



October-November 2016

THE FIRST CROSS-AUDIT

In October 2016, the first mutual audit of the health and safety issues was conducted at the Group of Companies of JSC PAVLODARENERGO.



Mutual audit – is an event that allows to exchange experience in the creation of safe working conditions for the effective management of the occupational health and safety (OHS) recordkeeping on OHS, for the implementation of corporate procedures, regulations and standards for OHS. The audit was initiated by Production and Technical Department (PTD) of «CAEPCO» and carried out within the approved Rules of the Company's management for monitoring the state of occupational health and safety (OHS).

The implementation of the first cross-audit OHS attended by the heads of

the occupational health and safety units of PAVLODARENERGO, JSC SEVKAZENERGO, JSC AEDC and LLP Astanaenergobyt.

Employees of the Holding visited the subsidiaries of PAVLODARENERGO, where during the audit noted positive aspects, identified shortcomings and provided recommendations in the field of occupational health and safety. Upon completion of the audit the results were summarized and proposals for improving the working procedures were considered. The following common cross-audit planned for the of JSC SEVKAZENERGO in April 2017.

SHORT-TERM BONDS

A media briefing of Kazakhstan Stock Exchange JSC (KASE) confined to the issue of the first instrument in a new Stock Exchange's sector — short-term (commercial) bonds with the participation of issuers of the instrument — PAVLODARENERGO JSC and SEVKAZENERGO JSC has been taken place on November 21, 2016.

The event has been aimed at the popularization of a new financial instrument and increase of interest to issuers on the part of investors. Bonds of PAVLODARENERGO JSC and SEVKAZENERGO JSC are included in Short-term «Commercial Bonds» Sector of the KASE official list.

Conditions of PAVLODARENERGO JSC's and SEVKAZENERGO JSC's bonds issue are similar and represented by the following parameters: quantity of issued bonds – 10 MIO of coupon bonds (unsecured); issue

volume at face value – 1 billion KZT; face value – 100 KZT; coupon interest rate – fixed, 13% per annum of face value for the whole circulation term; periodicity of coupon interest payment – twice a year; circulation term – 1 year.

The «Commercial Bonds» sector is intended for short-term bonds of companies, which already have the KASE listing experience and which securities are in the KASE official list. PAVLODARENERGO JSC and

CAEPCO JSC key indicators:

1 141 MW
installed electricity
capacity

2 918 Gcal/h
installed heating
capacity

5 054,1 mln kW-h
electric energy
generation

4 009,7 thous. Gcal
heat energy
generation

4 103,1 mln kW-h
transportation and
distribution of
electric energy

2 768,3 thous. Gcal
transportation and
distribution of
heat energy

(for 9 months of 2016)

SEVKAZENERGO JSC became the first companies that issued bonds under the sector», – K.Zh Turmagambetov, Business Development Director, member of the KASE Management Board, Manager has commented on the event.

On the specified meeting, representatives of the issuers – PAVLODARENERGO JSC and SEVKAZENERGO JSC – have shared plans on further development of companies, represented the dynamics of performance indicators of organizations and information on current projects and estimated figures for the near future.

PAVLODARENERGO JSC and SEVKAZENERGO JSC demonstrate a sustainable growth of earnings yield and operating efficiency.

Employees of Petropavlovsk Heating Networks, LLP have completed reconstruction of section of TM No.2 heating main located in Yegemen Kazakhstan St. using funds borrowed from the European Bank for Reconstruction and Development (EBRD) and Ministry of National Economy of the Republic of Kazakhstan.

As noted by power engineers, a reason to replace this section of heating main became a high degree of wear and tear of networks equal to 95%. Extent of work was 972 meters. When laying a new pipeline an up-to-date energy saving technology – preinsulated pipeline representing a structure of sandwich type made of steel pipe, polyurethane foam thermal insulation layer, and high-density polyethylene external coat has been used.

«Polyurethane foam preinsulated pipe (so called PUF-pipe) has high heat-insulation indicators, which facilitates considerable reduction in heat losses, and high corrosion resistance. Standard service life of such pipe is 25 years. In 2017, we plan to continue works at heating main No.2: additional 1114 meters of pipeline will be replaced in Yegemen Kazakhstan St.», — Yury Lamash, acting Head of Reconstruction and Modernization Department of Petropavlovsk Heating Networks, LLP has told about the progress of reconstruction of heat supply system in Petropavlovsk city.

HEATING MAIN IS READY FOR OPERATION



In 2016, heating engineers plan to reconstruct about 4km of heating mains in total using PUF-pipes.

Partnership

CAEPCO AND UTW MODERNIZE THE POWER GENERATION OF KAZAKHSTAN

Within the frames of XIII Forum of Interregional Cooperation of Kazakhstan and Russia that is taking place in Astana city, Central-Asian Electric Power Corporation (CAEPCO) and Ural Turbine Works (UTW) have concluded the Memorandum of Cooperation. It is the third agreement between the companies oriented on the generation equipment modernization. Under terms of the agreement, Ural Turbine Works will take part in the modernization of three T-100 turbines and one ПТ-135 turbine at objects of CAEPCO JSC.

RECONSTRUCTION OF HEATING NETWORKS OF THREE CITIES

A tripartite agreement for implementation of projects on modernization of district heating systems in Pavlodar, Ekibastuz, and Petropavlovsk cities has been signed. The agreement has been concluded between the European Bank for Reconstruction and Development (EBRD), Ministry of National Economy of the Republic of Kazakhstan and «Central-Asian Electric Power Corporation» JSC («CAEPCO» JSC) under implementation of the «Nurly Zhol» Infrastructure Development Government Program.

DEVELOPING THE ENERGY COMPLEX OF NORTH-KAZAKHSTAN REGION

5 October, 2016 within the frames of international investment forum «Kyzylzhar Invest 2016» taking place in Petropavlovsk city, Central-Asian Electric Power Corporation (CAEPCO) and Akimat of North-Kazakhstan region have entered into the Memorandum of Cooperation.

The Memorandum of cooperation aimed to realization of programs for reconstruction of boiler and turbine units of CAEPCO owned CHPs as well as for expansion of existing power sources.

COMPUTERS DONATED TO THE ORPHAN HOME

Astanaenergosbyt, LLP has made a charitable donation to the orphan home in Astana: 10 computers, 2 scanners, and one multi-function printer have been provided to MPI «Orphan Home», 67, Seifullin Street.

- When it became possible to donate computers, first of all we have contacted namely this institution, management of which agreed gladly to accept this equipment as a gift. All computers are in good operating condition, and we hope that children will be able to study using them and play development games, - Nurlan Tuleutayev, Head of System Administration Department has told about the charitable action.

The orphan home's children and management are very glad that Astanaenergosbyt has taken the lead in the charitable assistance. «We are glad that the power supply company has found us by itself. All equipment: processors,

monitors, keypads, and mouse pointing devices are in excellent condition. Each computer is accompanied by all necessary power cables and cords. Today, our children need computers, therefore, this arrival of the company's specialists is very valuable for us. We have many ones who wish these computers», – Zhanna Sarsenbayeva, Deputy Director for Social Work of the Orphan Home has told. As of today, 118 children in the age of 4 - 18 years old live here. These are orphans and children without parental care. Astanaenergosbyt, LLP has received a letter of thanks from the management of the orphan home for the rendered charitable assistance.

COMPETITION FOR STUDENTS



The project of PAVLODARENERGO – a competition of scholarly works among students has started from the 1st November of 2016.

All third-year students of Pavlodar institutions of higher and secondary education studying disciplines, which are field-oriented for the Company, are offered to take part in the competition.

Winners of the competition will gain the right for a corporate scholarship of PAVLODARENERGO, and, of course, for further employment with the Company.

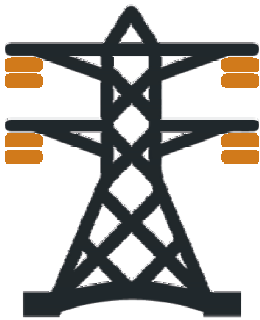
2016 was rich in anniversaries in the Group of Companies of CAEPCO, JSC. The 4th December will mark 60 years from the date of completion of construction of Ekibastuz CHPP – the oldest power plant of the region. Renewed Petropavlovsk CHPP-2 will celebrate its 55th birthday on the 22nd December – in the Power Engineers' Day of Kazakhstan. In October, its 45th birthday was celebrated by the heat supply system of Pavlodar, the 1st February marked 55 year from the day of energizing of the first

unit of Pavlodar CHPP-2, and in spring – 15 years from the day of formation of Akmola Electricity Distribution Company, JSC. A respectable standing of each enterprise is an accumulated job-related experience and a chain of events important not only for collectives, but also for all regions that are supplied with electric and heat energy on an uninterrupted basis. We congratulate all employees of the Holding with anniversaries of companies!

15 YEARS

OF AKMOLA ELECTRICITY DISTRIBUTION COMPANY, JSC

The Company carries out its activity in 14 regions of Akmola oblast and Astana city. The majority of organizations of Akmola oblast – agricultural and industrial region of Kazakhstan – are on the books of AEDC, JSC. Since 2016, the Company actively develops a social partnership within the frames of young specialists support program.



20 191,5 km
Total length of power transmission lines

45 YEARS

OF PAVLODAR HEATING NETWORKS, LLP

A reliable heat supply system operates in Pavlodar. Pavlodar Heating Networks, LLP has looped mains of all three power plants – CHP-1, CHP-2, and CHP-3 – and, therefore, heat sources of the city became interchangeable.

23,0 km
hot water supply networks

115 km
main heating networks



280,6 km
quarter heating networks

Petropavlovsk CHP-2 celebrates its anniversary: On December 22, 1961, the first turbine generator was loaded. Since 2009, the most considerable funds from the day of Petropavlovsk CHP-2 establishment are allocated to modernization projects: a program of extensive reconstruction of equipment is implemented that allow updating the generating capacity by 49.7% towards the end of 2016.

It is important to note, that this anniversary is celebrated by the whole power industry of the region, because namely PCHP-2 started the epoch of electrification.

55 YEARS

OF PETROPAVLOVSK CHP-2



According to the results of 2016, indicators of CHP will gain:

541 MW
installed electric power

713 Gcal/h
heating capacity

3,2 billion kW·hr
power output

55 YEARS

OF PAVLODAR CHP-2

An old-timer of the power industry of the region – CHP-2 – has the most durable equipment. Despite the operating life – longer than in other power plants of the Irtys Land, – despite high percent of wear and tear of the power plant equipment, CHP-2 still operates stably and has the highest plant-use factor among power plants of PAVLODARENERGO, as well as one of the highest among all CHPs of the Republic of Kazakhstan: in winter season, CHP-2 bears load of about 95-96% of the installed capacity.

110 MW
installed electric power

332 Gcal/h
heating power

60 YEARS

OF EKIBASTUZ CHP

Ekibastuz CHP is an existing power plant of Pavlodar oblast with a specific history. Construction of CHP started in 1952. Prisoners of the Ekibastuz GULAG camp, including Alexandr Solzhenitsyn, the Soviet writer and dissident, were among builders.

The power plant is not only the first CHP in the region, but the only source of heat for Ekibastuz.

12 MW
installed electric power

782 Gcal/h
heating power