

PRESS - RELEASE

JSC KazMunaiGas Exploration Production announces an 18 % increase in Proved and Probable Oil Reserves

Astana, 5 February 2008

- **18% increase in Proved and Probable reserves to 1.8 billion barrels**
- **Reserve replacement ratio in 2007 of 490%**
- **Reserves-to-production ratio of 25 years**

JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”) today announced the results of an Assessment of Oil and Gas Reserves and Resources, as at 31 December, 2007. In accordance with the report of the independent energy consulting firm Gaffney, Cline & Associates (“GCA”), Proved plus Probable (2P) reserves were 240.0 million tonnes (1,767 million barrels), excluding KMG EP’s interests in Kazgermunai and CCEL (Karazhanbasmunai).

This represents an 18.1 % increase in 2P oil reserves compared to the beginning of 2007. Taking into account the amount of oil produced during 2007, the 2P reserves increased by 22.8%. The Reserves Replacement Ratio (the ratio of the reserves increase to production during 2007) was 490%.

Askar Balzhanov, the CEO of the Company, said: “The main reason for the reserves increase is a revision of the Uzen field development plan. Under the new plan, approved by the appropriate authorities, the current production level can be sustained for approximately the next 10 years, at least five years longer than originally envisioned. The extension of the production plateau of our core portfolio will be achieved through the application of new technologies, additional drilling and the implementation of a modified system of water flooding. We are very pleased that our strong technical expertise allows KMG EP to significantly improve the efficiency of oil recovery from our mature fields.”

It is expected that the updated production profile can be achieved through an additional capital investment of approximately US\$2.0 billion. A significant portion of this increase is attributable to the drilling of approximately 1,800 additional new wells over the next 15 years.

Proved Oil Reserves (1P) have increased by 9.6 % to 102.1 million tonnes (751.6 million barrels), which is 9.0 million tonnes (66.2 million barrels) more than at the end of 2006. Proved, Probable and Possible” (3P) reserves stand at 282.5 million tonnes (2, 079.2 million barrels) as at the end of 2007.

In addition to the core assets of its two production units OzenMunaiGas and EmbaMunaiGas, KMG EP owns 50% stakes in Kazgermunai and CCEL (Karazhanbasmunai). The most recent available estimates of 2P oil reserves attributed to KMG EP from these interests are 20.3 million tonnes (155 million barrels) at Kazgermunai, estimated as of 30 September 2006, and 32.8 million tonnes (219 million barrels) at Karazhanbasmunai estimated as of 16 April of 2007.

NOTES TO EDITORS:

KMG EP is the 2nd largest Kazakh oil producer with over 10.6 mmt (217 kbopd) of crude oil production in 2007 including shares in production of Kazgermunai and CCEL. The Company's shares are listed on Kazakhstan Stock Exchange and the GDRs are listed on London Stock Exchange. The Company raised approximately US\$2bn in its IPO in September of 2006.

The revised reserves estimates performed by GCA are based on the assumptions of unchanged tax regime.

The Results of Assessment of Oil and Gas Reserves and Resources as at 31 December, 2007

	Reserves at 31/12/2006	Production	Adjustments	Reserves At 31/12/2007
1P, MMtonnes.	93.1		18.5	102.1
2P, MMtonnes.	203.2	9.53	46.3	240.0
3P, MMtonnes.	288.0		4.05	282.5
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1P, MMBbbls.	685.4		136.3	751.6
2P, MMBbbls.	1,494.9	70.1	342.3	1,767.1
3P, MMBbbls.	2,118.7		30.6	2,079.2

Note: MMtonnes = million metric tons; MMBbbls = million barrels

More detailed information from the GCA report will be published in the «Investor Relations, Other Reports» section of the corporate web site: <http://www.kmgep.kz>.

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