

## **PRESS - RELEASE**

### ***JSC KazMunaiGas Exploration Production Board of Directors calls the Annual General Meeting of Shareholders, recommends a dividend and adjusts the capital investment program for 2011.***

**Astana, 2 March 2011.** The Board of Directors (“BoD”) of JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”) has approved the date and the agenda for the Annual General Meeting of Shareholders (“AGM”). The AGM will take place on 5 May 2011 in Astana.

The agenda of the AGM includes approval of annual consolidated financial statements and the Company's Annual Report for 2010, the net income allocation for the year 2010 and the dividend per ordinary and preferred share of the Company, evaluation of the work of the Board of Directors of KMG EP in 2010.

The Board of Directors has recommended a dividend payment per one ordinary and one preferred share of KMG EP for 2010 to be 800 Tenge<sup>1</sup> (including taxes withheld in accordance with the legislation of Kazakhstan). The recommended total dividend for 2010 is about 57 billion Tenge (approx. US\$ 389 million).

The dividend recommendation made by the Board is the highest amount per share since IPO in 2006 and implies a 13.6% increase in dividend per share in Tenge terms compared to the previous year. At the same time the Board considers it necessary for the Company to maintain a significant amount of financial resources on its balance sheet to be able to finance future growth projects.

Should the AGM approve the recommended rate, it is expected that the payment of the annual dividend for 2010 will be made to shareholders of the Company on record as at May 16, 2011 and will start from June 20, 2011.

The Board has also approved an increase of the Company's capital expenditure budget for 2011 from 99,1 bn Tenge (US\$ 661 million) to 106,4 bn Tenge (US\$ 709 million). The increase is mainly related to the planned drilling of the first subsalt well at “Zharkamys East-1” oilfield at LLP “SapaBarlauService” (“SBS”) acquired by KMG EP in September 2010.

#### **NOTES TO EDITORS**

KMG EP is among the top three Kazakh oil and gas producers. The overall production in 2010 was 13.3mt (an average of 270kbopd) of crude oil, including the Company's share in Kazgermunai, CCEL, PKI and NBK. The total volume of proved and probable reserves, as at the end of 2010 was 232mt (1.7bn bbl), including shares in the associates - about 2.2 bn barrels. The Company's shares are listed on the Kazakhstan Stock Exchange and the GDRs are listed on The London Stock Exchange. The Company raised over US\$2bn in its IPO in September 2006. The International rating agency Standard & Poor's (S&P) confirmed KMG EP's “BB+” corporate credit rating in July 2010 and “GAMMA-6” rating in November 2010.

---

<sup>1</sup> 1 share corresponds to 6 GDRs.

**For further details please contact us at:**

KMG EP. Public Relations (+7 7172 97 7600)  
Daulet Zhumadil  
E-mail: [pr@kmgep.kz](mailto:pr@kmgep.kz)

KMG EP. Investor Relations (+7 7172 97 5433)  
Asel Kaliyeva  
E-mail: [ir@kmgep.kz](mailto:ir@kmgep.kz)

Pelham Bell Pottinger (+44 207 861 3147)  
Elena Dobson  
E-mail: [edobson@pelhambellpottinger.co.uk](mailto:edobson@pelhambellpottinger.co.uk)

*Forward-looking statements*

*This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology including, but not limited to, the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “target”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include, but are not limited to, statements regarding the Company’s intentions, beliefs and statements of current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, potential acquisitions, strategies and as to the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. Forward-looking statements are not guarantees of future performance and the actual results of the Company’s operations, financial condition and liquidity and the development of the country and the industries in which the Company operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. The Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements or industry information set out in this document, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.*