/KASE, MARCH 18, 13/ - Zhaikmunai (Oral, Kazakhstan) provided Kazakhstan Stock Exchange (KASE) with the following communication today:

quote

ZHAIKMUNAI MORE THAN DOUBLES REVENUE AND EBITDA IN 2012

Amsterdam, 18 March 2013. Zhaikmunai LP ("Zhaikmunai"), the oil and gas exploration and production enterprise with assets in north-western Kazakhstan, today communicates its full-year financial results for the year ended 31st December 2012.

2012 KEY HIGHLIGHTS

- Total production (crude oil and GTF products) almost tripled in 2012 to 13,520,040 boe (182% increase);
- Revenue more than doubled in 2012 to US$ 737 million (115% increase);
- EBITDA more than doubled in 2012 to US$ 460 million (133% increase);
- Net income doubled in 2012 to US$ 162 million (98% increase);
- Balance sheet remained very strong in 2012 with US$ 251 million in cash and equivalents (93% increase).

Frank Monstrey, Chairman of Zhaikmunai commented:

"2012 has been a landmark year for Zhaikmunai. I am very proud of the success our management team has achieved with the completion of our first phase of development. The Company is now significantly de-risked from both an operational and a financial perspective. Zhaikmunai today finds itself in a unique position within the industry as it combines important cash generation with significant production growth over the coming years. We now much look forward to doubling production in addition to increasing the potential of our assets through our appraisal and development programme. We have taken our first steps into acquisitions in 2012 and we will continue to look for the best possible ways to further enhance shareholder value moving forward."

FINANCIAL HIGHLIGHTS

All figures in US$ million unless otherwise stated

	FY 2012	FY2011	Change YoY
Revenue	737.1	342.6[1]	+ 115%
EBITDA	460.3	197.4	+ 133%
EBITDA Margin	63%	58%	+ 8%
Cash Capital Expenditures (excl. VAT)[2]	255.4	133.7	+ 91%

[1] In 2011 accordance with IFRS, sales from GTF test production were not included in the Company's revenue but were offset against capital expenditure (CIP). 2011 cumulative sales of GTF test production (stabilised condensate, LPG and dry gas) amounted to US$ 41.7 million. Reported revenue of US$ 300.8 million plus test production of US$ 41.7 million totalled US$ 342.6 million in FY2011.

[2] "Cash capital expenditures (excl. VAT)" for operations refer to actual net cash spent on capital expenditures and constitute a good CAPEX indicator. "Net cash used in investing activities" is an IFRS term based on indirect cash flow methodology. In 2012, this line item of US$ 270.6 million includes US$ 50.0 million deposit (included in the total cash and equivalents amount of US$ 251.4 million).

Cash and Equivalents	251.4	128.5	+ 96%
Net Debt	401.1	321.5	+ 26%
Net Income	162.0	81.6	+ 99%
Average Brent crude oil price on which Zhaikmunai based its sales (US$/bbl)	107.4	106.9	+ 0%

Revenue increased by US$ 394.5 million, or 115%, to US$ 737.1 million in the year ended 31 December 2012 from US$ 342.6 million in the year ended 31 December 2011 primarily due to the additional revenue generated by the increased production from the Gas Treatment Facility. [In accordance with IFRS, sales from GTF test production were not included in the Company's 2011 revenue but were offset against capital expenditure (CIP). 2011 cumulative sales of GTF test production (stabilised condensate, LPG and dry gas) amounted to US$ 41.7 million. Reported revenue of US$ 300.8 million plus test production of US$ 41.7 million totalled US$ 342.6 million in FY2011].

EBITDA more than doubled in 2012 to US$ 460.3 million (133% increase) (EBITDA of US$ 197.4 million in 2011 included capitalized net proceeds adjusted for capitalized depreciation linked to the GTF test production). The *EBITDA margin* increased by 8% to reach 63% in 2012 (the EBITDA margin in 2011 was 58%, assuming a total revenue including sales from test production).

Cost of sales increased by US$ 167.4 million, or 237%, to US$ 238.2 million in the year ended 31 December 2012 from US$ 70.8 million in the year ended 31 December 2011 primarily due to an increase in production, depreciation, repair and maintenance, payroll expenses and materials and supplies driven by commencement of operations at the GTF. On a boe basis, cost of sales decreased by US$ 3.36 or 16%, to US$ 17.48 in the year ended 31 December 2012 from US$ 20.83 in the year ended 31 December 2011, and cost of sales net of depreciation per boe decreased by US$ 5.07, or 34% to US$ 10.04 in the year ended 31 December 2012 from US$ 15.11 in the year ended 31 December 2011.

General & administrative expenses increased by US$ 25.1 million, or 69%, to US$ 61.6 million in the year ended 31 December 2012 from US$ 36.4 million in the year ended 31 December 2011 largely due to an increase in social programme expenditures of US$ 20.8 million in the year ended 31 December 2012 from US$ 1.1 million in the year ended 31 December 2011. This increase was related to the cost of construction of a 37-kilometre asphalt road accessing the field site, which the Group agreed to construct. The costs associated with the construction of this road are significantly higher than the Group's usual costs relating to social programmes under the PSA. Other expenses contributing to the increase in general and administrative expenses include an increase in management fees, an increase in payroll and related taxes and an increase in training expenses.

Profit before income tax increased by US$ 133.4 million, or 90%, to US$ 282.4 million in the year ended 31 December 2012 compared to a profit of US$ 149.0 million in the year ended 31 December 2011. The higher level of profit was driven primarily by increased revenue due to the inclusion of GTF output.

Net income increased by US$ 80.4 million, or 99%, to US$ 162.0 million in the year ended 31 December 2012 from US$ 81.6 million in the year ended 31 December 2011. This higher profitability was driven by increased revenue from increased production.

Kai-Uwe Kessel, CEO of Zhaikmunai, commented:

"Zhaikmunai is now solidly anchored operationally and financially. This is an excellent platform from which we can pursue our next stage of development. I remain excited about the potential to

further develop our reserve base over the coming years. In addition I believe that our new acquisitions will demonstrate that we can not only grow organically but we are also able to make value-enhancing acquisitions that enhance shareholder value."

OPERATIONAL HIGHLIGHTS

Production

All figures in boe (barrels of oil equivalent) unless otherwise stated

	FY 2012	FY 2011	Change YoY
Total Production (Crude Oil + GTF Products)	13,520,040	4,802,561	+ 182%
Total Daily Average Production (Crude Oil + GTF products)	36,940	13,158	+ 181%

All figures in boe (barrels of oil equivalent) unless otherwise stated

Products	2012 Average Production	2012 Average Product %
Crude Oil & Stabilised Condensate	15,764	43%
LPG (Liquid Petroleum Gas)	2,940	8%
Dry Gas	18,237	49%
TOTAL	**36,940**	**100%**

- Total production (crude oil and GTF products) almost tripled in 2012 to 13,520,040 boe (182% increase);
- Total average daily production (crude oil and GTF products) in 2012 was 36,940 boepd.

Drilling

Zhaikmunai contracts with third parties who perform drilling operations in the Chinarevskoye Field:

- As at 31 December 2012, Saipem, Sun Drilling, UNGG and Xi-Bu provided their drilling services, supplying a total of six drilling rigs;
- In addition, Kazburgaz and UNGG rigs were employed for workover operations.

The average time required to drill new vertical wells is approximately three months in the Tournaisian reservoir and four months in the Devonian, Biski-Afoninski reservoirs:

- Based on historical contracts, the Group has budgeted a cost per well of approximately US$ 11.0 million for production/appraisal wells to be drilled to the Devonian reservoirs (and an additional US$ 3.0 million per well for horizontal wells);
- The cost per well for vertical production wells to the Tournaisian reservoir is budgeted at approximately US$ 8.0 million.

Zhaikmunai plans to drill 15 - 17 wells in 2013 for a total cost of US$ 200 million:

- 9 appraisal wells
- 1 exploration well
- 7 production wells

Recent Developments

<u>Zhaikmunai completed the acquisition of three fields</u>

In March 2013, Zhaikmunai confirmed that it had acquired legal ownership of the subsoil rights related to three oil and gas fields (Rostoshinskoye, Darinskoye and Yuzhno-Gremyachenskoye) in Kazakhstan located close to its main producing field, the Chinarevskoye field, following the signing of the respective supplementary agreements related thereto by the Ministry of Oil and Gas (MOG) of the Republic of Kazakhstan effective 1st March 2013.

GDR Buy-Back Programme

In February 2013, Zhaikmunai announced that the Board of Directors of its general partner, Zhaikmunai Group Limited (ZGL), had approved a Global Depositary Receipt (GDR) buy-back programme and had submitted a recommendation to the limited partners of the Partnership that they approve such programme by special resolution in a special general meeting scheduled for 28 March 2013 in Amsterdam.

Corporate Headquarters moved to the Netherlands

In Q1 2013, the seat of effective management of ZGL and Zhaikmunai LP was moved to Amsterdam, The Netherlands.

ATTACHED DOCUMENTS

Attached to this press release are Zhaikmunai's 2012 Consolidated Financial Statements and 2012 Management Report. The latter contains the following items:

Here you can download the following documents:

Download the 2012 Consolidated Financial Statements;
Download the 2012 Management Report.

CONFERENCE CALL

Zhaikmunai's management team will be available for a presentation of Zhaikmunai's 2012 Full-Year Results followed by a Q&A session for analysts and investors on Monday, March 18, 2013 at 14:00 UK time (GMT + 0:00).

If you would like to participate in this call, please register by email using the following email address: investor_relations@zhaikmunai.com. Please provide your ID details (name, title, company, email address and telephone number) in order to receive dial-in details.

Further information

For further information please visit www.zhaikmunai.com

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About Zhaikmunai

Zhaikmunai is an independent oil and gas enterprise currently engaging in the production, development and exploration of oil and gas in north-western Kazakhstan. Its Global Depositary Receipts (GDRs) are listed on the London Stock Exchange (Ticker symbol: ZKM). Zhaikmunai's principal producing asset is the Chinarevskoye field, in which it holds a 100% interest and is the operator, through its wholly-owned subsidiary Zhaikmunai LLP. In addition, Zhaikmunai holds a 100% interest in and is the operator of the Rostoshinskoye, Darinskoye and Yuzhno-Gremyachenskoye oil and gas fields. Located in the pre-Caspian basin to the north-west of Uralsk, these exploration and development fields are approximately 60 and 120 kilometres respectively from the Chinarevskoye field.

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Partnership or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements.

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[2013-03-18]