

KAZAKHSTAN STOCK EXCHANGE INC.

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On September 18-19 the First Conference of Kazakhstan Stock Exchange on Financial Market was Held

Efficient development of Kazakhstan stock market requires joint discussion of strategic issues of its development by the market participants and government regulating agencies. The open dialogue gives an opportunity to discuss changes in the market infrastructure, thereby decreasing the risk inefficient decisions.

The past conference, organized by **Kazakhstan Stock Exchange (KASE)** jointly with **Information Resource MediaPort LLP**, gave such opportunity to representatives of securities issuers, investment banks, registrars, banks, pension funds, managing companies and representatives of government bodies. In the open dialogue regimen they discussed not only the current status and perspectives of the Kazakhstan stock market, but also considered options of entering organized stock markets of CIS countries, and exchanged opinions on collective portfolio investments in Kazakhstan.

Within the conference was held the round table, where participants spared the prime time to issues related to liquidation of conditional fragmentation of the organized market of Kazakhstan into two trading floors: the main KASE and the specialized regional financial center of Almaty (RFCA). The great deal of time was devoted to infrastructural initiatives of the Agency of the Republic of Kazakhstan on regulation and supervision of financial market and financial organizations (AFN) and the Agency of the Republic of Kazakhstan on regulation of activities of RFCA (ARD RFCA).

During discussion of the single market issue – the RFCA market based on KASE – the conference participants tried to assess the volume, complicity and time frames of work, which will be implemented by regulators, KASE and its members for merging KASE and RFCA floors. Remarkable, that the need in this merger did not arouse discussions. Taking into account the time, necessary for development of new KASE listing rules, the round table participants came to the conclusion: on various assessments the process of merging of KASE and RFCA floors will take from four to twelve months. Given this one of the main objectives here KASE and RFCA see the increase of liquidity on the shares market.

Within discussion of infrastructural initiatives AFN and ARD RFCA, the great interest in conference participants was aroused by the RFCA idea to create under the government-private partnership project an investment fund jointly with the private sector and indirect involvement of the state as well as a fund on private investors' interests protection. These projects are aimed at attraction of the broader populations to the stock market. When discussing this issue the round table participants demonstrated understanding of the responsibility imposed on the population assets administrators, and expressed their comments and proposals.

The conference participants discussed issues related to unification of the system for registration of entitlement to securities and the system of nominal holding. This AFN initiative was dictated by the market regulator willingness to make registration of rights more transparent and streamlined.

During the conference organization, the investment company Renaissance Capital acted as the general partner of KASE. Basically, the conference became the first official event where this company presented its entry to the Kazakhstan market.

At the conference Renaissance Capital presented the summary of its large experience of operating on international capital markets, having adapted it for Kazakhstan issuers and their consultants. In addition, under the round table were presented new structured instruments, created based on shares of the Russian "blue chips" and indicators of the Russian stock markets, which Renaissance Capital at present is preparing for proposal to Kazakhstan investors.

As strategic sponsor of the conference acted the company “BDO Kazakhstan AUDIT”, sponsors – Central Securities Depository JSC, broker companies AIM JSC and BCC Invest JSC – the subsidiary organization of Bank CenterCredit JSC.

For more detailed information, please contact:

http://www.kase.kz/Mix/07_09_18_Issyk_kul_docs.asp
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