

## PRESS-RELEASE

### *KMG EP announces operating results for the 9M11*

**Astana, 10 October, 2011.** JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”), announces that in the first nine months of 2011 it produced 9,207 thousand tonnes of crude oil (250kbopd) including the Company’s stakes in Kazgermunai (KGM), CCEL and PetroKazakhstan Inc. (PKI), which is 738 thousand tonnes or 7% less than in the same period of 2010.

Uzenmunaigas (UMG) produced 3,789 thousand tonnes (102kbopd), which is 685 thousand tonnes less than in the same period of 2010. Embamunaigas (EMG) produced 2,103 thousand tonnes (57kbopd), which is 21 thousand tonnes more than in the same period of last year. The total volume of the oil produced at the production facilities of UMG and EMG in the first nine months of 2011 is 5,891 thousand tonnes of oil (159kbopd), which is 664 thousand tonnes or 10% less than in the same period of last year. The results of the first nine months were negatively affected by the illegal industrial action at UMG during May-August 2011 and a number of emergency power cuts in the fields during January-April 2011 caused by severe weather conditions.

The Company’s share in the production volumes from KGM, CCEL and PKI for the nine months of 2011 amounted to 3,315 thousand tonnes of crude oil (91kbopd) which is 74 thousand tonnes or 2% less than in the same period last year in accordance with production plans of these companies.

The year-to-date underproduction compared to the consolidated plan exceeds 870 thousand tonnes, which has been caused by the illegal strike at UMG and a number of emergency power cuts in Uzen, Karazhnbasmunai and Kumkol oil fields. This was partly offset by higher than planned production at other Company’s assets. As announced previously, measures taken at UMG resulted in increase of daily production, from mid-August to late September 2011 daily production increased by 34%, from 10.3 to 13.8 thousand tonnes per day. Underproduction compared to the consolidated plan is currently expected to reach 1,150 thousand tonnes for the year, or 8.4% of the consolidated production volume of KMG EP (including the share in production of jointly controlled entities where production is expected to exceed the plan for the year). The Company had previously estimated the expected deviation from the plan at 800 thousand tonnes. The revised estimate is based upon the actual duration of the illegal strike, actual production results in September, and an updated production forecast for joint ventures, and also takes account of the implementation of measures to restore the daily production level. This estimate assumes an uninterrupted electricity supply and timely implementation of measures to restore production.

### **Notes to Editors**

**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 September 2011.

**For further details please contact us at:**

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

Daulet Zhumadil

E-mail: [pr@kmgep.kz](mailto:pr@kmgep.kz)

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

Asel Kaliyeva

E-mail: [ir@kmgep.kz](mailto:ir@kmgep.kz)

Pelham PR (+44207 337 15 17)

Elena Dobson

E-mail: [Elena.dobson@pelhampr.com](mailto:Elena.dobson@pelhampr.com)

*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, objectives, 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.*