



KAZAKHMY'S PLC

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Company registered in England and Wales
Company Number: 5180783

10 June 2008

Kazakhmys PLC to acquire further 7.7% stake in ENRC PLC from the Government of Kazakhstan

The Board of Kazakhmys is pleased to announce the signing of an agreement to acquire a further 7.66% stake in ENRC from the Government of Kazakhstan as follows:

- Kazakhmys is to acquire 98,607,884 shares in ENRC from the Government of Kazakhstan
 - Acquisition will take the total holding of Kazakhmys in ENRC from 14.59% to 22.24%
 - Acquisition is subject to regulatory approvals and approval by the shareholders of Kazakhmys

- Kazakhmys is to issue 80,286,050 new shares to the Government of Kazakhstan in consideration
 - The Government of Kazakhstan will become a holder of 15.0% of the enlarged share capital of Kazakhmys
 - Agreed exchange ratio of 1 Kazakhmys shares for 1.23 ENRC shares
 - Following completion of the Acquisition, Kazakhmys will have acquired its stake in ENRC at an average price of 623 pence per ENRC share
 - Issue of new equity maintains the flexibility and strength of Kazakhmys' balance sheet

- The Acquisition will make Kazakhmys the largest single shareholder in ENRC
 - The Board of Kazakhmys believes this acquisition will significantly enhance the strategic value of its holding in ENRC
 - Continues Kazakhmys' strategy of diversifying through acquiring interests in natural resource businesses in Central Asia
 - The Board of Kazakhmys has no intention of making a full offer for ENRC shares at the current time

Commenting on the Acquisition, Vladimir Kim, Chairman of Kazakhmys said "We are delighted to announce the proposed acquisition of additional shares in ENRC, which will enhance the value of our current holding. This is a continuation of our strategy of diversifying our portfolio by acquiring other natural resource assets in Kazakhstan and the Central Asian region. I welcome the participation of the Government of Kazakhstan as a minority shareholder in Kazakhmys".

For further information please contact:

Kazakhmys PLC

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Kazakhmys PLC (“Kazakhmys” or the “Company”) today announces that it has reached an agreement with The State Property and Privatisation Committee of the Ministry of Finance of the Republic of Kazakhstan (the “Government of Kazakhstan”) to issue 80,286,050 new ordinary shares in Kazakhmys, representing 15.0% of the enlarged issued share capital of Kazakhmys, in exchange for the transfer to Kazakhmys of 98,607,884 ordinary shares in Eurasian Natural Resources Corporation PLC (“ENRC”) representing 7.66% of the issued share capital of ENRC (the “Transaction” or the “Acquisition”).

The Transaction will increase Kazakhmys’ exposure to the chrome, iron ore, alumina, coal and additional power assets of ENRC in Kazakhstan, delivering on the Company’s stated strategy of leveraging its competitive position within Kazakhstan and the neighbouring countries to seek further growth opportunities in natural resources.

The Board has no intention of making a full offer for ENRC shares at the current time. For the purposes of Rule 2.8 of the City Code on Takeovers and Mergers (‘the City Code’), Kazakhmys, reserves the right to make or participate in an offer or possible offer for ENRC within the six months following the date of this announcement: (1) with the agreement or recommendation of the Board of ENRC; (2) the announcement of an offer by a third party for ENRC; (3) upon the announcement by or on behalf of ENRC of a ‘whitewash’ proposal (as defined in the City Code) or of a reverse takeover (as defined in the City Code); or (4) if there is a material change of circumstances.

Completion of the Acquisition will be conditional on the receipt of the required regulatory approvals and the approval of Kazakhmys shareholders at a general meeting. A circular convening the general meeting will be sent to shareholders of Kazakhmys in due course. Kazakhmys expects the Acquisition to complete as soon as reasonably practicable following these approvals.

Kazakhmys completed the purchase of its existing 14.59% stake in ENRC on 26 October 2007 for \$806.5 million. At the closing price on 9 June 2008 of 1,325 pence per ENRC share, Kazakhmys’ holding in ENRC was worth \$4,919 million. Combined with this existing holding of 14.59%, on completion of the Acquisition, Kazakhmys will own 22.24% of ENRC and will have acquired its stake in ENRC at an average price of 623 pence per ENRC share. Following the Acquisition, the Government will retain a 11.65% interest in the ordinary share capital of ENRC.

The exchange ratio of 1 Kazakhmys share for 1.23 ENRC shares is based on the average closing middle market share prices for the one month ending 9 June 2008, of 1,733 pence for Kazakhmys and 1,411 pence for ENRC

The Board of Kazakhmys believes that the Acquisition will add significant value to the overall Kazakhmys holding in ENRC and continue the long-term strategy of acquiring and diversifying interests in existing regional natural resource businesses. The Board believes that financing the transaction by issuing new Kazakhmys shares to the Government has the benefit of maintaining a

strong and flexible balance sheet for Kazakhmys to continue to pursue its growth strategy and also welcomes the Government of Kazakhstan as a minority investor in Kazakhmys.

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BACKGROUND AND NOTES TO EDITORS

Kazakhmys PLC

Kazakhmys PLC is the largest copper producer in Kazakhstan and one of the leading copper producers in the world. Kazakhmys is a fully integrated copper producer from mining ore through to the production of finished copper cathode and rod. The Group produces significant volumes of other metals as by-products, including zinc, silver and gold. Existing operations include 20 open pit and underground mines, 10 concentrators, two copper smelting and refining complexes, a copper rod plant, a zinc plant and a precious metals refinery. Production is backed by a captive power supply and significant rail infrastructure. Kazakhmys also owns MKM, a copper products fabrication company in Germany, and has Gold, Power and Petroleum Divisions with assets in Kazakhstan and other parts of Central Asia. The Group's strategic aim is to diversify and participate in the development of the significant natural resource opportunities in Central Asia.

ENRC

ENRC is a leading diversified natural resources group with integrated mining, processing, energy, logistical and marketing operations. The majority of the ENRC assets were acquired in the privatisation process undertaken in Kazakhstan in the mid-1990s. The Company was formed as part of a reorganisation in December 2006 to simplify the ownership structure of the assets and to consolidate them in a single group of companies. ENRC's production assets are located in the Republic of Kazakhstan where it employs approximately 62,000 people. In 2006, ENRC accounted for approximately 4% of the country's GDP.

ENRC has five operating divisions: The Ferroalloy Division, The Iron Ore Division, The Alumina and Aluminium Division, The Energy Division and The Logistics Division. Shares in ENRC are listed on the Official List and admitted to trading on the main board of the London Stock Exchange and as at 9 June 2008 ENRC had a market capitalisation of \$33,726 million. For the twelve months to 31 December 2007 ENRC reported revenues of \$4,106 million and profit of \$814 million. As at 31 December 2007 ENRC had total assets of \$8,188 million.

Background

On 14 March 2006 Kazakhmys announced that a vehicle wholly owned by its Chairman, Vladimir Kim, had agreed to acquire a 25% stake in ENRC Kazakhstan Holding B.V. ("EKH") representing an 18.8% economic interest in ENRC, the holding company of the ENRC Group and its operating assets. Kazakhmys was given the benefit of an option to acquire Mr Kim's shareholding in EKH.

Following exercise of the option, Kazakhmys acquired 18.8% of the shares in ENRC on 26 October 2007. The total consideration paid under the terms of the option was \$806.5 million.

Following the listing of ENRC on the main board of the London Stock Exchange on 12 December 2007, Kazakhmys' 187,836,250 shares in ENRC represent 14.59% of the issued share capital of ENRC, taking into account the full exercise of the over-allotment option. At the closing price on 9 June 2008 of 1,325 pence per ENRC share, Kazakhmys holding in ENRC is worth approximately \$4,919 million.

General Meeting and Voting

When aggregated with the acquisition of Kazakhmys' existing 14.59% stake, the Acquisition constitutes a class 1 transaction for the purpose of the Listing Rules of the FSA and therefore requires shareholder approval. A shareholder circular convening a general meeting of the Company will be sent to shareholders in due course. The shareholder circular will also comprise a prospectus in respect of the new shares to be issued to the Government of Kazakhstan. All shareholders of the Company will be entitled to vote on the Acquisition at the general meeting. Kazakhmys expects the Acquisition to complete as soon as reasonably practicable following the receipt of the regulatory approvals and the passing of the necessary resolution at the general meeting of shareholders.

This announcement is not intended to, and does not constitute, or form part of, an offer to sell, purchase or exchange or the solicitation of an offer to sell, purchase or exchange any securities or the solicitation of any vote or approval in any jurisdiction. This announcement does not constitute a prospectus. Shareholders of Kazakhmys are advised to read carefully the formal documentation relating to the Acquisition once it has been despatched. The proposals relating to the Acquisition will be made solely through the combined shareholder circular and prospectus, which will contain details of how to vote with respect to the Acquisition.

In particular, this announcement is not an offer of securities for sale in the United States and the new Kazakhmys shares which will be issued in connection with the acquisition, have not been, and will not be, registered under the US Securities Act of 1933 as amended (the "US Securities Act") or under the securities law of any state, district or other jurisdiction of the United States and no regulatory clearance in respect of the new Kazakhmys shares has been, or will be, applied for in any jurisdiction other than the UK. The new Kazakhmys shares may not be offered, sold, or delivered, directly or indirectly, in, into or from the United States absent registration under the US Securities Act or an exemption from registration.