

## **KMG EP reappoints Askar Balzhanov as the Chief Executive Officer**

**Astana, 7 April 2011.** JSC "KMG EP" ("KMG EP" or the "Company") announced that at an extraordinary meeting of the Board of Directors held today Askar Balzhanov was elected General Director (CEO).

The main shareholder of KMG EP - National Company KazMunaiGas (KMG) - proposed the replacement of Kenzhebek Ibrashev, due to his transfer to another important area of work within the KMG Group of companies.

The initiative was supported by the Independent directors of the Company, who noted that the proposed candidate to the post of CEO is well known to the market, and in light of his credentials and suitability for the job. Askar Balzhanov led the Company from June 2006 to May 2009. Since June 2006 he was a member of the Board of Directors and since March 2010 - Chairman of the Board of Directors of KMG EP. Askar Balzhanov led the Company through the IPO; he knows the Company well and will be able to ensure continuity in its further development.

The Board of Directors thanked Kenzhebek Ibrashev for his efficient and fruitful work as the CEO of KMG EP. Under his leadership, the Company has achieved significant results: in particular, a number of important acquisitions of new assets in Kazakhstan and abroad took place, a revised strategy for development of the Company up till 2020 has been developed and adopted, success in exploration has been reached, and a new Collective Agreement has been signed.

Askar Balzhanov will begin working as CEO of the Company effective 8 April 2011.

Since the Code of Corporate Governance of the Company does not allow the roles of Chairman of the Board of Directors and that of Chief Executive Officer to be combined, Sisengali Utegaliev will temporarily become Acting Chairman of the Board of Directors of KMG EP. It is expected that NC KMG will nominate a new member of the Board of Directors to be elected at the Annual Meeting of Shareholders, which is scheduled for 5 May 2011. Until then Kenzhebek Ibrashev will remain a member of the Board of Directors of the Company.

### **Notes**

Balzhanov Askar Kumarovich was born in 1958. After graduating from the Moscow Institute of Petrochemical and Gas Industry in 1980 he has gained broad experience in the oil and gas industry, working in various positions in oil companies, including Embanefit RA, KazakhstanNefteGaz SE, KazakhstanMunayGaz SE, KazRosGaz and KMG. He held the positions of General Director of JSC Offshore Oil Company KazMunayTeniz and JSC KMG EP. Until recently he worked as a Managing Director for exploration and production at National Company KazMunayGas.

#### **Board of Directors of KMG EP:**

Sisengali Utegaliev - Chairman of the Board of Directors  
Askar Balzhanov - Member of the Board of Directors (General Director)  
Yerzhan Zhangaulov - Member of the Board of Directors  
Asiya Syrgabekova - Member of the Board of Directors  
Kenzhebek Ibrashev - Member of the Board of Directors  
Philip Deyer - Independent Director  
Paul Manduca - Independent Director  
Edward Walshe - Independent Director

**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.

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