

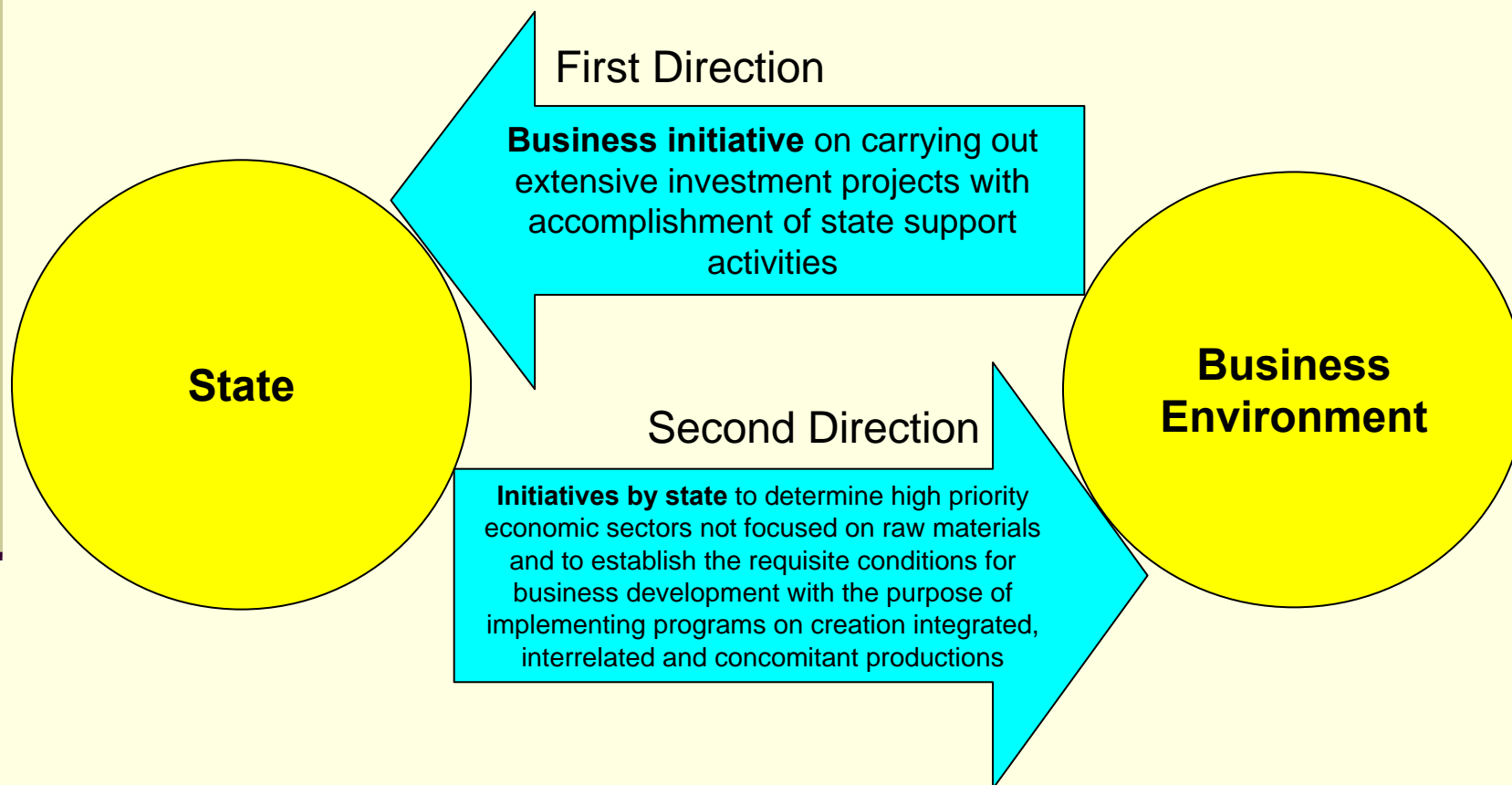
Ministry of Economics and Budget Planning of the Republic of Kazakhstan

About Implementation of «Top 30 Corporative Leaders of Kazakhstan» Program

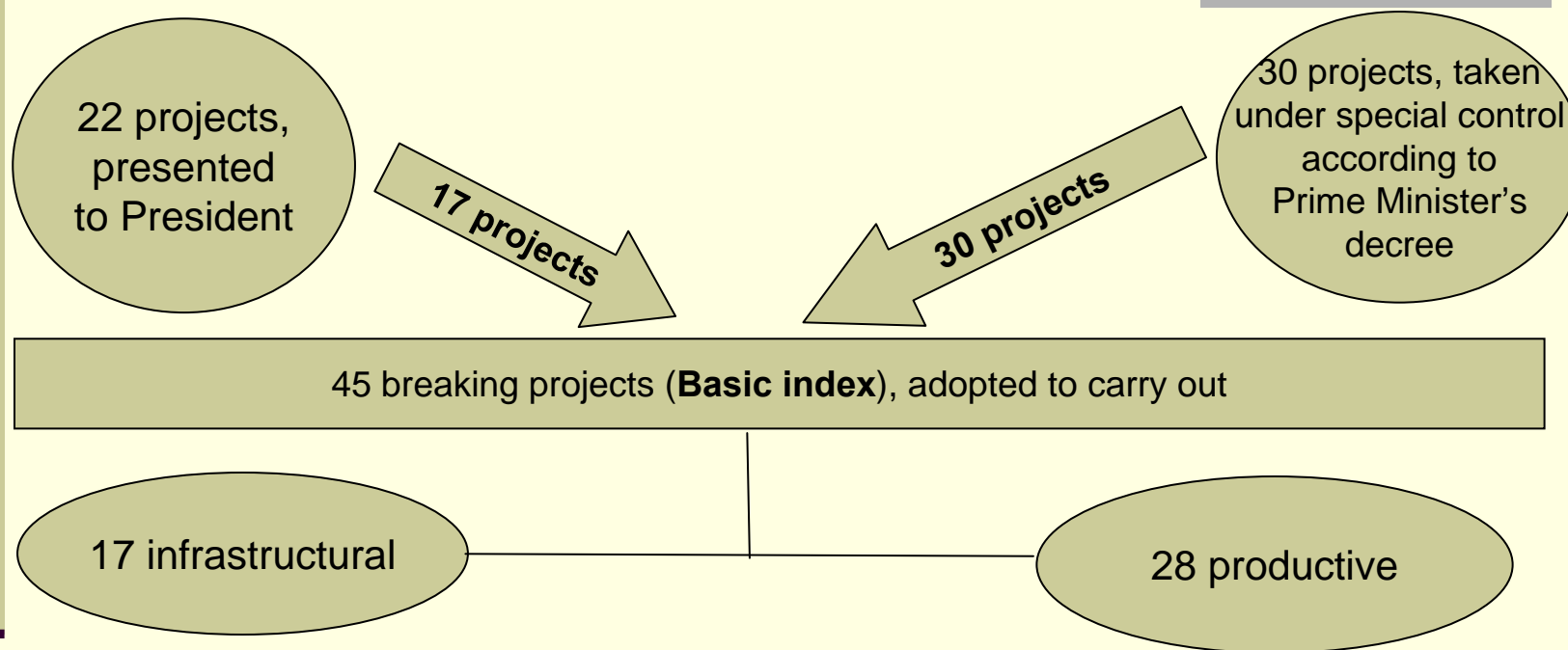
**Astana
July, 2008**

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Directions of the «Top 30 Corporative Leaders of Kazakhstan» Program Implementation



First Direction of the «Top 30 Corporative Leaders of Kazakhstan» Program Implementation



45 projects are estimated at approximately **USD 54 billion**, including:
17 infrastructural projects with USD 18 billion sum total;
28 productive projects with USD 36 billion sum total.

3 projects are simultaneously inscribed in the lists of 22 and 30 breaking projects, 1 project has been divided into 2 as a result of AIS proposal

The projects, which have already started and will be put into operation in 2008, with over USD 1400 million sum total

1. Sorts of rolling producing organization in Karagandy oblast
2. Super capacious tantalum powder producing organization in East Kazakhstan oblast
3. The 3rd Zhanakol reprocessing factory (shift to the 1st turn of planned production capacity)
4. Chromium ore dressing industrial complex in “Voskhod” ore deposit in Aktobe oblast
5. Production of metallurgical silicon from lode crystal in Karagandy oblast
6. Production of finished textile in South Kazakhstan oblast
7. Construction of “North Kazakhstan – Aktobe oblast” interregional power transmission line

The projects, which will be put into operation in 2009, with over USD 3000 million sum total

1. “Astana – Schuchinsk” highway construction
2. Construction and exploitation of primary aluminum production factory in Pavlodar oblast
3. Construction of the 2nd “North – South of Kazakhstan” 500 kW power transmission line
4. Modernization of the national power grid (first stage)
5. Construction of ore dressing complexes and brass works factory (I turn) in Aktobe oblast
6. Construction of cement factory in Mangystau oblast
7. “GEGA” grocery and logistic center in Almaty City
8. Live farming complex jointly with meat processing plant and feed mill in North Kazakhstan oblast

Accomplishment of State Support Activities for Implementation of the Breaking Projects

№	State support activities	Number of projects
1	Co-financing from republic budget	6
2	Giving state guarantees and sureties	3
3	Long-term crediting by development institutes	12
4	Giving investment preferences	8
5	National companies' participating in implementation of the projects	11
6	Providing with the requisite infrastructure	3
7	Granting lots for implementation of the projects	45

* Note: there is possibility of rendering state support twice or more for projects

Financing the breaking and prioritized projects for 2008-2011

Million tengue

№	Name	2008	2009	2010	2011
1	Construction of the Balkhash heat-electric generating station	2 095	6 239	4 903	6 987
2	Construction of the Beineu – Bozoi – Shalkar – Akbulak gas main	2 000	32 332	200 000	2 334
3	Construction of the first integrated gas and chemical complex infrastructure in Atyrau oblast	10 000	36 900	36 900	14 600
4	Construction of Ozen – border of Turkmenistan railway line <i>(there is an idea of concession)</i>	97	1 100		
5	Construction of “Astana – Schuchinsk” highway	41 030	25 798		
6	Reconstruction of “West Europe – West China” automobile transit corridor	6 653	49 779	126 167	167 150

: 61 875 152 148 367 970 191 071

Accomplishment of State Support Activities for Implementation of the Breaking Projects

The projects, which are given state guarantees and sureties

1. Construction of the Moinak hydro-electric power station (state guarantees in 2005 are USD 25 million and in 2006 – USD 75 million)
2. Construction of the 2nd “North – South of Kazakhstan” 500 kW power transmission line (state guarantee is USD 100 million)
3. Construction of “North Kazakhstan – Aktobe oblast” interregional power transmission line (state surety is USD 165 million)

Accomplishment of State Support Activities for Implementation of the Breaking Projects

Long-term crediting by Development Bank of Kazakhstan and Eurasian Bank of Development

1. Construction of “A” class tyres producing new factory in Astana
2. Construction of the 2nd “North – South of Kazakhstan” 500 kW power transmission line
3. Expansion of Aktau port to north
4. Construction of polysilicon producing factory in Astana
5. Development of “Medeu – Shymbulak” mountain skiing resort
6. Production of finished textile by JSC “Utex” in South Kazakhstan oblast
7. Production of metallurgical silicon from lode crystal in Karagandy oblast
8. Reconstruction of Taraz metallurgical factory of ferroalloys and steelmaking
9. Construction and exploitation of “North Kazakhstan – Aktobe oblast” power transmission line
10. Construction of the Moinak hydro-electric power station
11. Construction and organization of chlorine alkali production in Pavlodar oblast
12. Chromium ore dressing industrial complex in “Voskhod” ore deposit in Aktobe oblast (EABD)

Four projects are under consideration

Accomplishment of State Support Activities for Implementation of the Breaking Projects

The projects, which are given investment tax preferences

1. Construction of the Moinak hydro-electric power station
2. Construction of the 2nd “North – South of Kazakhstan” 500 kW power transmission line
3. Construction of “North Kazakhstan – Aktobe oblast” interregional power transmission line
4. “GEGA” grocery and logistic center in Almaty City
5. Expansion of Aktau port to north
6. Live farming complex jointly with meat processing plant and feed mill
7. Construction of primary aluminum producing electrolysis factory in Pavlodar oblast
8. Construction of the first integrated gas and chemical complex infrastructure in Atyrau oblast

(On three projects claims for investment preferences are under consideration at Investments Committee of Ministry of Industry and Trade of the RK: 1) construction of polysilicon producing factory in Astana; 2) production of metallurgical silicon from lode crystal in Karagandy oblast; 3) construction of locomotive assembling factory in Astana)

Accomplishment of State Support Activities for Implementation of the Breaking Projects

National companies' participating in implementation of the projects (collaboration in starting capital, direct implementation of project)

1. Construction of locomotive assembling factory in Astana (JSC "Holding "Samruk")
2. Construction of the Moinak hydro-electric power station (JSC "KEGOK")
3. Construction of the Balkhash heat-electric generating station (JSC "Samruk Energo")
4. Construction of the 3rd energy block of Ekibastuz GRES-2 (JSC "Samruk Energo")
5. Construction of the 2nd "North – South of Kazakhstan" 500 kW power transmission line (JSC "KEGOK")
6. Modernization of the national power grid (first stage) (JSC "KEGOK")
7. Construction of "North Kazakhstan – Aktobe oblast" interregional power transmission line (JSC "KEGOK")
8. Transfer JSC "Kazakhtelecom" telecommunication nets to Next Generation Network technologies (JSC "Kazakhtelecom")
9. Modernization and development of rural telecommunication nets with use of CDMA technologies (JSC "Kazakhtelecom")
10. Super capacious tantalum powder producing organization in East Kazakhstan oblast (JSC "Kazatomprom")
11. Construction of the first integrated gas and chemical complex infrastructure in Atyrau oblast (JSC "RD KazMunaiGaz")

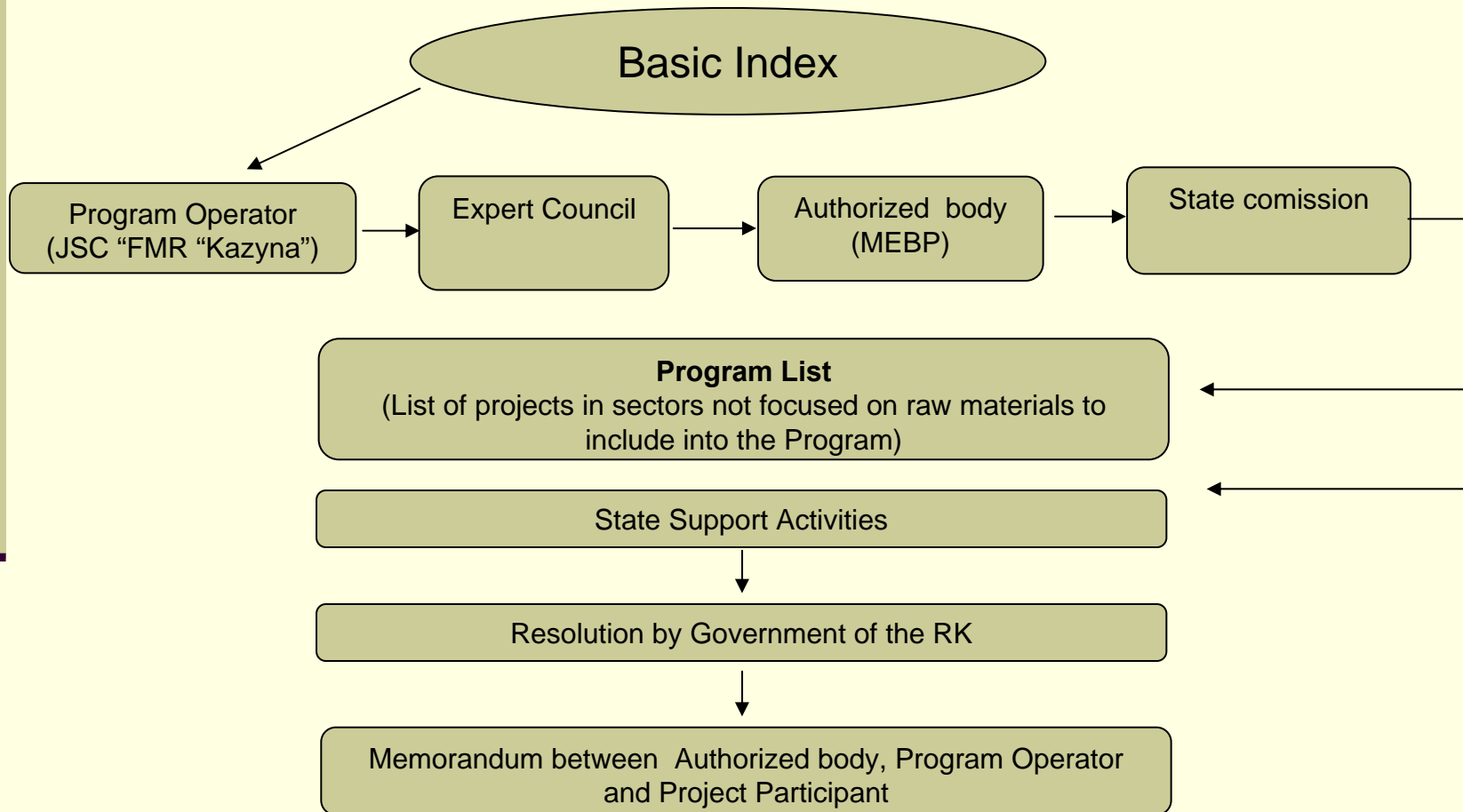
Accomplishment of State Support Activities for Implementation of the Breaking Projects

Providing with the requisite infrastructure

Distribution on the territory of the industrial park in Astana City (5,0 billion tengue has already been granted from budget for infrastructure):

1. Construction of “A” class tyres producing new factory in Astana
2. Construction of locomotive assembling factory in Astana
3. Construction of polysilicon producing factory with 2500 ton yearly capacity in Astana

Inclusion of Most Prospective Projects in Sectors Not Focused on Raw Materials into Program and Their Selective Support



Inclusion of Most Prospective Projects in Sectors Not Focused on Raw Materials into Program and Their Selective Support

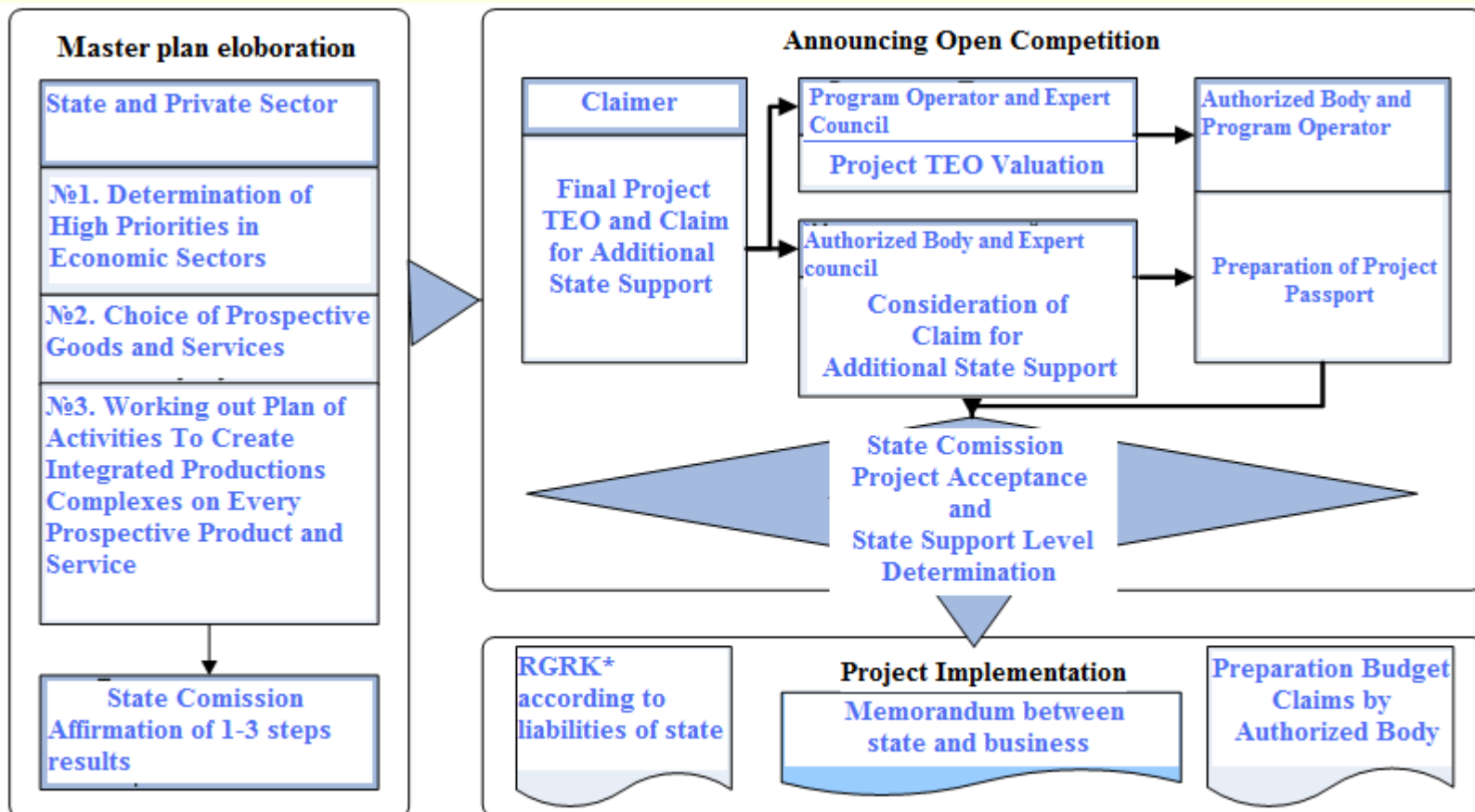
Recommendations of Expert Council

17 infrastructural projects are selected to be supported with the purpose of further implementation without including them into Program List

The projects recommended for implementation

1. JSC “Kazakhstan Petrochemical Industries” – Construction of the first integrated gas and chemical complex infrastructure in Atyrau oblast;
2. JSC “ORDABASY-NOKIAN TYRES” – Construction of “A” class tyres producing new factory in Astana;
3. “KUN Renewables” Ltd – Construction of polysilicon producing factory with 2500 ton yearly capacity in Astana;
4. “Lokomotiv Leasing” Ltd – Construction of locomotive assembling factory in Astana

Second Direction: The Program Implementation Mechanism



*Resolution by Government of the Republic of Kazakhstan