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Zhaikmunai L.P.
(the “Partnership”)

**ZHAIKMUNAI DOUBLES EBITDA TO CONCLUDE
ANOTHER RECORD YEAR IN 2011**

Zhaikmunai LP (LSE: ZKM), the oil and gas exploration and production enterprise with assets in north-western Kazakhstan today communicates its financial results for the year ended 31st December 2011 as well as a 2012 production update including its Gas Treatment Facility (GTF).

KEY HIGHLIGHTS

- Total production (crude oil and GTF products) increase of 69.7% to 4,802,561 boe;
- Revenue increase of 68.9% to US\$300.8 million;
- EBITDA increase of 99.8% to US\$197.4 million;
- More than three-fold increase in Net Income to US\$81.6million (+256.4%);
- Strong balance sheet with US\$128.5 million in cash;
- Handover of the Gas Treatment Facility (GTF) completed in December 2011;
- Over 10 months sales of on-spec products (crude oil, stabilised condensate, LPG and dry gas) delivered to offtakers;
- Zhaikmunai enters its final stage of production ramp-up to full capacity of 48,000 boepd with Well # 401 coming on-line.

Frank Monstrey, Chairman of Zhaikmunai, commented:

“Zhaikmunai’s strong financial results underscore the company’s change in scale. With the coming on-line of its Gas Treatment Facility (GTF) in 2011, Zhaikmunai has initiated its leapfrog transformation with a record revenue of US\$300.8 million and EBITDA of US\$197.4 million. This will in fact be continued in 2012 with the anticipated full GTF production levels and the associated revenue and EBITDA multiplier effect.”

2011 FINANCIAL HIGHLIGHTS

All figures in US\$ million unless otherwise stated

	FY2011	FY2010	Change YoY
Revenue	300.8	178.2	+ 68.9%
EBITDA	197.4	98.8	+ 99.8%
Net Cashflow from Operating Activities	132.2	98.9	+ 33.6%
Cash Balance	128.5	147.9	- 13.2%
Debt	450.0	450.0	0%
Net Income	81.6	22.9	+ 256.4%

Revenue increased by 68.9% in 2011 to US\$ 300.8 million (from US\$178.2 million in 2010) due to a production increase associated with the Gas Treatment Facility (GTF) and a 33.3% increase in the average Brent crude oil price (US\$106.9 in 2011 versus US\$80.1 in 2010).

Note:

In accordance with IFRS, sales from GTF test production are not included in the Company's revenue but are offset against capital expenditure. 2011 cumulative sales of GTF test production (stabilised condensate, LPG and dry gas) amounting to US\$41.7 million hence do not feature in the reported revenue. Total revenue including sales from test production would otherwise have been US\$342.6 million.

EBITDA doubled in 2011 to US\$197.4 million (from US\$98.8 million in 2010) and includes the capitalized net proceeds (see Note 4 in the Financial Statements) adjusted for capitalized depreciation (see Note 16 of the Financial Statements) linked to the GTF test production. Assuming a total revenue including sales from test production, the EBITDA margin would be 57,6%.

Net income more than tripled in 2011 to US\$81.6 million (from US\$22.9 million in 2010).

2011 OPERATIONAL HIGHLIGHTS

All figures in boe unless otherwise stated

	FY2011	FY2010	Change YoY
Total Production (Crude oil + GTF products)	4,802,561	2,829,764	+ 69.7%
Average Daily Production (Crude oil + GTF products)	13,158	7,752	+ 69.7%

Historically, Zhaikmunai's production growth has been primarily driven by its growing drilling programme (2008, 2009, and 2010). In 2011, Zhaikmunai's production growth was primarily driven by the output from its Gas Treatment Facility (GTF).

As of 31 December 2011, 11 wells were producing from the Tournaisian reservoir and 8 wells were producing from the Ardatovski and Biski/Afoninski reservoirs. Over the course of 2011, Zhaikmunai's total production totalled 4,802,561 boe (including GTF products) with an average of 13,158 boepd, a 69.7% increase over 2010 with a total production of 2,829,764 boe and an average of 7,752 boepd.

Zhaikmunai continued to sell its hydrocarbon products primarily on the export market. In 2011, virtually all of Zhaikmunai's crude oil, stabilised condensate and LPG was sold directly to its ultimate customers. Deliveries of dry gas are made to the offtaker(s) at Zhaikmunai's connection point to the Orenburg-Novopskov gas pipeline.

2012 PRODUCTION UPDATE

Completion of the Gas Treatment Facility (GTF) has enabled the company to more than double its production of liquids over the last 12 months. In addition the GTF provides additional revenue from the sale of dry gas. As of today, the result is a more than five-fold increase in production

from a boepd perspective since January 2011.

Since the beginning of 2012, stable operations have allowed very substantial total production gains, with noted peaks reaching some 42,000 boepd, marking the end stage of the production ramp-up. Final production ramp-up is expected to continue through Q1/2012.

In order to reach full design capacity of 48,000 boepd, the following final steps are being taken:

- Gas condensate Well #401 has been connected to the GTF in order to further progress towards the maximum design capacity of 40,000 boepd of the GTF;
- Gas condensate Well # 218, which is currently being drilled, will be connected to the GTF in April 2012;
- Oil Well # 24B and oil Well # 116 will soon be connected to the Oil Treatment Facility (OTF) in order to reach the maximum design capacity of 8,000 boepd of the OTF.

Zhaikmunai intends to further increase its annual hydrocarbon production beyond 100,000 boepd once a new Gas Treatment Facility is built and further appraisal and production drilling has been completed over the next 2 to 3 years.

Kai-Uwe Kessel, CEO of Zhaikmunai, commented:

“Stable operations with high GTF throughput volumes as we have them now signal the end of the first phase of development of the Chinarevskoye field. The GTF is running smoothly albeit slightly below design capacity as processes are currently being fine-tuned in order to optimize product flow. We look forward to reaching optimal running of the GTF during the Spring of 2012 thereby laying the foundation for the second phase of the GTF.”

ATTACHED DOCUMENTS

Attached to this press release are Zhaikmunai’s 2011 Consolidated Financial Statements and 2011 Management Report. The latter contains the following items:

Business Review

Selected Historical Financial Information

Financial Review

Description of Significant Indebtedness and Certain Financial Arrangements

Key Risk Factors

Management and Corporate Governance

Related Parties and Related Party Transactions

Responsibility Statement

Here you can download the following documents:

- Download the [2011 Consolidated Financial Statements](#);
- Download the [2011 Management Report](#);

CONFERENCE CALL

Zhaikmunai's management team will be available for a Q&A session for analysts and investors on Wednesday, 21 March 2012 at 2 pm UK time (GMT).

If you would like to participate in this call, please register by email using the following email address: investor_relations@zhaikmunai.com. Please provide you ID details (name, title, company, email address and telephone number) in order to receive dial-in details.

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About Zhaikmunai

Zhaikmunai is an independent oil and gas enterprise currently engaging in the exploration and development and production of oil and gas. It is listed on the London Stock Exchange (Ticker symbol: ZKM). Its principal producing asset is the Chinarevskoye Field located in north-western Kazakhstan. Zhaikmunai L.L.P., a wholly-owned subsidiary of Zhaikmunai L.P., holds a 100% interest in and is the operator of the Production Sharing Agreement for the Chinarevskoye Field.

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Partnership or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements.

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