

## Press Release

### KMG EP acquires “Karpovskiy Severnyi” exploration block

*Astana, 28 December 2011.* KazMunaiGas Exploration Production JSC (“KMG EP” or “the Company”) announced the closing of the acquisition of 100% of shares in Karpovskiy Severnyi JSC from GazMunaiOnim LLP for 59 mln USD. Karpovskiy Severnyi JSC is a subsoil use right holder under the Contract for Exploration of Oil, Gas and Condensate at Karpovskiy Severnyi (“the Block”) contract area in the Western Kazakhstan region. The deal was approved on 18 October 2011 by the Board of Directors of KMG EP. All regulatory approvals have also been received.

The Block covers an area of 1,669.2 square kilometres and is located on the outer rim of the Pre-Caspian depression within a region which contains tectonic elements of the Karpovskiy uplift and the Pogodayevo-Ostafiev trough. A number of fields have been discovered in close proximity to the Block (e.g. Karachaganak, Chinarevskoe, Rozhkovskoe, Prigranichnoe, Vishnevskoe, Dolinnoe, Vostochno-Dolinnoe, and Zaikinsko-Rostashinskaya oil and gas condensate fields of the Orenburg oblast of the Russian Federation and the Teplovsko-Tokarevskaya group of oil and gas condensate fields) indicating certain petroleum potential within the area in the pre-salt section.

Total prospective recoverable resources of hydrocarbons (P50) estimated by KMG EP are 240 mln boe: gas – 98 mln boe (17 bln m<sup>3</sup>); oil and condensate – 142 mln boe.

To the south, the Block borders with the contract territory of Stepnoi Leopard LLP, the subsidiary of Mangistaumunaigaz JSC which holds the subsoil use rights for the Teplovsko-Tokarevskaya group of fields. The Block is also adjacent to the Federovskiy block, a 50% stake in which was recently acquired by KMG EP. There could be potential synergies with these KMG EP’s assets in the region given that there is realistic scope for common development and use of common infrastructure. These include common gas treatment facilities for current and future fields, as well as the regional infrastructure (Orenburg-Western Europe gas pipeline is located close to the western border of the Block and main export oil pipeline Atyrau-Samara goes through the Block) which may result in better project economics by optimization of capital expenditures.

Alik Aidarbayev, CEO, noted: “The acquisition of subsoil use rights on “Karpovskiy Severnyi” exploration block is in line with our strategy. Exploration activities on perspective blocks will result in growth of resources of KMG EP. We will continue acquisition of prospective exploration blocks to build a base for organic growth of the Company.”

#### 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 “BBB-” corporate credit rating in December 2011 and “GAMMA-6” rating in September 2011.

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

KMG EP. Public Relations (+7 7172 97 79 08)  
Elena Pak  
E-mail: [pr@kmgep.kz](mailto:pr@kmgep.kz)

KMG EP. Investor Relations (+7 7172 97 5433)  
Asel Kaliyeva  
E-mail: [ir@kmgep.kz](mailto:ir@kmgep.kz)

Pelham Bell Pottinger (+44 207 861 3147)  
Elena Dobson  
E-mail: [edobson@pelhambellpottinger.co.uk](mailto:edobson@pelhambellpottinger.co.uk)

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