



PRESS - RELEASE

JSC KazMunaiGas Exploration Production Board of Directors elects Chairman, calls the Annual General Meeting of Shareholders and recommends a dividend.

Astana, 14 March 2011. JSC "KMG EP" ("KMG EP" or the "Company") held a regular meeting of the Board of Directors (the "BoD"). At the meeting, Lyazzat Kiinov, Chairman of the management board of JSC National Company KazMunayGas ("NC KMG"), was elected Chairman of the Board of Directors of KMG EP.

The Board of Directors of the Company has approved the date and the agenda for the Annual General Meeting of Shareholders ("AGM"). The AGM will take place on 29 May 2012 in Astana.

The agenda of the AGM includes approval of annual consolidated financial statements and the Company's Annual Report for 2011, the net income allocation for the year 2011 and the dividend per ordinary and preferred share of the Company, evaluation of the work of the Board of Directors of KMG EP in 2011.

The Board of Directors has recommended a dividend payment per one ordinary and one preferred share of KMG EP for 2011 to be 1,300 Tenge¹ (including taxes withheld in accordance with the legislation of Kazakhstan). The recommended total dividend for 2011 is about 91 billion Tenge (approx. US\$ 615 million).

The dividend recommendation made by the Board is the highest amount per share since IPO in 2006 and implies a 62.5% increase in dividend per share in Tenge terms compared to the previous year. The Board's recommendation, if implemented, will lead to distribution of a portion of the accumulated cash resources not invested in the oil&gas projects which together with continued share buyback should improve financial efficiency and investment appeal of KMG EP. At the same time the Board is confident that the remaining financial resources at the Company's disposal are sufficient to finance future growth projects including exploration programme and potential acquisitions.

Should the AGM approve the recommended rate, it is expected that the payment of the annual dividend for 2011 will be made to shareholders of the Company on record as at June 11, 2012 and will start from July 16, 2012.

NOTES TO EDITORS

KMG EP is among the top three Kazakh oil and gas producers. The overall production in 2011 was 12.3mt (an average of 250 kbopd) of crude oil, including the Company's share in Kazgermunai, CCEL and PKI. 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 "BBB-" corporate credit rating in December 2011 and "GAMMA-6" rating in September 2011.

¹ 1 share corresponds to 6 GDRs.

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