in accordance with subparagraphs 1), 2) and 2-1) of paragraph 2 of Article 96 of this Code;

2) the number and date of issue of the license for geological study of subsoil, and the boundary coordinates of the subsoil plot under the license for geological study of subsoil;

3) the boundary coordinates of the subsoil plot requested for the conclusion of a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories.

The following shall be attached to the application:

1) confirmation of payment of the signature bonus and the contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, signed by the applicant, which conforms to the terms of the standard contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories;

2) the original or a notarized copy of the license for geological study of subsoil;

3) documents provided for in subparagraph 4-1) of paragraph 3 of Article 96 of this Code;

4) a work program for the exploration period;

5) information on the seismic exploration works carried out by the applicant on the subsoil plot under the relevant license for geological study of subsoil.

The application shall be reviewed within twenty working days from the date of its receipt by the competent authority.

Based on the results of the review of the application, the competent authority shall adopt a decision either to conclude the contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories or to refuse the conclusion of the contract.

The competent authority shall refuse the conclusion of the contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories if the application fails to comply with the requirements established by this paragraph, or if the requested subsoil plot is held under a subsoil use contract for hydrocarbons by another person .

A refusal by the competent authority shall not deprive the subsoil user of the right to file a repeated application after remedying the violations specified in the refusal of the competent authority.

In the event of a decision to conclude a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, the competent authority shall, within twenty working days, conclude such contract and send its signed copy to the applicant.

Applications for the conclusion of a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories, submitted by different holders of a license for geological study of subsoil on subsoil plots whose boundaries partially or completely coincide, shall be considered in the order of their receipt.

If two or more applications for the conclusion of a contract for the exploration and production of hydrocarbons on a subsoil plot located within poorly studied territories are submitted by different holders of a license for geological study of subsoil on subsoil plots whose boundaries partially or completely coincide on the same day, the order (priority) of

consideration of the applications shall be determined based on the license for geological study of subsoil issued earlier.

Footnote. Article 278 as amended by Law of the Republic of Kazakhstan № 284-VI dated December 26, 2019 (see Art. 2 for the enactment procedure); dated 25.06.2020 № 347-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.01.2021 № 401-VI (shall be enforced from 01.03.2021). dated 05.01.2021 № 407-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 09.03.2021 № 14-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 87-VII of 27.12.2021 (shall be put into effect ten calendar days after the date of its first official publication); dated 29.12.2022 № 174-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 30.12.2022 № 177-VII (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 28.12.2023 № 52-VIII (enactment procedure, see Art. 2); dated 26.12.2025 № 243-VIII (for the procedure for introduction see Art. 2); dated 30.12.2025 № 249-VIII (for the procedure for introduction see Art. 2).

President
of the Republic of Kazakhstan *N. NAZARBAYEV*

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