

**Account of KazMunaiGas EP JSC**  
**for the 4 quarter of 2006 and for year 2006**  
**According to Listing Rules of Kazakhstan Stock Exchange**

This report on the financial results of JSC "KazMunaiGas" Exploration Production for the 4 quarter of 2006 and year 2006 has been submitted to the Kazakhstan Stock Exchange under its Listing Rules. The Russian version of this report is considered to prevail over this English translation, which is made solely for the convenience of English speakers.

## Section 1. Description of activity for reporting period

### 1. Short description of the most significant events for the Company and for the industry it operates in, which occurred in the reporting period.

KazMunaiGas Exploration and Production Joint Stock Company (hereinafter the “Company” or “KazMunaiGas EP JSC”) is engaged in the acquisition, exploration, development, production, processing and export of hydrocarbons with its core operations of oil and gas properties located in the Pre-Caspian and Mangistau basins of western Kazakhstan. The Company conducts its principal operations through the UzenMunaiGas and EmbaMunaiGas production branches. The total number of authorized ordinary and preferred shares is 70,220,935 and 4,136,107 respectively.

The Company’s direct majority shareholder is Joint Stock Company National Company KazMunaiGas (hereinafter “NC KMG”), which represents the state’s interests in the Kazakh oil and gas industry and holds 56.77% of the Company’s outstanding shares as of December 31, 2006. From June 2006 NC KMG was 100%-owned by Samruk State Holding which is in turn 100% owned by the Government of the Republic of Kazakhstan.

On March 5, 2007 the Company announced an agreement to purchase a 50% share of JV KazGerMunai from National Company KazMunaiGas for cash consideration of 133.3 billion Tenge. The independent non-executive directors unanimously approved the purchase, which is subject to satisfaction of a number of conditions including the approval of a majority of non-controlling shareholders at an Extraordinary General Meeting scheduled for April 12, 2007 in Astana. If approved, the transaction is expected to close during the second quarter of 2007.

### 1. Volume of products sold (rendered services):

Volume of products sold (rendered services)	Unit of measure	For the 4 quarter of 2006	For the year-to-date, total
<b>Sold total, including:</b>			
Crude oil	tons	2 265 642	8 936 184
Refined products	tons	64 196	351 126
Gas products:			
Liquid gas	tons	37 309	145 911
Dry gas	ths.cubic meters	150 285	649 559
Drink water	ths.cubic meters	878	3 326
Other sale		-	-
<b>Sold for export, including:</b>			
Crude oil	tons	1 798 130	6 767 180
Refined products	tons	-	-
Other sale		-	-

## Section 2. Management and shareholders re-structuring, participation in charter capital of other legal entities.

### 1. Changes in the composition of executive and supervising bodies for the reporting period.

Changes in the composition of the Board of Director of KazMunaiGas EP JSC during 2006 were made based on decision of general meetings of shareholders upon proposals from representatives of shareholders:

on 27 February 2006 the power of N.K. Rakhmetov was terminated and D.R. Abulgazin was elected;

on 12 June 2006 the powers of M.D. Batyrbaev, G.K. Keshubaev, K.B. Safinov were terminated and E.A.Zhangaulov, E.K. Ogai, A.K. Balzhanov were elected;

on 4 July 2006 the powers of D.R. Abulgazin were terminated, A. Syrgabekova was elected;

on 28 August 2006 Paul Manduca, Christopher Mackenzie, Edward Thomas Walsh were elected as independent members of the Board of Directors;

on 24 November 2006 the powers of Zh. Marabayev were terminated, U.S. Karabalin was elected.

**Members of the Board of Directors as of 31 December 2006:**

Full name	Date of birth	Positions held during the last three years and at present chronologically, including part-time work
<b>Chairman of the Board of Directors</b>		
1. Uzakbai Suleymenovich Karabalin	14.10.1947	March 2003 to present - president of JSC NC KazMunaiGas
<b>Members of the Board of Directors</b>		
2. Assia Narymanovna Syrgabekova	22.06.1960	6 October 2003 to 14 January 2004 – First Deputy Chairman of the Executive Board, OJSC Halyk Bank of Kazakhstan; 14 January 2004 to 10 January 2005 - Chairman of the Executive Board, OJSC Halyk Bank of Kazakhstan; 10 January 2005 to 29 March 2006 - First Deputy Chairman of the Executive Board, OJSC Halyk Bank of Kazakhstan; 19 July 2006 – to present – Managing Director on Economy and Finance, JSC NC KazMunaiGas
3. Erzhan Arystanbekovich Zhangaulov	28.05.1968	July 2002 to May 2006 - Executive Director on Legal Support, JSC NC KazMunaiGas; 6 June 2006 to present - Managing Director on Legal Support, JSC NC KazMunaiGas
4. Askar Kumarovich Balzhanov	23.04.1958	25 March 2003 to 2 April, 2004 - First Deputy General Director, Joint Stock Offshore Oil Company KazMunayTeniz; April 4, 2004 to July 2005 – Managing Director of JSC NC KazMunaiGas; July 2005 to 6 June 2006 - General Director, Joint Stock Offshore Oil Company KazMunayTeniz; 7 June 2006 to present – Chief Executive Officer, KazMunaiGas EP JSC
5. Evgueni Kiponievich Ogai	22.04.1946	June 2003 to November 2004 - Director of Department on management of shareholding in JV in JSC NC KazMunaiGas; 11 November 2004 to present – Managing Director on Geological and Technical Service of JSC NC KazMunaiGas
6. Christopher Mackenzie (independent director)	28.06.1954	December 2001 to January 2005 - Brunswick Capital Ltd., Moscow, Chief Executive Officer; January 2005 to present - Equilibrium UK Ltd., Chairman of the Board of Directors
7. Edward Thomas Walshe (independent director)	05.05.1941	Since 2001 to present – Chief Executive Officer, Eddie Walshe Consulting Ltd.
8. Paul Manduca (independent director)	15.11.1951	December 2002 to March 2005 – Chief Executive Officer in Europe, Deutsche Asset Management Ltd.

During 2006 subject to resolutions of the Board of Directors of KazMunaiGas EP JSC the composition of the Executive Board of the Company has been amended as follows:

on 7 June 2006 the powers of Zh.Marabayev were terminated, A.K. Balzhanov was elected;

on 25 August 2006 the powers of T.V. Palamar were terminated, A. Aubakirov was elected.

**Members of the Executive Board as of December 31, 2006:**

Full name	Date of birth	Positions held during the last three years and at present chronologically, including part-time work
<b>Chairman of the Board of Directors</b>		
1. Askar Kumarovich Balzhanov	23.04.1958	25 March 2003 to 2 April, 2004 - First Deputy General Director, Joint Stock Offshore Oil Company KazMunayTeniz; April 4, 2004 to July 2005 – Managing Director of JSC NC KazMunaiGas; July 2005 to 6 June 2006 - General Director, Joint Stock Offshore Oil Company KazMunayTeniz; 7 June 2006 to present – Chief Executive Officer, KazMunaiGas EP JSC
<b>Members of the Executive Board</b>		
2. Vladimir Yakovlevich Miroshnikov	02.02.1950	Since 14 March 2002 - Managing Director of Operations, Production management in CJSC NC KazMunaiGas; 1 April 2004 to present – First Deputy CEO, KazMunaiGas EP JSC.
3. Maxim Shafihovich Izbasov	03.08.1954	29 December 2003 to 24 November 2004 – head of NGDU Kulsarymunaigas, CJSC Embamunaigas; 25 November 2004 to present - Director, Embamunaigas PB, KazMunaiGas EP JSC.
4. Murat Izbergenovich Kurbanbayev	10.09.1950	Since 2002 to 2004 – President, OJSC Uzenmunaigas; Since 2004 to present – Director, Ozenmunaigas production branch, KazMunaiGas EP JSC.
5. Zhanneta Duysetayevna Bekezhanova	08.11.1969	Since Feb. 2002 to April 2004 - Chief Financial Officer, JSC KazTransOil; Since April 2004 to present - Chief Financial Officer, KazMunaiGas EP JSC.
6. Kairolla Zhetkizgenovich Erezhepov	25.11.1947	Since 16 March 1997 to 20 August 2004 - Deputy of Parliament of the Republic of Kazakhstan, member of international affairs, defense and security committee; 20 August 2004 to present - Chief of Staff of CEO, KazMunaiGas EP JSC.
7. Askar Akimbayevich Aubakirov	29.05.1970	July 2002 to April 2004 - senior vice-president on economy, OJSC Embamunaigas; April 2004 to September 2005 - first deputy director on economy and finance, Embamunaigas PB; September 2005 to present - Deputy CEO on development of KazMunaiGas EP JSC, part time – head of Moscow Representative Office of KazMunaiGas EP JSC.

**1. Information on all major transactions concluded with company shares during the report period, and changes in the composition of the company shareholders holding shares in the amount of five or more per cent of total placed amount.**

During 2006 the Company placed 27,169,803 ordinary shares, among them:

a) by right of preemption there was placed 4,083,012 ordinary shares at the price 250.00 tenge per ordinary share totaling 1, 020, 753, 000.00 tenge;

б) by subscription among general public there was placed 23,086,791 ordinary shares, including local market 17,898,878 ordinary shares placed at the price 11,163.39 tenge per ordinary share totaling 199, 812, 155, 676.42 tenge, at international market 31,127,478 global depository receipts (GDR) of The Bank of New York (United States of America) placed, the underlying asset of which are ordinary shares of the Company (5,187,913 pcs), at the price 14.64 US dollars per GDR totaling 455, 706, 277.92 US dollars. Each GDR is a one sixth of an ordinary share.

In order to implement option plan of the Company, approved by annual general meeting of shareholders of the Company dated 28 August 2006, 2, 049, 180 GDRs were bought out by Abacus Corporate Trustee Limited vehicle company and are in placed into trust.

Changes in the composition of KazMunaiGas EP JSC shareholders holding shares in the amount of five or more per cent of total placed amount are set out below subject to reference of JSC Fondovy Tsent independent registrar, as of 01.01.2007.

Full name of shareholders – legal entities or surname, name, patronymic, if any, of shareholders physical persons	Name and requisites of document identifying shareholder – physical person, or number and date of state registration (re-registration) of shareholder – legal entity and its location	Total amount of shares belonging to shareholder, with type of share indicated	Percentage ratio of shares belonging to shareholder, to total amount of placed shares	Percentage ratio of shares belonging to shareholder, to total amount of voting shares
JSC National Company KazMunaiGas	11425-1901-AO, 16.03.04 Ministry of Justice of the Republic of Kazakhstan, Department of Justice of Astana, Republic of Kazakhstan, city of Astana, Almaty region, 22 Kabanbay batyr prospect	42, 213, 429 ordinary shares	56.77%	75.10%
The Bank of New York Nominee shareholder	-	13, 956, 295 ordinary shares	18.77%	
THAMES ENERGY B.V. company	-	3, 236, 780 ordinary shares	4.35%	5.76%

## 2. Information on all transactions of the Company with shares and participatory interests in other legal entities in the amount of five percent or more.

1) 100% participatory interest in LLP Dossormunaimash has been sold by holding English auction on January 25, 2006, the winner of the auction was JSC Bayterek Service with asking price 198, 970 ths. tenge;

2) At the meeting of the Executive Board of the Company held on February 2, 2006, it was resolved to reorganize 100% branch organizations LLP Zhelken and LLP Ozen-Turmys by joining to LLP Ozen-Eles;

3) Subject to the trust deed with further right of redemption of participatory interest in LLP Zhana-Tan, 51% participatory interest in LLP Zhana-Tan was sold by its transfer to labour collective of LLP Zhana-Tan, the amount of agreement was 77, 658 ths. tenge.

## The list legal entities KazMunaiGas EP JSC has shares in the amount of five or more percent as of December 31, 2006:

№	Name of subsidiary or associated organizations	Legal address	Share (%)	Charter capital, KZT	Principal directions of activity
1	LLP Emsauletkurylys	466412 Birlik settlement, Atyrau oblast	100%	172,674,398	construction, repair of residential and communal objects, oil and gas fields construction

2	LLP Embamunaiavtomatika	466412 Birlik settlement, Atyrau oblast	100%	187,569,358	automation, telemechanization
3	LLP Central Base For Equipment Completion	466412 Birlik settlement, Atyrau oblast	100%	2,042,455	storage and sale of commodities and materials
4	LLP Akniet-Emba	466035 city of Kulsary, industrial zone	100%	85,095	storage and sale of commodities and materials
5	LLP Ural	The issue on its liquidation in under consideration	100%	3,111,000	production, processing and sale of agriproducts
6	LLP Embaenergomunai	466412 Birlik settlement, Atyrau oblast	100%	1,726,902,000	construction, repair, setup and maintenance of electricity supply and heating network, electrical equipment
7	LLP Embaokuortalygy	466412 Birlik settlement, Atyrau oblast	100%	26,083,000	rendering services on training of industrial personnel
8	LLP Brickworks	466602 Akkistau settlement.	100%	267,581,370	production and sale of bricks
9	JSC Atyrau Sanatorium	465020 city of Atyrau, 1 Alipov str.	99.2%	546,712,200	sanatorium-and-spa treatment, rendering health and hotel services
10	LLP Burgylau	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	2,401,869,000	service maintenance, services on health treatment of employees and their children
11	LLP KRUZ	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	185,952,371	construction (well drilling)
12	LLP Zhondeu	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	387,963,110	well workover operation
13	LLP Munaienergoservice	liquidation process is underway	51%	62,000	well workover operation
14	LLP Ken-Kurylysservice	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	510,113,000	Overhaul and setting-up of equipment
15	LLP Gas-Service	liquidation process is underway	55%	600,000	completion of wells, flow lines
16	LLP Avtoremontnoye Upravleniye (Autorepair Department)	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	5,675,000	Gas production and transportation to Kalamkas field
17	LLP Auyz Su	liquidation process is underway	100%	585,000	repair of transport facilities, assembling and replacement of units and cannibalization
18	LLP Sharayna	liquidation process is underway	100%	550,000	Mangystau mineral water production
19	LLP Ozen-Eles	130200 Mangistau oblast, city of Zhanaozen, 2 Satpayev str.	100%	7,968,855,000	catering of employees of Uzen branch
20	LLP KazMunaiGas - Service	010000 city of Astana, 66 Auezov atr.	40.35%	6,269,157,007	hotel business, maintenance of Uzen branch office, gas and boiler plants

21	JSC KING	20 Imanova str., city of Astana	9.80%	1,576,000,000	development of scientific and technical, design and estimate documentation
22	JSC Kazakhstan Petrochemical Industries	050000, 26 Masanchi str., city of Almaty.	15%	43,600,000	petrochemistry
23	Munaishy Finance B.V.	city of Rotterdam (the Netherlands).	100%	90, 000 (Euro)	attraction of money at capital markets; assuming liability for obligations of the group of companies
24	Munaishy Holdings Limited	438 Palm Grove House, city of Road Town, Tortola, British Virgin Islands	100%	50, 000, 000 (USD)	procurement of advisory services and other services permitted by law

### 3. Information on participation for the period of report in associations, industrial, financial groups, holding companies, concerns, consortiums.

For the purpose of issuing debt securities, the Company formed and accepted 100% participation share in Munaishy Finance B.V. limited liability company, which had been registered on May 23, 2006 at the following address: 3012 CL Rotterdam, the Netherlands, Schouwburgplein 30-34.

For the purpose of search and valuation of perspective oil and gas assets outside the Republic of Kazakhstan, the Company formed and accepted 100% participation in Munaishy Holdings Limited joint stock company, which was registered on November 1, 2006 at the following address: 438 Palm Grove House, Road Town, Tortola, British Virgin Islands.

### 3. The list of organizations recognized as affiliated to KazMunaiGas EP JSC subject to legislation on securities market

№	Full name of legal entity	Date and number of state registration of legal entity, mailing address and actual location of the legal entity	Grounds for acceptance of affiliation	Date of affiliation
1	JSC NC KazMunaiGas	Astana, 010000, 22 Kabanbay batyr prospect	subparagraph 1) paragraph 1 article 64	31.03.2004r
2	JSC Zhambay	26.05.1999 No.2728-0915-LLP city of Atyrau, 61 Azattyk prospect	subparagraph 7) paragraph 1 article 64	31.03.2004
3	JSC MNK KazMunaiTeniz	17.03.2003 No.13463-1901-JSC city of Astana, 2/2 Kabanbay batyr prospect	subparagraph 7) paragraph 1 article 64	31.03.2004
4	JSC Trade House KazMunaiGas	17.06.2004 No.13554-1901-JSC city of Astana, 1 Sary-Arka str.	subparagraph 7) paragraph 1 article 64	17.06.2004
5	JSC Kazakhoil-Products	04.01.2001 No.9217-1901-LLP Astana, 22 Kabanbay batyr prospect	subparagraph 7) paragraph 1 article 64	31.03.2004
6	JSC KazTransOil	31.05.2004 г. №6636-1901-JSC г.Астана, пр. Кabanбай батыра, 20	subparagraph 7) paragraph 1 article 64	31.03.2004
7	JSC KazTransGas	09.06.2004 No.13898-1901-JSC city of Astana, 20 Kabanbay batyr prospect	subparagraph 7) paragraph 1 article 64	31.03.2004
8	JSC Kazakh Oil and Gas Institute	01.10.2003 No. 13027-1901-JSC city of Astana, 20 Imanova str.	subparagraph 6) paragraph 1 article 64	31.03.2004
9	JSC KazMunaiGas-Service	22.07.2005 No.6652-1901-LLP city of Astana, 66 Auezov str.	subparagraph 7) paragraph 1 article 64	31.03.2004

10	JSC Euro-Asia air company	07.10.97 No.3767-1915-JSC city of Atyrau, 12 Smagulova	subparagraph 7) paragraph 1 article 64	31.03.2004
11	JSC Kazakh-British Technical University	30.04.2004 No.44252-1910-JSC, city of Almaty, 59 Tole bi str.	subparagraph 7) paragraph 1 article 64	31.03.2004
12	JSC Kazakhoilkurylys	26.04.1999 No.26138-1910-LLP city of Astana, 22 Kabanbay batyr str.	subparagraph 7) paragraph 1 article 64	31.03.2004
13	KazMunaiGaz Finance B.V. limited liability company	07.11.2001 г. Rokin 55 P.O. Box 990 1000 AZ Amsterdam The Netherlands	subparagraph 7) paragraph 1 article 64	31.03.2004
14	JSC Kazakhoil-Ukraina	03.02.2005 No.68362-1910-LLP city Of Almaty, 115 Zheltoksan	subparagraph 7) paragraph 1 article 64	31.03.2004
15	JSC "KTK-K"	04.12.1997 No. 2292-1900-JSC (ИУ) 465002, city of Atyrau. 11 Valikhanov str.	subparagraph 7) paragraph 1 article 64	31.03.2004
16	CJSC "KTK-P"	06.02.1997 P-08044.17 119017, Moscow, 40 B. Ordynka, building 4, Legion 1 business complex, 4 <sup>th</sup> floor	subparagraph 7) paragraph 1 article 64	31.03.2004
17	JSC Kazturkmunai	17.02.2003 No.7424-1901-LLP (ИУ) city of Astana, 113 Abay prospect, Business center of Okan Intercontinental hotel, 6 <sup>th</sup> floor	subparagraph 7) paragraph 1 article 64	31.03.2004
18	JSC Kazakhoil-Aktobe	08.08.2000 No.6600-1904-LLP-(ИУ) city of Aktobe, 12 microdistrict, b.21 sections Г-Д	subparagraph 7) paragraph 1 article 64	31.03.2004
19	JSC JV Tengizchevroil	21.06.1999 No.3838-1900-LLP (ИУ) city of Atyrau, 3 Satpayev str., Tengizchevroil head office	subparagraph 7) paragraph 1 article 64	31.03.2004
20	JSC KazRosGaz	05.06.2006 No.78259-1910-LLP (ИУ) city of Almaty, 95 Chaykovskogo str.	subparagraph 7) paragraph 1 article 64	31.03.2004
21	Kylysh trading partnership	01.06.1994 1 Westferry Circus Canary Wharf London, E14 4HA	subparagraph 7) paragraph 1 article 64	31.03.2004
22	JSC "HMCK Kazmortransflot	29.12.1998 No.42731-1910-JSC city of Aktau, 13 microdistrict, b.55 Business Center	subparagraph 7) paragraph 1 article 64	31.03.2004
23	Kazakhstan pipeline ventures limited liability company	28.07.1997, 1209 Orange str., New Castle County, Delaware state 19081, USA	subparagraph 7) paragraph 1 article 64	31.03.2004
24	LLP TenizService	26.12.2003 No.5918-1943-LLP city of Aktau, 13 microdistrict, b.55 Business Center	subparagraph 7) paragraph 1 article 64	31.03.2004
25	JSC Kazakh contract agency	12.02.2004 No.13268-1901-JSC city of Astana, 62 Kosmonavtov str.	subparagraph 7) paragraph 1 article 64	31.03.2004
26	CJSC Damunai Daoil	15.07.1994 No.2359 city of Aktubinsk, 8 Altynsarin str.	subparagraph 7) paragraph 1 article 64	31.03.2004
27	LLC Caspian oil and gas company	06.12.2005 No.1053000031875 414000, Russia, city of Astrakhan, 7-9 Natasha Kachuyevskaya str.	subparagraph 7) paragraph 1 article 64	06.12.2005
28	JSC Atyrau international airport	09.10.1996 No.678-1915-AO, city of Atyrau, Airport	subparagraph 7) paragraph 1 article 64	31.03.2004
29	JSC KMG-Kumkol	29.06.2006 No.23280-1901-LLP city of Astana, 22 Kabanbay batyr str.	subparagraph 7) paragraph 1 article	29.06.2006



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30	Cooperative KazMunaiGaz PKI U.A.	04.07.2006 No.34250159, the Netherlands, Amsterdam, 55 Rokin	subparagraph 7) paragraph 1 article 64	04.07.2006
31	JSC Kazgermunai	17.07.2006 No. 2405, city of Kyzylorda, 100 Amangeldy str.	subparagraph 7) paragraph 1 article 64	17.07.2006
32	Kashagan b.v. limited liability company	17.10.2005No. 34234942, the Netherlands, Amsterdam, 55 Rokin	subparagraph 7) paragraph 1 article 64	17.10.2005
33	JSC Rauan Media Group	29.10.2003 No. 58781-1910-JSC, city of Astana, 22/1Kabanbay batyr str.	subparagraph 7) paragraph 1 article 64	31.03.2004
34	JSC Kazakhstan Petrochemical Industries	No.78299-1910 dated 06.06.2006 050004, city of Almaty, 38 Tolebayev str.	subparagraph 6) paragraph 1 article 64	декабрь 2004 г.
35	JSC Embasauletkurylys	No.3699-1915 dated 23.12.2000, 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
36	JSC Ken-Kurylysservice	No.4-1943-07 dated 22.10.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
37	JSC Akniet-Emba	No.127-1915-09 dated 05.12.2005 466039 Atyrau oblast, city of Kulsary, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
38	JSC Embaenergomunai	No. 3698-1915 dated 25.12.2000 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
39	LLP Burgylau	No.1410-1943 dated 20.08.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
40	LLP KRUZ	No.7-1943-07 dated 11.11.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
41	LLP Zhondeu	No.2244-1943 dated 20.08.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
42	LLP Embamunayavtomatika	No.3561-1915 dated 28.10.2004 060002 Atyrau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
43	LLP Avtoremontnoye Upravleniye (Autorepair Department)	No.3468-1943 dated 20.08.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
44	Munaishy Finance B.V.	non-resident, Schouwburgplein 30-343012 CL ROTTERDAM	subparagraph 6) paragraph 1 article 64	May 2006
45	Munaishy Holdings Limited	non-resident, Palm Grove House, mailing address 438, Road Town, Tortola, British Virgin Islands	subparagraph 6) paragraph 1 article 64	01.11.2006
46	LLP Ural	No.1579-1915 dated 08.10.1999, 060002 Atyrau oblast, Makhambet region, Sartugai	subparagraph 6) paragraph 1 article 64	31.03.2004
47	LLP Central Base for Equipment Completion	No.2675-1915 dated 08.10.2004, 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
48	LLP Embaokuortalygy	No.3700-1915 dated 08.10.2004, 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004

49	LLP KazMunaiGas - Service	No.6652-1901 dated 24.06.2003, 010000 city of Astana, 66 Auezova	subparagraph 6) paragraph 1 article 64	31.03.2004
50	LLP Brickworks	No.5-1915-05 dated 19.01.2005, 010000 city of Astana, 66 Auezova	subparagraph 6) paragraph 1 article 64	31.03.2004
51	JSC Atyrau Sanatorium	No.728-1915 dated 31.12.1998, 600005 city of Atyrau, 1 Alipova str.	subparagraph 6) paragraph 1 article 64	31.03.2004
52	LLP Ozen-Eles	No.4180-1943 dated 20.08.2004, 130200 Mangistau oblast, City of Zhanaozen, K.Saptayev-2 str. Aruana hotel	subparagraph 6) paragraph 1 article 64	31.03.2004
53	LLP Auyz-Su	No.1278-1943 dated 30.01.2004, 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
54	LLP Sharayna	No.9531943 dated 07.04.2004, 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
55	LLP Munaienergосervice	130200 Mangistau oblast, city of Zhanaozen, industrial zone, liquidation process is underway	subparagraph 6) paragraph 1 article 64	31.03.2004
56	LLP Gas-Service	906-1943 dated 18.08.2004, 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
57	JSC SAT&Comapany	re-registration No.43446-1910-LLP dated 25.01.2005 city of Almaty, 26 Masanchi str.	subparagraph 9) paragraph 1 article 64	December 2004

### Section 3. Financial information

#### 1. Investments.

(31.12.2006, ths. tenge)

Type of investments	Opening balance	Debit	Credit	Closing balance
Long-term investment in capital of other legal entities	4 516 694	651 549	2 284 036	2 884 207
Security holdings, total	6 330 788	52 880	1 404 063	4 979 605
including:				
Government securities	4 398 131		460 510	3 937 621
Non-government securities	1 932 657	52 880	943 553	1 041 984
Other investment				
<b>Total investment</b>	<b>10 847 482</b>	<b>704 429</b>	<b>3 688 099</b>	<b>7 863 812</b>

#### 2. Accounts receivable.

(31.12.2006, ths. tenge)

Accounts receivable type	End of period	Debit	Credit	Beginning of year
<b>Long term receivables</b>				
Trade receivables, incl. major debtors with location indicated:		101 776 000	101 863 289	87 289
<i>JSC Semser</i>			87 289	87 289
<i>JSC NC KazMunaiGas</i>		101 776 000	101 776 000	
Advances and prepaid expenses, incl. major debtors with location indicated:	770 130	1 281 301	3 301 013	2 789 842
<i>Pavlodar heavy engineering plant</i>	133 797	1 281 301	1 854 571	707 067
Prepaid expenses	574 077		1 243 634	1 817 711
Other debt	63 484		73 947	137 431
Allowance for doubtful accounts		206 533		-206 533

<b>Total long-term receivables</b>	<b>833 614</b>	<b>1 487 834</b>	<b>3 374 960</b>	<b>2 720 740</b>
<b>Current receivables</b>				
Trade receivables, incl. major debtors with location indicated:	37 273 438	434 308 630	435 787 337	38 752 145
<i>Trade House KazMunaiGaz AG</i>	25 650 917	277 340 507	278 060 364	26 370 774
<i>Esomet SAS</i>	7 716 402	95 663 064	95 568 194	7 621 532
Advances and prepaid expenses, incl. major debtors with location indicated:	4 952 828	36 594 381	38 635 078	6 993 525
<i>Trade House KazMunaiGaz</i>			2 770 532	2 770 532
<i>JSC KazTransOil</i>	3 510 716	24 457 939	20 947 223	
<i>Prepaid expenses</i>	574 077	7 578 662	8 524 249	1 519 664
Other debt	3 378 453	11 797 037	16 480 449	8 061 865
Allowance for doubtful accounts	-3 295 290	301 417	2 700 923	-895 784
<b>Total long-term receivables</b>	<b>42 309 429</b>	<b>483 001 465</b>	<b>493 603 787</b>	<b>52 911 751</b>
<b>Total receivables</b>	<b>43 143 043</b>	<b>484 489 299</b>	<b>496 978 747</b>	<b>55 632 491</b>

### 3. Loans.

(31.12.2006., ths. tenge)

Name of creditor on loan	Loan currency	Average rate, % per annum	Opening balance	Debit	Credit	Closing balance	Maturity date
Loan from the World Bank № 4061	US dollar	5.38%	5 644 377	1 744 800	1 651 221	5 550 798	Feb 2013
Loan from the World Bank № 3744	US dollar	7.43%	196 455	38 506	11 366	169 315	Oct 2010
Esomet	US dollar	5.70%	66 598 220	25 762 398	10 258 938	51 094 760	Sen 2009
Loan from the Sultanate of Oman	US dollar	4.87%	1 153 526	56 806	53 087	1 149 807	not defined
Past costs	US dollar	7.93%	697 960	69 404	410 202	1 038 758	Dec 2009 - Dec 2025
Bonds issue	US dollar	6.50%		103 246 099	103 246 099		Jul 2009
Other long-term loans	US dollar	16.00%	8 530	5 914	0	2 616	2008
Short-term loans	Tenge	14.29%	850 847	189 207		661 640	2007
<b>Total</b>			<b>75 149 915</b>	<b>27 867 035</b>	<b>12 384 814</b>	<b>59 667 694</b>	

(31.12.2006., ths. tenge)

Name of creditor on loan	End-of-period loan sum, total	Payable sum				
		2007	2008	2009	2010	2011-2013
Loan from the World Bank № 4061	5 550 798	1 191 555	1 153 160	1 153 160	1 153 160	899 763
Loan from the World Bank № 3744	169 315	75 184	36 453	32 156	25 522	0
Esomet	51 094 760	18 579 912	18 579 912	13 934 936	0	0
Loan from the Sultanate of Oman	1 149 807	1 149 807				

Past costs	1 038 758	37 209	44 577	64 898	64 898	827 176
Other long-term loans	2 616	0	2 616	0	0	0
Short-term loans	661 640	661 640	0	0	0	0
<b>Total</b>	<b>59 667 694</b>	<b>21 695 307</b>	<b>19 816 718</b>	<b>15 185 150</b>	<b>1 243 580</b>	<b>1 726 939</b>

#### 4. Account payable, concerned with performing core activities.

(31.12.2006, ths. tenge)

Type of account payable	End period	Debit	Credit	Beginning of year
<b>Long-term payable</b>				
Trade payable, incl. major debtors with location indicated:				
Advances and prepaid expenses, incl. major debtors with location indicated:				
Other debt				
<b>Total long-term payables</b>				
<b>Current payables</b>				
Trade payable, incl. major debtors with location indicated:	20 512 139	167 106 048	168 274 257	19 343 930
<i>ABN AMRO TRANSTIS LIMITED</i>	1 570 430	9 177 000	10 409 794	337 636
<i>JSC MunaiFieldService</i>	592 048	6 413 505	6 584 193	421 360
<i>Pre-Caspian machine-building complex</i>	699 564	7 787 680	6 714 608	1 772 636
<i>JSC NC KazMunaiGas</i>	2 031 938	6 834 310	8 458 124	408 124
<i>LLP LTD Khazar Oil</i>	843 193	530 930	1 374 123	
Advances and prepaid expenses, incl. major debtors with location indicated:				
Other debt	19 945 590	97 236 003	85 357 928	31 823 665
<b>Total current payables</b>	<b>40 457 729</b>	<b>264 342 051</b>	<b>253 632 185</b>	<b>51 167 595</b>
<b>Total accounts payable</b>	<b>40 457 729</b>	<b>264 342 051</b>	<b>253 632 185</b>	<b>51 167 595</b>

#### 5. Financial results analysis.

ths. tenge

Article of income / Expenses	2005	2006	Deviation	Increase / Decrease, %
<b>Revenue, total</b>	<b>348 887 820</b>	<b>412 207 787</b>	<b>63 319 967</b>	<b>18%</b>
Incl. Domestic:				
Crude oil	6 930 889	37 087 091	30 156 202	435%
Refined products	32 812 045	7 618 461	(25 193 584)	-77%
Gas products	4 082 068	3 623 586	(458 482)	-11%
Other sales and services	1 922 654	4 491 941	2 569 287	134%
Export:				
Crude oil	302 488 673	359 386 708	56 898 035	19%
Refined products	651 491	-	-651 491	-100%
Other sales and services				
<b>Finance (expense) income, total</b>	<b>1 381 060</b>	<b>(115 881)</b>	<b>(1 496 941)</b>	<b>-108%</b>
Financial income	6 221 012	13 525 630	7 304 618	117%
Financial expense	(5 115 993)	(9 581 373)	(4 465 380)	87%
Foreign exchange (losses) gains	276 041	(4 060 138)	(4 336 179)	-1571%
<b>Operating expenses, total</b>	<b>207 033 927</b>	<b>194 530 080</b>	<b>(12 503 847)</b>	<b>-6%</b>
Incl.:				

Transportation	40 106 224	44 060 096	3 953 872	10%
Employee benefits	37 116 032	37 512 548	396 516	1%
Depreciation, depletion and amortization	24 362 896	27 758 826	3 395 930	14%
Repairs and maintenance	16 845 303	18 988 262	2 142 959	13%
Royalties	15 180 580	15 850 891	670 311	4%
Materials and supplies	21 658 853	11 661 063	(9 997 790)	-46%
Other taxes	7 103 491	9 666 804	2 563 313	36%
Social projects	1 791 551	7 850 402	6 058 851	338%
Management fees and commissions	11 976 634	7 678 179	(4 298 455)	-36%
Energy	5 824 741	6 563 701	738 960	13%
Fines and penalties	11 427 595	(11 427 595)	(22 855 190)	-200%
Environmental fine	4 056 539	363 994	(3 692 545)	-91%
Other	9 583 488	18 002 909	8 419 421	88%

## 6. Other relevant information.

- volume of investment in primary production

for the year 2006 investment in fixed assets made 54 706 230 thousand tenge, incl.:

to oil and gas assets – 39 193 524 thousand tenge;

to other fixed assets – 11 199 838 thousand tenge;

to under construction – 4 312 868 thousand tenge.

- bringing into service new production capacities or reduction of operational ones (shops, organization departments, other)

for the accounting period the Company has not brought into service new production capacities and has not reduced operational ones.

- changes in the range of output products

for the accounting period there have not been any changes in the range of output products

- establishment of branches and/or representative offices of emitter with total headcount and location indicated

On July 20, 2006 the Company opened and registered Moscow Representative Office of KazMunaiGas EP JSC with total number of employees - 10 people, including the Head of the Representative Office, at the following address: Russian Federation, 119180, Moscow, Bolshaya Polyanka str., house 53. building 1.

- implementation of new technologies

for the accounting period no new technologies have been implemented by the Company

- development or contraction of emitter's production distribution market

for the accounting period there have been no development or contraction made by the Company

- composition of major suppliers and/or emitter's consumer

Suppliers having more than five per cent of all deliveries of commodities and materials:

#	Supplier	Location	Description	Share
1	Leman-Kazakhstan LLP	Almaty	tubular goods	9.00%
2	Almatyneftekhim LLP	Almaty	chemicals	11.00%
3	Kaskor-Mashzavod JSC	Aktau	jack pumps and their spare parts	5.00%
4	Pre-Caspian machine-building complex LLP	Aktau	oil field equipment	12.00%
5	Aktobe plant of oil equipment JSC	Aktobe	tubing, stems	5.00%

- Information on imposed administrative sanctions during the year or filed claims against the company and or its officers

#	Plaintiff	Defendant	Subject of an action	Result of consideration of a case	Economic effect
1.	Mangystau regional directorate for environmental protection Ministry of environmental protection of the Republic of Kazakhstan	Company	Compensation of ecological damage as to oil pit storage of Oil processing and pumping shop PB Ozenmunaigas	The action was fully dismissed by the decision of court of first instance (07.07.2006). Resolutions of courts of appeals (08.08.2006) and supervisory instances (16.11.2006r.) the decision of court of first instance was affirmed	<b>11 427 958 272 tenge</b> (Total amount of imputed ecological damage)
2.	Uzenpromgeophysika OJSC (Zhanaozen) Committee of fiscal control and state purchases	Company	Cancellation of tender for state purchases dated 14.01.2006 and 4 contracts concluded based on it	The action was dismissed (decision dated 8.06.2006)	<b>514 300 000 tenge</b> (total amount of disputed contracts)
3.	NC Kazakhstan Engineering JSC (Astana)	Company	Cancellation of tender for state purchases dated 8.12.2005 under the lot #13 and the contract concluded based on it	The action was dismissed (decision dated 11.05.2006)	<b>741 893 000 tenge</b> (the amount of disputed contract)
4.	NC Kazakhstan Engineering JSC (Astana)	Company	Cancellation of tender for state purchases dated 30.11.2005 under the lot #19 and the contract concluded based on it	The action was dismissed (decision dated 19.05.2006)	<b>380 030 000 tenge</b> (the amount of disputed contract)
5.	The Company (with involvement of KMG-Consulting LLP)	Petronaft LLP (Almaty)	Compel the defendant to return oil contaminated ground to sludge collector of NGDU Kulsarymunaigas. Charge penalty at 51 400 150 tenge.	The claim has been sustained (decision 14.09.2006) The Decision failed to be executed. Warrant of execution was returned without execution due to absence of debtor and money	<b>51 400 150 tenge</b>
6.	Company	Samal Trade House LLP	Redemption of debts under delivery contracts	Amount due was collected by the Decision of court of first instance dated 05.01.2007	<b>398 823 496 tenge</b> (indebtedness and state duties)

- information regarding other events occurred in the period of report and which may significantly influence the Company's activity in the future

On June 30, 2006 the Company concluded an option transaction with NC KMG to acquire NC KMG's interests in JV KazGerMunai, representing 50% of the participatory interest in JV KazGerMunai. Under the terms of the transaction, in consideration of the Company providing financial support to NC KMG to finance the acquisition, the Company received a right to purchase the acquired interest at fair market value, which is to be negotiated and determined between the Company and NC KMG. Pursuant to the above on July 10, 2006, the Company's finance subsidiary, Munaishy Finance B.V., issued US\$800 million of 6.5% fixed rate senior notes due in 2009 and loaned the proceeds from the issue to NC KMG. The repayment of the loan is scheduled for 2009 (same date as the Munaishy Finance B.V. issuance) and accrues interest at 6.6% fixed per annum.

As part of IPO, on September 28, 2006, the Company placed 23,086,791 newly issued ordinary shares on the Kazakhstan Stock Exchange and London Stock Exchange. At the date of IPO the Company exchanged 9,247,946 ordinary shares for US\$800 million senior notes plus accumulated interest.

**Acting General Director**

**Zh. Bekezhanova**

**Chief Accountant**

**R. Kuzenbayev**