



PRESS RELEASE

On production stabilisation at Uzenmunaigas

Astana, 26 August 2011 JSC KazMunaiGas Exploration Production ('KMG EP', or 'the Company') announces the stabilisation of production at Uzenmunaigas ('UMG') affected by the illegal labour action in Zhanaozen city (Mangistau region).

Given that the main objective of the Company is to ensure the normal production process in the interests of all shareholders KMG EP had to continue firing those participants in the illegal strike who refused to perform their duties. The resulting vacancies are being filled by new workers hired from among the residents of Zhanaozen and nearby communities who meet the respective job requirements. The number of working UMG employees and that of the units of specialised equipment out in the fields are currently close to the planned levels.

The Company's management is focusing on restoring normal operations at UMG. In order to normalise the production process a working group of KMG EP specialists has been formed to work out and implement an optimal plan to increase daily production. Since the beginning of August the decline in daily production at UMG has been reversed.

Since the beginning of the year underproduction compared to the consolidated plan exceeds 600 thousand tonnes which has been caused by a number of emergency power cuts in the fields and the illegal strike at UMG, partly offset by higher than planned production at other Company's assets. Taking into consideration that it will take time to recover the level of daily production to the planned level, the expected underproduction compared to the consolidated plan is currently expected to reach 800 thousand tonnes for the year, or 6% of the consolidated production volume of KMG EP (including the share in production of jointly controlled entities where production is expected to exceed the plan for the year).

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") 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+" corporate credit rating in July 2010 and "GAMMA-6" rating in November 2010.

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