

FITCH REVISES OUTLOOKS ON NC KMG AND KTZ TO POSITIVE; AFFIRMS AT 'BBB-'

Fitch Ratings-London/Moscow-21 November 2011: Fitch Ratings has revised the Outlooks on KazMunaiGaz National Company (NC KMG) and Kazakhstan Temir Zholy's (KTZ) Long-term foreign currency Issuer Default Ratings (IDRs) to Positive from Stable and affirmed their ratings. A full rating breakdown is below.

The rating actions reflect the agency's upgrade of Kazakhstan's Long-term foreign and local currency IDRs to 'BBB' from 'BBB-' and 'BBB+' from 'BBB', respectively, on 21 November 2011. The Outlooks on Kazakhstan's Long-term foreign and local currency IDRs are Positive (for further information, see "Fitch Upgrades Kazakhstan to 'BBB'; Outlook Positive", at www.fitchratings.com.)

NC KMG and KTZ continue to benefit from strong links with the government. However, full and timely financial support, which would allow rating alignment, is not certain without a significant portion of debt with explicit guarantees. Consequently, NC KMG's and KTZ's ratings are notched down one notch from the sovereign ratings.

The rating actions are as follows.

KazMunaiGaz National Company (NC KMG)

Long-term foreign currency IDR: affirmed at 'BBB-'; Outlook revised to Positive from Stable

Long-term local currency IDR: affirmed at 'BBB'; Outlook revised to Positive from Stable

Short-term foreign currency IDR: affirmed at 'F3'

Foreign currency senior unsecured rating: affirmed at 'BBB-'

Local currency senior unsecured rating: affirmed at 'BBB'

Kazakhstan Temir Zholy (KTZ)

Long-term foreign currency IDR: affirmed at 'BBB-'; Outlook revised to Positive from Stable

Foreign currency senior unsecured rating: affirmed at 'BBB-'

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Additional information is available at www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria, 'Corporate Rating Methodology', dated 12 August 2011, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Corporate Rating Methodology

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=647229

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