



PRESS RELEASE

NC KMG and KMG EP have signed a Memorandum on possible participation in offshore blocks on the Caspian sea

Astana, 25 May 2011. JSC NC KazMunaiGas (“NC KMG”) and JSC KMG EP (“KMG EP”, or the “Company”) have signed a Memorandum of Understanding (“Memorandum”), providing KMG EP with access to the detailed geophysical, financial and economic data of a number of oil and gas projects, including those located in the Kazakhstan sector of the Caspian sea. The list of projects includes, in particular, the offshore blocks "Zhambyl", "Ustyurt" («Mertvyi Kultuk»), "Zhenis", "Godina", «C-1», «C-2» as well as an onshore block Urikhtau. By agreement between the two parties the list of oil and gas projects may be expanded.

On the basis of the provided data KMG EP will conduct a technical, economic and investment evaluation of the above-stated projects to consider the Company’s participation in these projects, subject to negotiations with NC KMG and on the same commercial terms as other participants.

Kairgeldy Kabyldin, Chairman of the Management Board of NC KMG noted:

«The engagement of the resources and experience of KMG EP in the joint development of the Caspian sea shelf along with the large international oil companies is an important step for the KazMunaiGas group of companies. Enhanced participation of the National Company KMG in the offshore projects corresponds to the strategic interests of the country in the oil and gas sector».

Askar Balzhanov, Chief Executive Officer of KMG EP said:

«Signing of the Memorandum is an important step in implementation of our Strategy which envisages participation in the development of the Caspian sea shelf as a way to increase the Company’s resource base and hydrocarbons production. KMG EP possesses the necessary technical and financial resources for carrying out offshore oil operations».

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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