

PRESS RELEASE

The Board of Directors of KMG EP has decided to create joint stock companies based on existing production facilities and elected new members to the Management Board

Astana, 01 February, 2012. JSC KazMunaiGas Exploration Production ('KMG EP' or 'the Company') reports on decisions made at the last meeting of the Board of Directors. The Board of Directors considered the Company's management proposal to transfer significant powers to the production facilities "Uzenmunaygaz" and "Embamunaygaz". The Board agreed with the suggestion to transform the two production branches into joint stock companies. KMG EP will own 100% of the shares of the new entities. These changes involve the transfer to the newly created joint-stock companies of the fixed assets and the subsoil use rights, subject to approvals by appropriate authorities. Joint-stock form of ownership will give the companies necessary autonomy in the conduct of their business operations and will ensure their management's responsibility, as well as transparency and compliance with modern standards of corporate governance.

As required by law, the Board of Directors commissioned an independent assessment of the assets that are to be transferred. Once it is approved by the Board of Directors, the creating of the new joint stock companies will be put on the agenda for an Extraordinary General Meeting of Shareholders of KMG EP.

The Board of Directors also elected the following Company employees to the Management Board: Deputy General Director for Production, Nurseitov A.A.; Managing Director - Financial Controller, Fraser B.; Managing Director for Legal Affairs, Saulebay M.O.; Managing Director for Logistics and Contracts, Salimov E.R.; Director of the HR Department, Ashirbekova B.S. It was decided that Eshmanov K.J., Bekezhanova Zh.D., Aubakirov A.A., Biseken B.L., Hituov T.K. and Zhamauov Zh.K. will no longer serve as members of the Management Board.

Mrs Zh.Bekezhanova retains her position as Deputy General Director for Economics and Finance. She is currently on maternity leave.

NOTES TO EDITORS

Management Board of KMG EP

Alik Aidarbayev – Chief Executive Officer and Chairman of the Management Board

Vladimir Miroshnikov – Deputy Director General

Abat Nurseitov – Deputy Director General for Production

Benjamin Fraser – Managing Director - Financial Controller

Malik Saulebay – Managing Director for Legal Issues

Eldan Salimov – Managing Director on Logistics and Contracts

Botagoz Ashirbekova – Director of the HR Department

Curriculum Vitae

Abat Nurseitov joined the Company in 2006 and has been working as Deputy General Director for Production since January 2012. Prior to this, he worked as Managing Director for Production. He has been working in the oil and gas industry since 1986, starting his career as an oil well operator and progressing to the Head of Zhetybaineft. He has held various managerial posts at

NIPIneftegaz, Turgai-Petroleum CJSC, and the Kazakh branch of LukOil Overseas Service. He has been awarded with 100th and 110th Anniversary of Kazakh Oil medals.

Benjamin Fraser joined the Company in January 2009 as Head of the Internal Audit Department, and from September 2011 has been working as Managing Director - Financial Controller. Prior to joining the Company he worked as Group Risk Manager at Kazakhmys PLC, and has held positions at Deloitte, N M Rothschild & Sons Limited and HSBC Holding PLC. He is a member of the Institute of Chartered Accountants in England and Wales.

Malik Saulebay joined the Company in April 2011 as Managing Director for Legal Issues. Prior to this worked at KazMunaiGas Refinery and Marketing JSC, KazMunaiGas Trade House JSC, KazTransOil-Service JSC, KazTransGas JSC. He has also worked in various banking and governmental institutions. He graduated from The Kazakh Academy of Labour and Social Relations and The Kazakh State Academy of Management specializing in Law and Business & Management.

Eldan Salimov joined the Company in April 2004 as Managing Director for Logistics and Contracts. Prior to this, he worked as Deputy Director General at KazMunaiGas Trade House JSC, headed “Balalar Omiri” OJSC and “Kraft” LLP, as well as in other enterprises in the trading sector. He graduated from The Kazakh State Academy of Management and Kainar University.

Botagoz Ashirbekova joined the Company in December 2011 as Director of the HR Department. Prior to this she has held positions in Human Resources at JSC Mangistaumunaigas, JSC Turgai-Petroleum, JSC NK KOR, and in the banking and education sectors. She graduated from Kazan Federal University and has a Ph.D. in Sociology.

KMG EP is among the top three Kazakh oil and gas producers. The overall production in 2011 was 12.3mt (an average of 250 kbopd) of crude oil, including the Company’s share in Kazgermunai, CCEL and PKI. 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.

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