

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.

For further details please contact us at:

KMG EP. Public Relations (+7 7172 97 7600)

Daulet Zhumadil

E-mail: pr@kmgep.kz

KMG EP. Investor Relations (+7 7172 97 5433)

Asel Kaliyeva

E-mail: ir@kmgep.kz

Pelham Bell Pottinger (+44 207 861 3147)

Elena Dobson

E-mail: edobson@pelhambellpottinger.co.uk

Forward-looking statements

This document includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology including but not limited to the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "target", "will" or "should" or in each case their negative or other variations or comparable terminology or by discussions of strategy, plans, objective, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include but are not limited to statements regarding the Company's intentions, beliefs and statements of current expectations concerning amongst other things the Company's results of operations financial condition, liquidity, prospects, growth, potential acquisitions, strategies and as to the industries in which the Company operates. By their nature forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. Forward-looking statements are not guarantees of future performance and the actual results of the Company's operations, financial condition and liquidity and the development of the country and the industries in which the Company operates may differ materially from those described in, or suggested by the forward-looking statements contained in this document. The Company does not intend and does not assume any obligation to update or revise any forward-looking statements or industry information set out in this document whether as a result of new information future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.