

PRESS - RELEASE

Closing of acquisition of a 50% stake in CITIC Canada Energy Limited

Astana, December 12, 2007. JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”) announces today the closing of the transaction to acquire a 50% stake in CITIC Canada Energy Limited (“CCEL”) from CITIC Group.

Earlier, on October 3, 2007 the Board of Directors of KMG EP has approved a series of transactions to acquire a 50% stake in CCEL. On November 8, 2007 the sale and purchase agreement and other documents related to this transaction were signed. Other required formalities including certain regulatory approvals have also been completed.

Also, on December 12, 2007 shareholders of JSC Karazhanbasmunai have elected nine members of the Board of Directors and on the same date Mr. Askar Balzhanov (CEO of KMG EP) was elected as Chairman of the Board of Directors of JSC Karazhanbasmunai.

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Notes to Editors:

KMG EP is one of the largest Kazakh oil and gas producing company with over 9.5 mmt (192 kbopd) of crude production in 2006 and 203.2 mmt (1.5 billion bbl) of proved and probable reserves at the end of 2006. In 2007 the Company announced acquisition of 50% stakes in JV Kazgermunai LLP and CCEL that made the Company the 2nd oil producer in Kazakhstan. The Company’s shares are listed on Kazakhstan Stock Exchange and the GDRs are listed on London Stock Exchange. The Company raised approximately US\$2 billion in its IPO in September of 2006.

CITIC Canada Petroleum Limited (formerly Nations Energy Company Ltd) was formed in 1996 as a private Canadian company to pursue international oil and gas E&P projects around the world. In 1997, Nations Energy acquired 94.6% of the share capital representing 100% of voting control of JSC ‘Karazhanbasmunai from the Government of Kazakhstan. JSC Karazhanbasmunai holds 100% of the mineral rights until June 2020 to develop the Karazhanbas oil and gas field in the western part of Kazakhstan which, according to the company, has proved reserves of about 55 mmt (364 million barrels) as of the end of 2006. In 2006 JSC Karazhanbasmunai produced approximately 2.3 mmt (42 kbopd) of crude oil.

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Forward-looking statements

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