

PRESS RELEASE

The Board of Directors of KMG EP has approved a common share buy back programme.

Astana, 16 September 2011. JSC KazMunaiGas Exploration Production (“the Company” or “KMG EP”) announces that the Board of Directors of KMG EP has approved a share buyback programme. Under the programme the Company has an option to purchase its common shares (KASE:RDGZ KZ) listed on the Kazakhstan Stock Exchange (“KASE”) and GDRs (LSE:KMG LI) listed on the London Stock Exchange (“LSE”) up to the aggregate amount of US\$300 million. The programme will start in the near future and will take up to the end of 2012 to execute. Beginning of the buyback programme will be announced separately. The shares and GDRs will be acquired at the prevailing market price as at the time of the purchase.

The Board of Directors believes that the current market prices of its shares and GDRs do not reflect the true underlying value of the business and its considerable potential based on the current resources, opportunities for business development and stable financial position. That is why the Board has decided to buy back a portion of KMG EP common shares and GDRs. The decision demonstrates the confidence of Management in the value and prospects of the Company. Furthermore, this step is an effective use of free cash resources to the benefit of all shareholders.

Together with realization of the common share and GDR buyback programme KMG EP will continue the earlier approved preferred shares buyback programme, which is in place until the end of 2011. It is expected that the National Company KazMunayGas will not be selling its KMG EP shares.

The Company has substantial financial resources while its operating activity generates additional cash flow. It allows KMG EP to continue to execute on its ongoing growth strategy through exploration, acquisition of new assets and investments in oil and gas assets.

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 (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 and the GAMMA-6 corporate governance rating in September 2011.

Earlier approved programme for buyback of the Company’s common shares and GDRs was implemented in accordance with the resolution of KMG EP Board of Directors over the period between 24 November 2008 and 31 October 2009. According to the results of the implementation of this programme 110,632 common shares and 8,699,697 GDRs listed in the regulated stock markets for an aggregate price of about USD 148 million. Pursuant to the decision of the Board of Directors dated 23 February 2010, the Company is executing its preferred share

buyback programme through a sequence of specialized trades on KASE until 31 December 2011. Under the preferred share buyback programme the Company has already repurchased over 1.8 million preferred shares for an aggregate price of approximately 34.6 billion Tenge.

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