

/KASE, NOVEMBER 20, 13/ - Zhaikmunai (Oral, Kazakhstan) provided Kazakhstan Stock Exchange (KASE) with the following communication today:

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Q3 2013: Steadfast Financial and Operational Results

Amsterdam, 20 November 2013 – Zhaikmunai L.P. (LSE: ZKM) (“Zhaikmunai”), the oil and gas exploration and production enterprise with assets in north-western Kazakhstan, today announces Zhaikmunai’s Third Quarter 2013 (Q3 2013) results for the period from 1 January to 30 September 2013.

FINANCIAL HIGHLIGHTS

Third Quarter (Q3) 2013 Summary

All figures in US\$ millions unless otherwise stated

	Q3 2013	Q3 2012	Change YoY
Average production (boepd)	43,522	39,947	9.0%
Revenue from hydrocarbon sales	214.7	199.8	7.4%
EBITDA ¹	127.1	129.4	(1.8%)
Net income	50.1	50.6	(1.0%)
Net cash used in investing activities	(87.1)	(53.5)	62.8%
Debt	652.5	450.0	45.0%
Cash	225.0	189.5	18.7%
Average Brent crude oil price on which ZKM based its sales (US\$ per bbl)	106.73	102.98	3.6%

Nine Months Ended 30 September 2013 Summary

All figures in US\$ millions unless otherwise stated

	9M 2013	9M 2012	Change YoY
Production (boepd)	45,414	36,859	23.2%
Revenue from hydrocarbon sales	657.2	523.2	25.6%
EBITDA ¹	411.6	340.5	20.9%
Net income	161.8	137.2	17.9%
Net cash used in investment activities	(167.4)	(153.5)	9.1%
Debt	652.5	450.0	45.0%
Cash	225.0	189.5	18.7%
Average Brent crude oil price on which ZKM based its sales (US\$ per bbl)	104.81	104.10	0.7%

COMMENTARY

Revenue and EBITDA

Strong revenue from sales of hydrocarbons stood at US\$ 657.2 million, an increase of 25.6%, (or US\$ 133.9 million) in comparison to last year's first nine months (US\$ 523.2 million). The increase in GTF output over the period, in conjunction with the high oil price environment, has contributed to the outstanding first nine months 2013 revenue.

EBITDA¹ stood at US\$ 411.6 million, an increase of 21% (or US\$ 71.1 million) in comparison to last year's first nine months (US\$ 340.5 million). EBITDA margin for 9M 2013 of 62.6% was in line with that of 65.1% for 9M 2012.

Net Income

Net income for the period increased 17.9% to US\$ 161.8 million in the first 9 months of 2013 from US\$ 137.2 million for the same period in 2012. Net income as a percentage of total sales declined slightly to 24.6% from 26.2% as compared to the same period last year.

Cash

Zhaikmunai ended the first nine months of 2013 with US\$ 225.0 million of cash, of which US\$ 159.3 qualified as cash and cash equivalents, US\$ 61.5 million in short and long-term deposits, and US\$ 4.2 million was restricted cash. A distribution of US\$ 63.2 million was paid out during the third quarter.

Cost of Sales and General and Administrative Expenses

Cost of sales in the first nine months of 2013 increased by US\$ 51.4 million or 33.1% to US\$ 206.5 million compared to US\$ 155.1 million for the same period in 2012. This was mainly due to an increased depreciation charge linked with the completion of the GTF, Zhaikmunai taking over in full the management and operations of the GTF, as well as increased repair, royalty and government share expenses.

General and administrative expenses in the first nine months of 2013 decreased by US\$ 5.6 million or 10.3% to US\$ 48.6 million compared to US\$ 54.2 million for the same period in 2012.

Capital Expenditure

In the first 9 months of 2013, Zhaikmunai's net cash used in investing activities grew to US\$ 167.4 million, from US\$ 153.5 million in the same period in 2012. This increase was driven by the placement of long-term bank deposits of US\$ 30 million, partially offset by the redemption of US\$ 18.5 million of short-term bank deposits.

Kai-Uwe Kessel, Chief Executive Officer of Zhaikmunai commented:

"I am delighted to announce another set of excellent financial results. Our cash position remains healthy as we enter into our next investment phase. We have developed a good balance between returning some cash to shareholders through our dividend and buy-back programme whilst moving ahead with our next development phase, which will allow us to significantly increase our cash flows further. I am confident that we can pursue this excellent operational and financial track record in to the final quarter of 2013 and into 2014."

¹ Q3 and 9M 2012 EBITDA includes an adjustment of US\$ 21.5 million linked to one-off social programme expenses related to road construction works.

OPERATIONAL UPDATE

Production:

- September 2013 – The scheduled shutdown of the Gas Treatment Facility (GTF) was completed within 9 days;
- Q3 2013 total average total daily production amounted to 43,522 boepd, representing a 9.0% increase compared to Q3 2012 (39,943 boepd);
- 9M 2013 total average total daily production amounted to 45,414 boepd, representing 23.2% production growth between 9M 2013 and 9M 2012 (36,859 boepd);

The product split for Q3 2013 was as follows:

PRODUCTS	Q3 2013 Average Production	Q3 2013 Product Mix %
Crude Oil & Stabilised Condensate	18,393 boepd	42.3%
LPG (Liquid Petroleum Gas)	4,178 boepd	9.6%
Dry Gas	20,950 boepd	48.1 %
TOTAL	43,522 boepd	100%

Drilling Operations

- During the first 9 months 2013, a total of 5 gas-condensate wells (# 218, #402, #410, #216, #223) have been drilled and tied-in to the Gas Treatment Facility (GTF) and a total of 3 new crude oil wells (# 60, #701 and #117) have been drilled. Of these 8 newly drilled wells, 5 are currently producing whereas the other 3 wells are undergoing test operations;
- Zhaikmunai is on target to achieve its planned drilling programme for 2013. At the end of September 2013, Zhaikmunai had 16 producing oil wells, and 14 producing gas condensate wells;
- 5 drilling rigs are being operated on a full-time basis on the Chinarevskoye field;

CORPORATE DEVELOPMENTS

Proposed Name Change at Special General Meeting (SGM) (29 November 2013):

The Board of Directors of Zhaikmunai has, among other items, recommended that the Partnership's name be changed from Zhaikmunai L.P. to Nostrum Oil & Gas LP at its SGM scheduled for 29 November 2013.

One of the main objectives for the name change of the holding company is to signal the transformation of Zhaikmunai from a single asset to a multiple asset company to the public and the markets. The new name is felt to better reflect the new positioning and future ambitions of the company.

The name of Zhaikmunai LLP, the operational Kazakh company, will not change. Similarly, any future potential acquisitions of companies holding license areas will be held under their respective names.

Signing of 10th Supplementary Agreement to the PSA

On 28 October 2013, the Ministry of Oil & Gas of the Republic of Kazakhstan signed the 10th

Supplementary Agreement to Zhaikmunai's PSA (Production Sharing Agreement) in relation to the Chinarevskoye field. Among other items, this agreement contains the extension of Zhaikmunai's exploration period, other than for the Tournaisian horizons, to 26 May 2014. This provides sufficient time for the company to carry out its planned exploration programme before submitting the results to the State.

Expansion of Processing Capacity with Additional Train to Gas Treatment Facility

In line with previous communications, civil and construction works continue on the third train of the Gas Treatment Facility (GTF). The company remains on track to complete the project by the end of 2016.

Efforts Continue with a View to a Possible Alternative Listing

The company continues to explore a possible Premium Listing on the London Stock Exchange and other alternatives to the current GDR listing through extensive consultation with banks and legal and tax advisers with a view to achieving the best possible result for shareholders. Market updates with more specific news on this topic will be made as and when appropriate.

Initiation of GDR Buy-Back Programme

On 22 April 2013, Zhaikmunai announced the terms of a long-term GDR Buy-Back programme to assist in driving shareholder value. This programme commenced as planned in the week of 20 May 2013, following the release of the Q1 2013 Results.

Zhaikmunai has since purchased 1,532,340 of its Global Depositary Receipts ("GDRs") through Deutsche Bank AG and VTB Capital plc. The purchased GDRs are currently being held in treasury by the Partnership, which has 186,650,608 GDRs in issue (excluding those GDRs held as treasury GDRs). GDRs held in treasury may be used to satisfy Zhaikmunai's obligations under its employee stock option plan.

CONFERENCE CALL

Zhaikmunai's management team will be available for a Q&A session for analysts and investors on Wednesday, 20 November at 14:00 UK time (GMT).

If you would like to participate in this call, please contact investor_relations@zhaikmunai.com in advance of the call to receive the registration link.

Download the Q3 2013 Financial Statements

Further information

For further information please visit www.zhaikmunai.com

Further enquiries

Zhaikmunai LP – Investor Relations
Bruno G. Meere
Kirsty Hamilton-Smith
investor_relations@zhaikmunai.com

+ 31 20 737 2288

College Hill - UK

+ 44 (0) 207 457 2020

David Simonson
Tony Friend
Catherine Wickman
Anca Spiridon

Promo Group Communications - Kazakhstan

Asel Karaulova
Ekaterina Sulema

+ 7 (727) 264 67 37

Deutsche Bank
Ben Lawrence
JM Hafner
Rob Abbott

+ 44 (0) 207 545 8000

VTB Capital plc
Alexander Metherell
Marcus Brown
Giles Coffey

+ 44 (0) 203 334 8000

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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