



PRESS RELEASE

Standard & Poor's confirms the «GAMMA-6» corporate governance rating of KMG EP

Astana, 8 September 2011. International rating agency Standard & Poor's (S&P) has confirmed the GAMMA-6 corporate governance rating of JSC KazMunaiGas Exploration Production ("KMG EP" or "the Company").

S&P regards the approval of KMG EP's new long-term strategy at the end of 2010 as a positive development, both in terms of strategic process and shareholder influence. Analysts at S&P also commend the increasing role of risk management at KMG EP.

S&P notes the strengths of KMG EP's corporate governance practice. Independent directors have a track record of effectively balancing the influence of the majority shareholder and overseeing management's performance. In 2010, they played a key role in negotiating a new treasury policy that allowed KMG EP to reduce cash exposure to fragile domestic banks. Mutual obligations with the parent company, NC KMG, are legislated and transparent.

S&P evaluates the level of transparency of KMG EP as high with an active investor relations function in place. IFRS accounts are published quarterly and in a timely fashion. S&P analysts note that, in accordance with the Kazakhstan legislation, shareholders are given strong voting rights, and also that KMG EP seeks to provide equal financial footing to both ordinary and preferred shares.

According to analysts at S&P one of the major factors limiting the KMG EP's GAMMA rating is the level of the governmental influence on management and business of the Company.

The affirmation of the KMG EP's corporate rating coincided with the S&P's decision to stop issuing stand-alone GAMMA corporate governance ratings. From now on these will be incorporated in S&P's global and local scale credit ratings.

NOTE

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 (JSC "Karazhanbasmunai") and PKI (PetroKazakhstan Inc.). 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+" in June 2011.

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