

/KASE, JULY 22, 13/ - Zhaikmunai (Oral, Kazakhstan) provided Kazakhstan Stock Exchange (KASE) with the following communication today:

quote

### H1 2013: Record Financial and Operational Results

**Amsterdam, 22 July 2013** – Zhaikmunai L.P. (LSE: ZKM) (“Zhaikmunai”), the oil and gas exploration and production enterprise with assets in north-western Kazakhstan, today announces record financial results and provides an operational update in respect of its first half-year ended 30<sup>th</sup> June 2013. The release of Zhaikmunai’s full unaudited and consolidated accounts for this period is scheduled for the week of August 26, 2013.

#### RECORD H1 2013 FINANCIAL RESULTS

- Record total average daily production of 46,370 boepd, an increase of 31% compared to H1 2012 average (35,298 boepd) [Q2 2013 total average daily production of 46,540 boepd (Q2 2012: 37,285 boepd)];
- Record total revenue of US\$ 442 million, up 37% compared to H1 2012 (US\$ 323 million);
- Record EBITDA expected to be above US\$ 260 million (H1 2012: US\$ 213 million);
- Total cash position of US\$ 280 million (including short-term deposits) up 12% compared to the end of FY 2012 (US\$ 251 million);
- Total net debt fell to approximately US\$ 372 million;
- Net debt to LTM EBITDA ratio fell below 0.75x;
- Second Distribution of US\$ 0.34 per common unit to Zhaikmunai’s limited partners effective on 26 July.

#### OPERATIONS AT PEAK LEVEL

##### Record Production Drives Revenue and EBITDA Higher

- Total average daily production for H1 2013 was 46,370 boepd, an increase of approximately 31% compared to H1 2012 (35,298 boepd);
- H1 2013 total average daily production was above the 2012 guidance of 45,000 boepd;
- The product split for H1 2013 was as follows:

PRODUCTS	H1 2013 Average Production	H1 2013 Product Mix %
Crude Oil & Stabilised Condensate	19,644 boepd	42%
LPG (Liquid Petroleum Gas)	3,950 boepd	9%
Dry Gas	22,777 boepd	49%
TOTAL	46,370 boepd	100%

**Kai-Uwe Kessel, Chief Executive Officer of Zhaikmunai, commented:**

*“Zhaikmunai’s H1 2013 record results bear witness to the patient efforts Zhaikmunai has been making on many different fronts for some time. Our financial performance is very strong, as demonstrated by our record revenue and EBITDA. It is also sustainable, as we are further building our operating base. These excellent results allow Zhaikmunai to pursue its growth strategy through its ambitious drilling programme and further preparatory work around the planned third train of the GTF. They also offer a clear sign to the markets. Our investment in*

*growth strategy is bearing its fruits and we pursue the development of our shareholder value as shown with our second distribution.”*

## **Drilling activities**

- 5 drilling rigs are being operated on a full-time basis on the Chinarevskoye field;
- Update on crude oil wells:
  - Drilling started on new crude oil wells # 59 and # 60;
  - Testing started on oil well # 117;
  - Production testing was completed on crude oil well # 725;
- Update on gas condensate wells:
  - Drilling started on new gas condensate wells # 208, # 223 and # 402;
  - Gas condensate well # 217 is consistently performing above expectations;
  - Gas condensate well # 27AD has, on the other hand, been behaving below expectations;
- Zhaikmunai is on target to achieve its planned drilling programme for 2013. The field currently has 15 oil wells and 13 gas condensate wells in operation.

## **Other News**

### Second Distribution to Zhaikmunai's limited partners of US\$ 0.34 per common unit

Zhaikmunai approved the distribution to Zhaikmunai's limited partners of US\$ 0.34 per common unit (the "Distribution") in line with its on-going distribution policy. The Distribution will be payable by Zhaikmunai on 26 July 2013 to common unit holders on the register of partners and interests at the close of business on 19 July 2013.

### Initiation of GDR Buy-Back Programme

On 22 April 2013, Zhaikmunai announced the terms of commencement of a long-term GDR Buy-Back programme to assist in driving shareholder value. This programme commenced as planned in the week of 20 May 2013, following the release of the Q1 2013 Results.

Zhaikmunai has since purchased 432,146 of its Global Depositary Receipts ("GDRs") through Deutsche Bank AG and VTB Capital plc. The purchased GDRs are being held in treasury by the Partnership, which has 187,750,802 GDRs in issue (excluding those GDRs held as treasury GDRs).

### Expansion of Processing Capacity with Additional Train to Gas Treatment Facility

Zhaikmunai has completed the design its Gas Treatment Facility's (GTF) third train, which has been approved by the relevant Kazakh authorities. Bids for the final selection of the main process and auxiliary equipment vendors are currently being evaluated. The civil and construction works tender process has equally been launched. Final results and contracts are expected in the second half of 2013.

### Zhaikmunai Wins First Prize in Kazakhstan's Environmental Protection Contest

On June 5, 2013, World Environment Day, Zhaikmunai received the first prize in Kazakhstan's "Investment in Ecology Contest" organized by the Ministry of Environmental Protection. The prize underscores Zhaikmunai strong environmental protection record, its ambitious social development programme as well as its dedication to community building.

## RELEASE OF ZHAIKMUNAI'S Q1 2013 RESULTS

The financial information in this operational update is being issued in advance of the release of Zhaikmunai's unaudited and consolidated accounts for its first half-year ended 30<sup>th</sup> June 2013, which is scheduled for the week of August 26, 2013, as a consequence of certain regulatory requirements in the Republic of Kazakhstan. The financial information in this update has not yet been audited and remains subject to further review.

### Further information

For further information please visit [www.zhaikmunai.com](http://www.zhaikmunai.com)

Further enquiries

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#### About Zhaikmunai

Zhaikmunai is an independent oil and gas enterprise currently engaging in the production, development and exploration of oil and gas in north-western Kazakhstan. Its Global Depositary Receipts (GDRs) are listed on the London Stock Exchange (Ticker symbol: ZKM). Zhaikmunai's principal producing asset is the Chinarevskoye field, in which it holds a 100% interest and is the operator, through its wholly-owned subsidiary Zhaikmunai LLP. In addition, Zhaikmunai holds a 100% interest in and is the operator of the Rostoshinskoye, Darinskoye and Yuzhno-Gremyachenskoye oil and gas fields. Located in the pre-Caspian basin to the north-west of Uralsk, these exploration and development fields are approximately 60 and 120 kilometres respectively from 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.

#### Deutsche Bank

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Conduct Authority (the "FCA"). Details about the extent of Deutsche Bank AG's authorisation and regulation by the FCA are available on request.

#### VTB Capital

VTB Capital Plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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