

PRESS-RELEASE

On situation at Uzenmunaigas

Astana, 31 May 2011. JSC KazMunaiGaz Exploration Production ("KMG EP "or "the Company") reports the loss in daily oil production caused by the labour action at Uzenmunaigas (UMG) production facility in the city of Zhanaozen (Mangistau region). Some of the UMG workers, especially from the transportation unit did not come to work which disrupted normal well servicing and well workover operations.

The Company believes that the demands of protesters are unfounded. This is confirmed by Zhanaozen city court on May 24, 2011. In addition, the Zhanaozen administration never issued a permission to proceed with this labour action.

The loss of daily production is currently about 2,000 tonnes. The degree of impact on the annual production of the Company depends on how quickly stable production at UMG will be restored.

Currently, the Company is taking all necessary measures to ensure continuity of oil production and to maintain safety at the UMG site. In accordance with the Labour Code, several participants in the illegal action were fired for the violation of labour discipline.

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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