



PRESS-RELEASE

KMG EP announces operating results for the first half of 2012

Astana, 18 July, 2012. JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”) announces that in the first six months of 2012 it produced 6,057 thousand tonnes of crude oil (248 kbopd), including the Company’s stakes in Kazgermunai (KGM), CCEL and PetroKazakhstan Inc. (PKI) which is 254 thousand tonnes or 4% less than in the same period of 2011.

JSC Uzenmunaigas (UMG) produced 2,467 thousand tonnes (100 kbopd), which is 266 thousand tonnes less than in the first half of 2011. JSC Embamunaigas (EMG) produced 1,376 thousand tonnes (56 kbopd), which is 7 thousand tonnes less than in the same period of 2011. The total volume of the oil produced at UMG and EMG is 3,843 thousand tonnes of oil (156 kbopd), which is 274 thousand tonnes or 7% less than in the same period of 2011 and about 363 thousand tonnes below the plan.

The production slowdown almost entirely can be attributed to UMG. The major reasons for low production levels at UMG were adverse weather conditions in first quarter, effect of wells idle time accumulated during labor action in 2011, as well as obsolete infrastructure and equipment.

Taking into account recent production trend and the results of the first half of the year, the Company updates its annual production plan for UMG, initially set at 5,800 thousand tonnes. According to the revised plan it is expected that UMG will produce 5,100 thousand tonnes in 2012 (103 kbopd). The Company expects that EMG will achieve initial plan of 2,815 thousand tonnes. Thus, it is expected that the total volume of the oil produced at UMG and EMG in 2012 will be 7,915 thousand tonnes (160 kbopd) which is slightly higher than in 2011. Modernisation program, which the Company started in 2012, is intended to minimize risks of falling short of production plans and lay a foundation for sustainable and efficient production in the future.

The Company’s share in the production from KGM, CCEL and PKI for the first six months of 2012 amounted to 2,215 thousand tonnes of crude oil (92 kbopd) which is 20 thousand tonnes or 1% more than in the same period of 2011. Production plans of KGM, CCEL and PKI are not revised.

In the first six months of 2012 the Company’s export and domestic sales from the UMG and EMG were 3,011 thousand tonnes (122 kbopd) and 958 thousand tonnes (39 kbopd) respectively. The Company’s share in the sales from KGM, CCEL and PKI was 2,217 thousand tonnes of crude oil (93 kbopd), including 1,537 thousand tonnes (64 kbopd) or 69% supplied to export markets. PKI sales volumes include sales of oil products produced from the crude oil purchased under swap arrangements with third parties.

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 2011 was 226mt (1.7bn bbl), including shares in the associates of about 2.1 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.

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