

## **PRESS - RELEASE**

### ***JSC KazMunaiGas Exploration Production Reports Production Increase in H1 2007***

**Astana, 12 July 2007.** JSC KazMunaiGas Exploration Production (“KMG EP” or “the Company”), announced today that in the first six months of 2007, the Company produced 4,948 thousand tonnes of oil and gas condensate (201.61 kbopd). This is 287.6 thousand tonnes more than in the first half of 2006. The increase is primarily due to the acquisition of a 50% stake in JV Kazgermunai LLP (“Kazgermunai”) completed on 24 April 2007. In the 67 days between the acquisition date and 30 June 2007 the Company’s share in Kazgermunai production was 278 thousand tonnes (31.66 kbopd).

Excluding Kazgermunai, the Company’s production was 4,670 thousand tonnes of oil and gas condensate (189.89 kbopd) in the first six months of 2007, an increase of 9.3 thousand tonnes compared to the similar period of 2006. In the first half of 2007, excluding oil produced by Kazgermunai, the Company supplied 4,650 thousand tonnes of crude oil (189.08 kbopd) to the customers including 3,611 thousand tonnes (146.83 kbopd) supplied to export markets, 10.1 % more than in the first half of 2006.

The CEO of the Company Askar Balzhanov said: “The results for the first half of 2007 are clear evidence that our active acquisition strategy started to bear fruit”.

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#### **NOTES TO EDITORS**

KMG EP was the 3rd largest Kazakh oil and gas producing company with over 9.5 mmt (192 kbopd) of crude production in 2006 and 203.2 mmt (1.5 billion bbl) of proved and probable reserves at the end of 2006. The recent acquisition of 50% of Kazgermunai made KMG EP the 2nd largest Kazakh oil and gas producer. The Company’s shares are listed on Kazakhstan Stock Exchange and the GDRs are listed on London Stock Exchange. The Company raised approximately US\$2 billion in its IPO in September of 2006.

Kazgermunai is the 8th largest Kazakh oil and gas producing company, operating the Akshabulak, Nuraly and Aksai fields in the Kyzylorda region of the country. In 2006, its production of crude was approximately 3.0 mmt per year (60.72 kbopd); and at the end of September 2006 it had 40.7 mmt (310 million bbl) of proved and provable reserves.

In April 2007 the Company announced the closing of the transaction to acquire a 50% participation interest in Kazgermunai from JSC National Company KazMunaiGas. PetroKazakhstan Kumkol Resources is the other shareholder in Kazgermunai.

During the first six months of 2007, Kazgermunai produced 1,485 thousand tonnes of oil (62.52 kbopd), 7.3% up compared to the first six months of 2006.

**For further details please contact us at:**

«KMG EP», Public Relations (+7 317 2 977 908, +7 3172 977 924)

Lyazzat Kokkozova

E-mail: [pr@kmgep.kz](mailto:pr@kmgep.kz)

«KMG EP», Investor Relations (+7 3172 975433)

Alexander Gladyshev

E-mail: [ir@kmgep.kz](mailto:ir@kmgep.kz)

WMC Communications Ltd (+44 207 930 9030)

Alex Glover: (+44 207 930 9030)

E-mail: [alex.glover@wmccommunications.com](mailto:alex.glover@wmccommunications.com)

Elena Dobson: (+44 (0)7932524760)

E-mail: [Elena.dobson@wmccommunications.com](mailto:Elena.dobson@wmccommunications.com)

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