PRESS RELEASE

KazMunaiGas Exploration Production may revise its investment plans due to introduction of crude oil export duty

Astana, 8 April 2008, As reported by newswires, the Government of Kazakhstan has made a decision today to introduce in the near future a crude oil export duty in Kazakhstan at the rate of USD109.91 per tonne (approximately USD15 per barrel) in the near future. JSC KazMunaiGas Exploration Production ("KMG EP" or the "Company",) has not yet received detailed official information regarding the timing and application of the export duty. It is expected that the level of the export duty will depend on the world crude oil prices.

Applicability of the export duty to the Company's individual contracts is expected to be clarified in the near future. Based on the currently available information the export duty would be applicable to some or all of the exported crude oil out of that produced by the Company's production branches Uzenmunaigas and Embamunaigas. The total exports from these two entities amounted to 7.3 million tonnes (147 kbopd) in 2007. Kazgermunai and CCEL ("Karazhanbasmunai"), each 50%-owned by KMG EP, have explicit customs stability clauses in their production contracts and are therefore expected to be exempt from the new export duty at this stage.

Should the new export duty of USD109.91 per tonne be applied to the entire export volumes of Uzenmunaigas and Embamunaigas, the estimated annualised financial impact, before income taxes, would be approximately USD800 million. The export duty is deductible for the purposes of the corporate income tax and excess profit tax.

In light of an increase in the tax burden KMG EP will be undertaking a review of its production, financial and investment plans. In particular, this review will focus on the capital investment budget, projected crude oil production levels, estimates of the recoverable reserves as well as plans for new acquisitions.

Commenting on the subject, the Company's CEO Mr Askar Balzhanov said: "As a responsible corporate taxpayer, we shall comply with this governmental decision. With the increased fiscal burden and diminished investment capacity we will continue to focus on the most attractive growth opportunities supported by tight cost control".

***

- **ENDS –** -

Notes to Editors

KMG EP is the second largest Kazakh oil producer with over 10.6 mmt (217 kbopd) of crude oil production in 2007 including shares in production of Kazgermunai and CCEL, and 240 mmt (1.8bn bbl) of proved and probable reserves at the end of 2007 (over 2 bn bbl including interests in Kazgermunai and CCEL). The Company's shares are listed on Kazakh Stock Exchange and the GDRs are listed on London Stock Exchange. The Company raised over US$2bn as a result of its IPO in September of 2006.

For additional information please contact:

KMG EP Public Relations (+7 7172 977908, +7 7172 977924)
Ms Zukhra Sultanova
Email: pr@kmgep.kz

KMG EP Investor Relations (+7 7172 975433)
Mr Alexander Gladyshev
Email: ir@kmgep.kz

WMC Communications Ltd / Pelham PR (+44 203 178 44 18)
Mrs Elena Dobson
Email: Elena.dobson@pelhampr.com