



## PRESS RELEASE

### *JSC KazMunaiGas Exploration Production held an extraordinary general shareholders' meeting.*

**Astana, 17 August 2011.** Yesterday, 16 August 2011, JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) held an extraordinary general shareholders’ meeting, where the decision was taken to reorganize the Company by adjoining LLP “NBK” (“NBK”), the only shareholder of which is KMG EP. As reported before, the Company closed the deal on the acquisition of NBK from Eastern Gate Management Ltd. in September 2010 for US \$35 million.

NBK develops the “Novobogatinskoe West” field under a Subsoil Exploration and Production Contract expiring in 2027 with an option to extend. The field adjoins the licence area of “Embamunaigas” which allows NBK to use its existing infrastructure for oil treating, storage and transportation.

Taking into consideration the convenient geographical location of the “Novobogatinskoe West” field the Company has taken the decision to integrate the assets of NBK with the assets of the production branch of “Embamunaigas”.

The voluntary reorganization in the form of adjoining NBK to KMG EP will provide for the production efficiency increase and the optimization of the capital and operating costs.

## NOTE

**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”), 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.

**NBK** holds the license rights, under Subsoil Use Contract Number 992 (issued in September 2002) for hydrocarbon exploration and production at the “West Novobogatinskoe field” in the Atyrau region. Recoverable reserves (2P) of this field are estimated to be 13 million barrels of oil equivalent (according to KMG EP’s technical experts’ evaluation). Cost of acquired barrel of this asset is \$2.7/bbl. According to independent evaluation recoverable volumes are estimated at 12.9 million barrels.

**For further details please contact us at:**

«KMG EP». Public Relations (+7 7172 97 7600)

Daulet Zhumadil

E-mail: pr@kmgep.kz

«KMG EP». Investor Relations (+7 7172 97 5433)

Asel Kaliyeva

E-mail: ir@kmgep.kz

Pelham Bell Pottinger (+44207 337 15 17)

Elena Dobson

E-mail: Edobson@pelhambellpottinger.co.uk

#### **Forward-looking statements**

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