

PRESS RELEASE

KazMunaiGas Exploration Production Recommends Record Dividend.

Astana, 17 April, 2007. JSC KazMunaiGas Exploration Production (KMG EP, The Company) confirmed today the date for the Annual General Meeting (AGM) of shareholders as 18th May 2007. The Board of Directors of the Company has recommended a Dividend for the fiscal year 2006 of 500 tenge per share (approximately US\$0.684 per GDR¹).

The Board's recommendation is based on the KMG EP's stated policy of paying out 15% of net income, but also includes an additional Special Dividend amount. The Special Dividend represents a distribution to shareholders of funds deriving from extraordinary items and which are not required for financing KMG EP's investment projects, including acquisitions of new assets and exploration. If approved at the AGM, the total amount of the dividend will be 37bn tenge (approximately US\$303 million).

Commenting on the Board's decision, the CEO of KMG EP, Askar Balzhanov said, "The record dividend level reflects the confidence we have in the Company's financial capabilities and demonstrates our commitment to shareholder interests. We continue to pursue our long-term growth strategy while maintaining strict financial discipline."

It is expected that subject to approval at the AGM, the dividend for the fiscal year 2006 will be payable to shareholders of record on 28 May, 2007. Payment of dividend is expected to begin in July 2007.

Notes for editors

JSC KazMunaiGas Exploration Production, headquartered in Astana, is the 3rd largest Kazakh oil and gas producing company with 205.9 mmt (1.5 bn bbl) of proved and probable reserves at the end of 2005 and over 9.5mmt/year (192 kbopd) of crude production in 2006. The Company extracts hydrocarbon resources from 44 oil and gas fields located in the Atyrau and Mangistau regions in western Kazakhstan and is also engaged in onshore exploration activities, concentrated in the same areas.

The Company's revenues for 2006 increased by 18.1% year on year to 412.2 bn Tenge. Profit after tax (net income) from continuing operations for 2006 was 122.6 bn Tenge, almost threefold increase over 2005. The growth in net income was driven by favorable oil market conditions, production growth, continued cost control, release of certain accruals made in earlier periods and recent tax amendments to one of the subsoil agreements. Cash, cash equivalents and financial assets at the end of 2006 amounted to 391.8 bn Tenge. Borrowings were 59.7 bn Tenge at the end of 2006

The Company's shares are listed on Kazakhstan Stock Exchange and the GDRs are listed in London. The company raised approximately US\$2 billion in its IPO in September of 2006. The total number of

¹ One GDR corresponds to one sixth of ordinary share. Tenge amounts converted into US\$ at 121.8 tenge per dollar, for convenience only.

issued and placed ordinary shares of the Company is 70,220,935 of which 43,087,006 or 61.36% are owned by NC KMG while the remaining shares are owned by a range of international and Kazakhstan investors. The Company also has 4,136,107 issued and placed preferred shares.

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