

PRESS-RELEASE
Update on the situation at Uzenmunaigas

Astana, 16 June 2011. JSC KazMunaiGaz Exploration Production ("KMG EP" or "the Company") issued an update on the labour action at Uzenmunaigas (UMG) production facility in the city of Zhanaozen (Mangistau region).

Some of the UMG workers, particularly from the transportation units are still not working. At the same time, the number of the protesters is diminishing.

The total loss of oil production caused by the labour action thus far amounts to 85 thousand tonnes, mainly due to disruptions in well servicing and well workover operations. The degree of impact on the annual production of the Company depends on how quickly the Company will be able to get back to normal regime at UMG.

The Company believes that the demands of protesters are unfounded and this was confirmed by the Zhanaozen city court on May 24, 2011. In accordance with the Labour Code, the Company has started the process of dismissing the participants of the labour action for breach of contract.

KMG EP underlines its readiness to consider the labour dispute under the procedures provided by law, including through participation in the conciliation process. However, this may be possible only after the complete cessation of the illegal action and the resumption of work by all personnel of the UMG facility without exception. The representatives of the Unified Trade Union of UMG were informed about the Company's position at a meeting with management, held on 13 June in Astana.

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 November 2010.

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