JSC KazMunaiGas
Exploration Production

Mid-cap oils conferece
Merril Lynch

April, 2009

Important Notice

Forward-looking statements

This document includes statements that are, or may be deemed to be, ‘‘forward-looking statements’’. These forward-looking statements can be identified by the use of forward-looking terminology, including, but not limited to, the terms ‘‘believes’’, ‘‘estimates’’, ‘‘anticipates’’, ‘‘expects’’, ‘‘intends’’, ‘‘may’’, ‘‘target’’, ‘‘will’’, or ‘‘should’’ or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include, but are not limited to, statements regarding the JSC KazMunaiGas Exploration Production (“Company”) intentions, beliefs and statements of current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and as to the industries in which the Company operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. Forward-looking statements are not guarantees of future performance and the actual results of the Company’s operations, financial condition and liquidity and the development of the country and the industries in which the Company operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. The Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements or industry information set out in this document, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.

Cautionary Note to US Investors

The US SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that the company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The crude oil reserves of Company within this document have been estimated by Gaffney, Cline & Associates (‘‘GCA’’) according to standards established by the Society of Petroleum Engineers (‘‘SPE’’) and the World Petroleum Congresses (‘‘WPC’’) and thus proved reserves may differ from those estimated according to the definitions of the US SEC. Further, the Company uses certain terms in this document in referring to the Company’s reserves, such as ‘‘probable’’ or ‘‘possible’’ reserves, that the US SEC’s guidelines would prohibit it from including in filings with the US SEC if the Company were subject to reporting requirements under the US Exchange Act. Prospective investors should read ‘‘The Company—Company’s Reserves’’ section in IPO prospectus and the report of GCA, an international oil and gas consultant, on the Company’s reserves, included in this document (the ‘‘GCA Report’’), for more information on the Company’s reserves and the reserves definitions the Company uses.

History of KMG E&P

1911: Start of oil production in Kazakhstan

2004: Creation of KMG E&P: merger of UzenMunaiGas (“UMG”) and EmbaMunaiGas (“EMG”)

2006: IPO and listing on London Stock Exchange

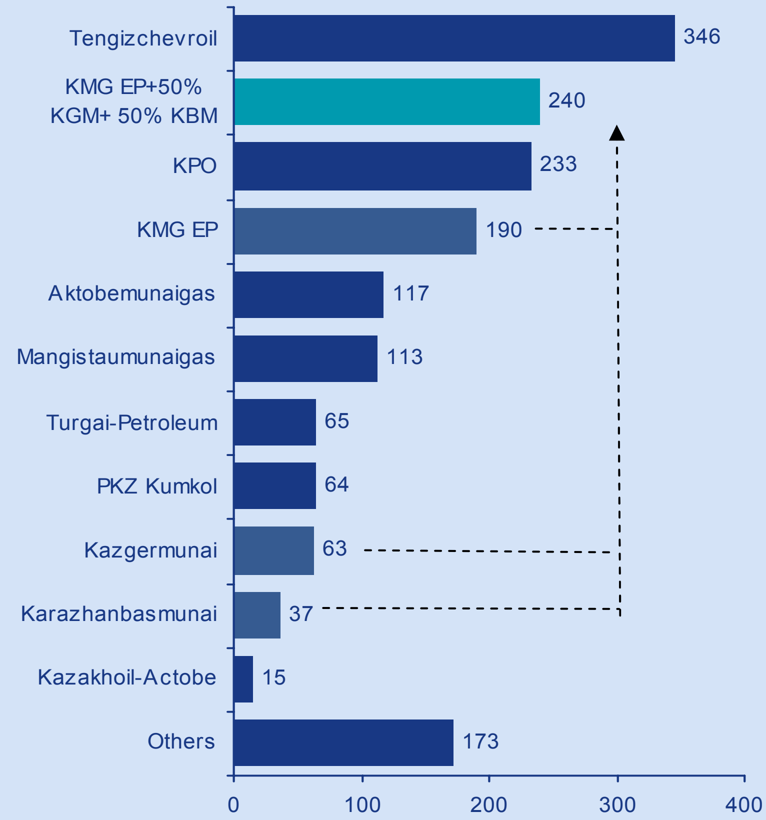
2007: Acquisition of 50% stakes in Kazgermunai and CCEL (Karazhanbasmunai)

2008: Profit hits record $2bn. Launch of $350m share buyback program

KMG EP at a glance

- **Second largest oil producer in Kazakhstan**
  - **2P oil reserves over 2 billion bbl (1)**
  - **Production 240 kbopd (1)**
  - **Net income FY2008 - US$2.0bn(2)**
- **The only large listed Kazakh oil&gas company**
  - **US$2bn+ IPO in September, 2006**
  - **Listed in London (GDRs) and Almaty (ords)**
- **Majority (62% voting) owned by NC KazMunaiGas**
  - **4 out of 8 BoD members including Chairman**
  - **Unique access to resources through preemption right**
- **Best practice corporate governance**
  - **CG rating by S&P at 6 (increased)**
  - **Track record of returning cash to shareholders through dividend, including special, and buybacks**

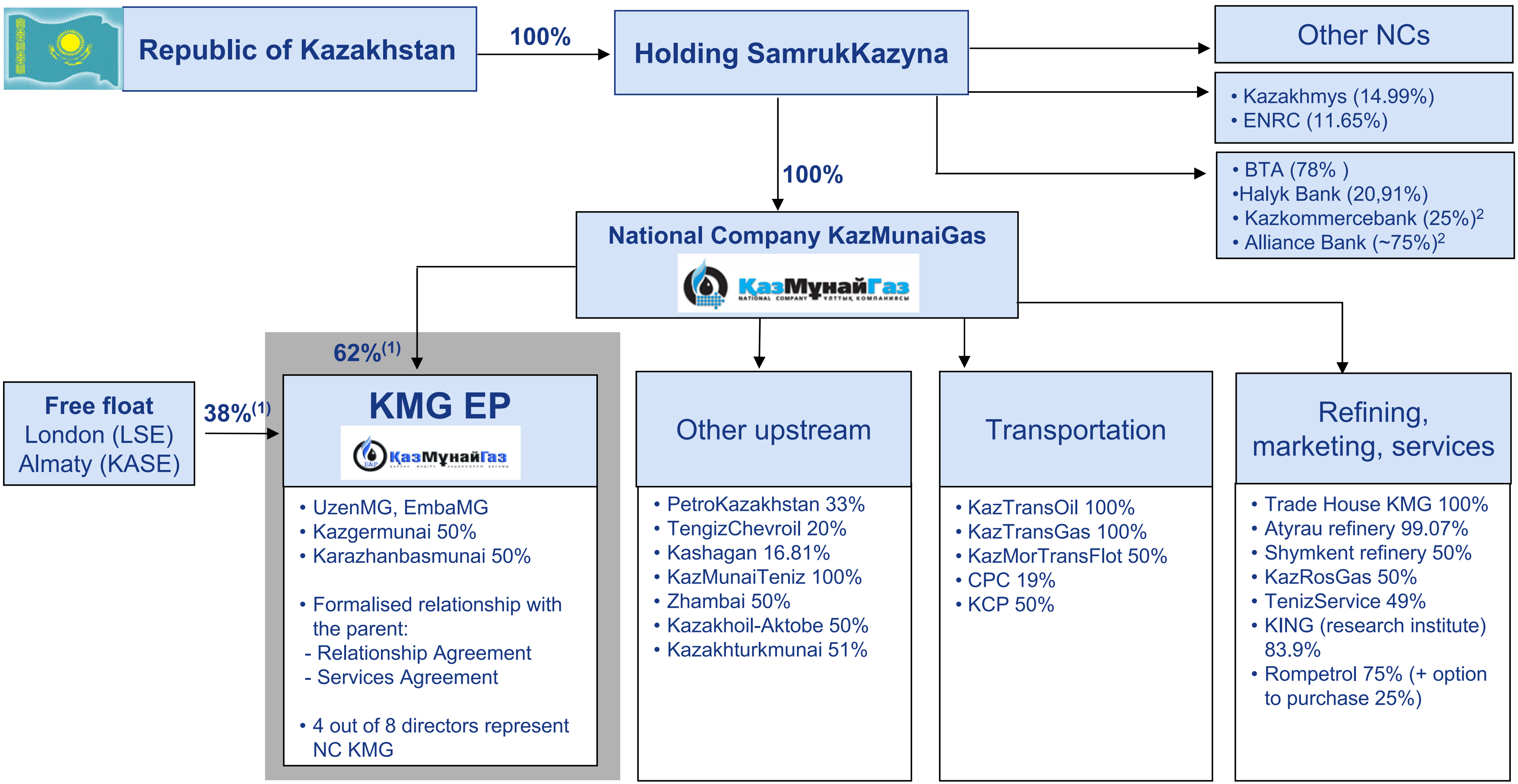
Top Kazakh operating entities (kbopd, 2008)



Source: MEMR
Note: KMG EP production converted using a factor of 7.36 bbl per tonne., KGM - 7.62, Karazhanbasmunai - 6.68, others - 7.33

Note:
(1) Including 50% share in Kazgermunai and CCEL. KMG EP acquired a 50% stake in Kazgermunai in April 2007 and a 50% stake in CCEL (Karazhanbasmunai) in December 2007
(2) Converted from Tenge at KZT/US$ 120.29, year-average rate for 2008

KMG EP: Close relationship with National Company KazMunaiGas



(1) Ordinary shares, excluding treasury shares

(2) Targeted participation is indicated, acquisition process by SamrukKazyna is in progress.

Strategy

Grow and replace reserves

- Exploit the advantages of the Relationship Agreement with NC KMG in respect of existing assets and unlicensed blocks
- Selective acquisitions in Kazakhstan and abroad
- Continue exploration efforts on existing and new blocks

Maintain production in existing fields

- Sustain optimal production level from the existing reserve base over the medium term
- Continue the use of secondary and enhanced oil recovery techniques

Cost and asset rationalisation

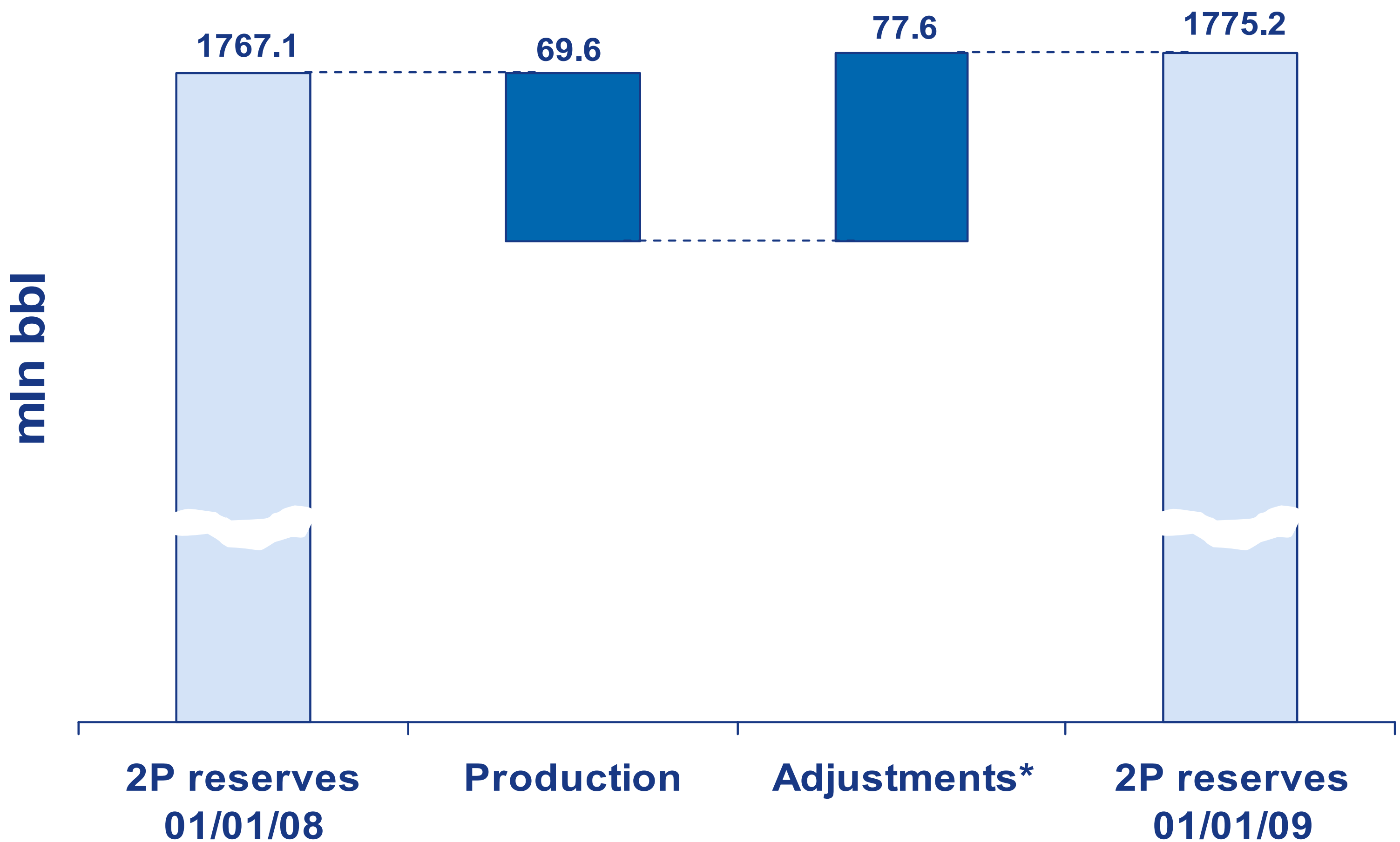
- Optimisation of production costs and capex over the medium term
- Asset Optimisation Programme underway to divest non-core subsidiaries

Environmental improvements

- Policies under implementation to meet international environmental, labour, HR and safety standards

Deliver sustainable shareholder returns

Full 2P reserves replacement in 2008



* - exploration at EMG and recalculations

Source: Gaffney, Cline & Associates for EMG and UMG

Operating overview, 2008

	2P reserves, mln bbl(1)	Production 2008, kbopd
UMG	1348	134
EMG	427	57
KGM (50%)	144	33
CCEL (50%)	233	17

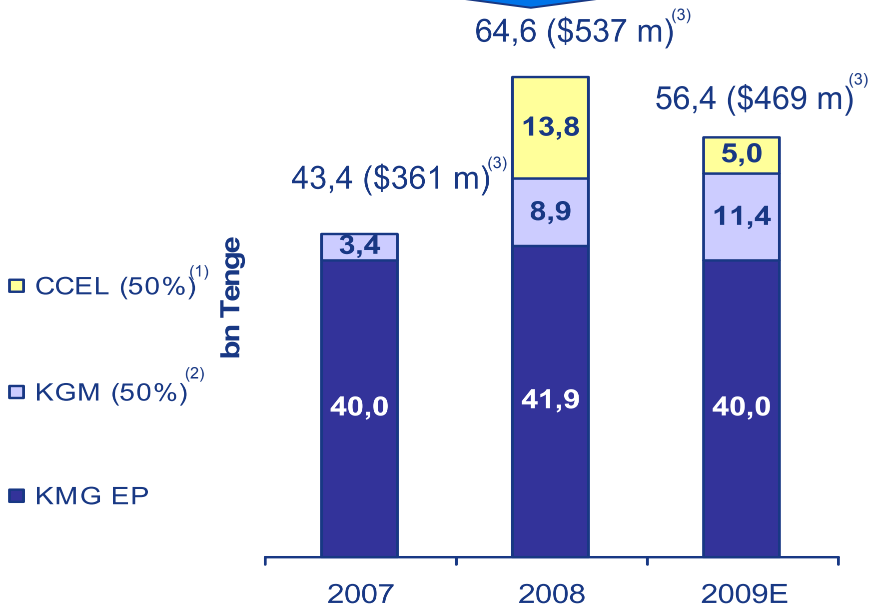
1) *Source: Gaffney, Cline & Associates (KMGEP, KGM) and Miller and Lents (CCEL), KMGEP reserves as of 31/12/08, KGM and CCEL as of 31/12/07*

2) *Total pipeline capacity*

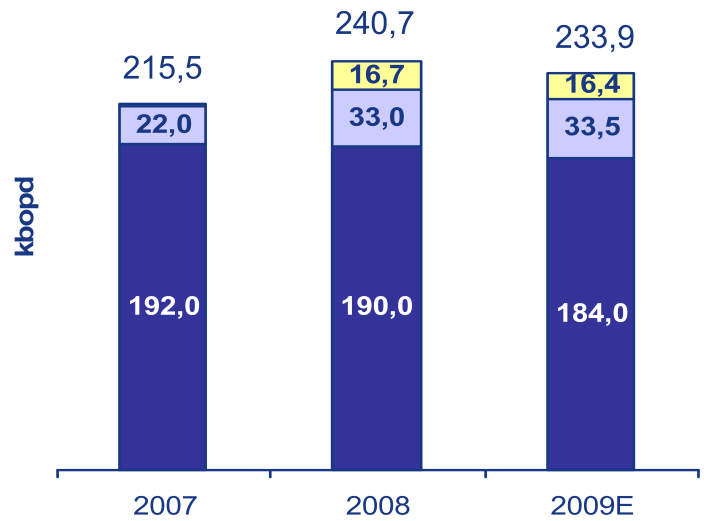
3) *Full capacity*

Production and CAPEX in 2007-2009

CAPEX, bn Tenge



Production, kbopd

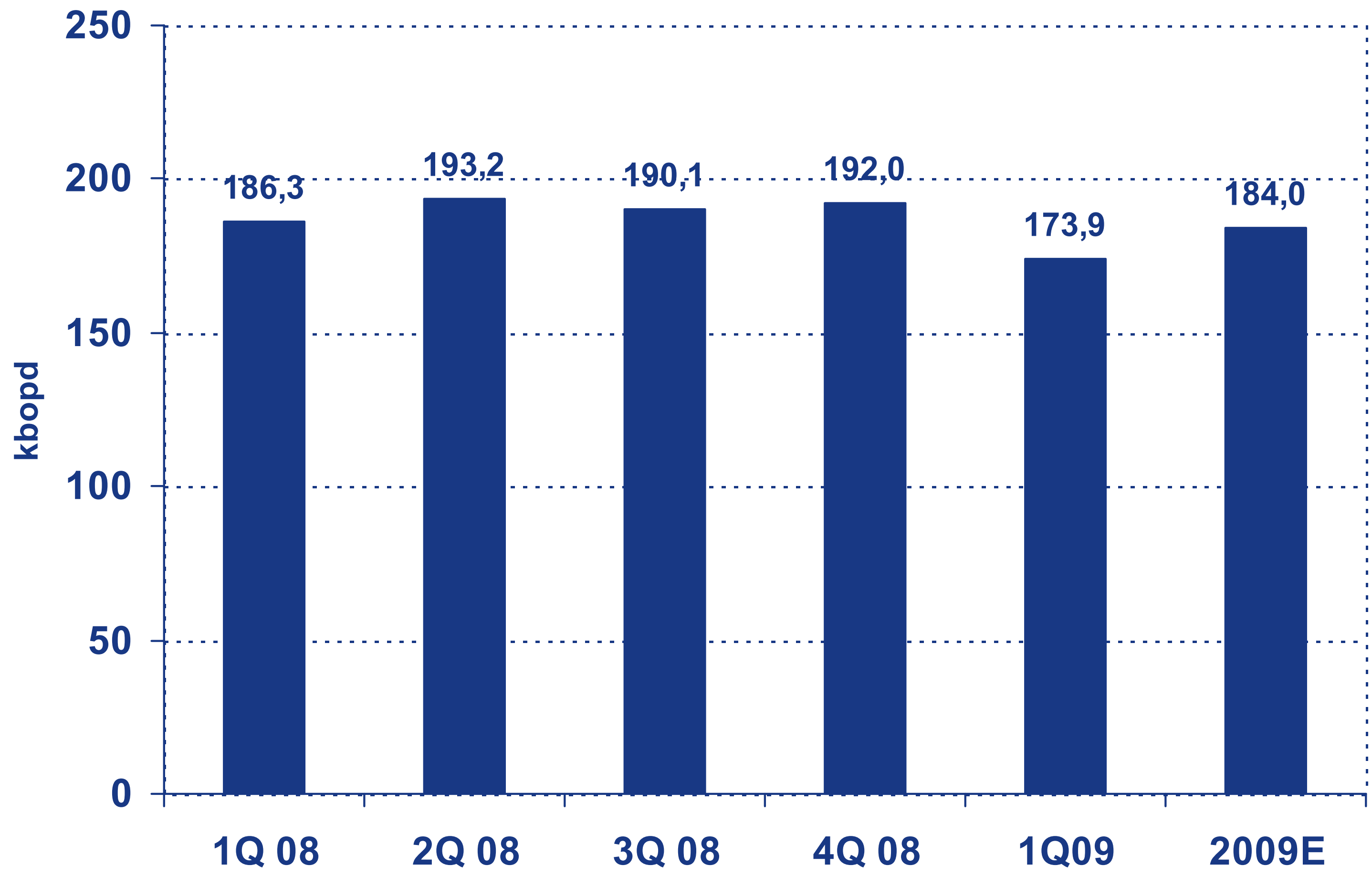


2009 budget highlights

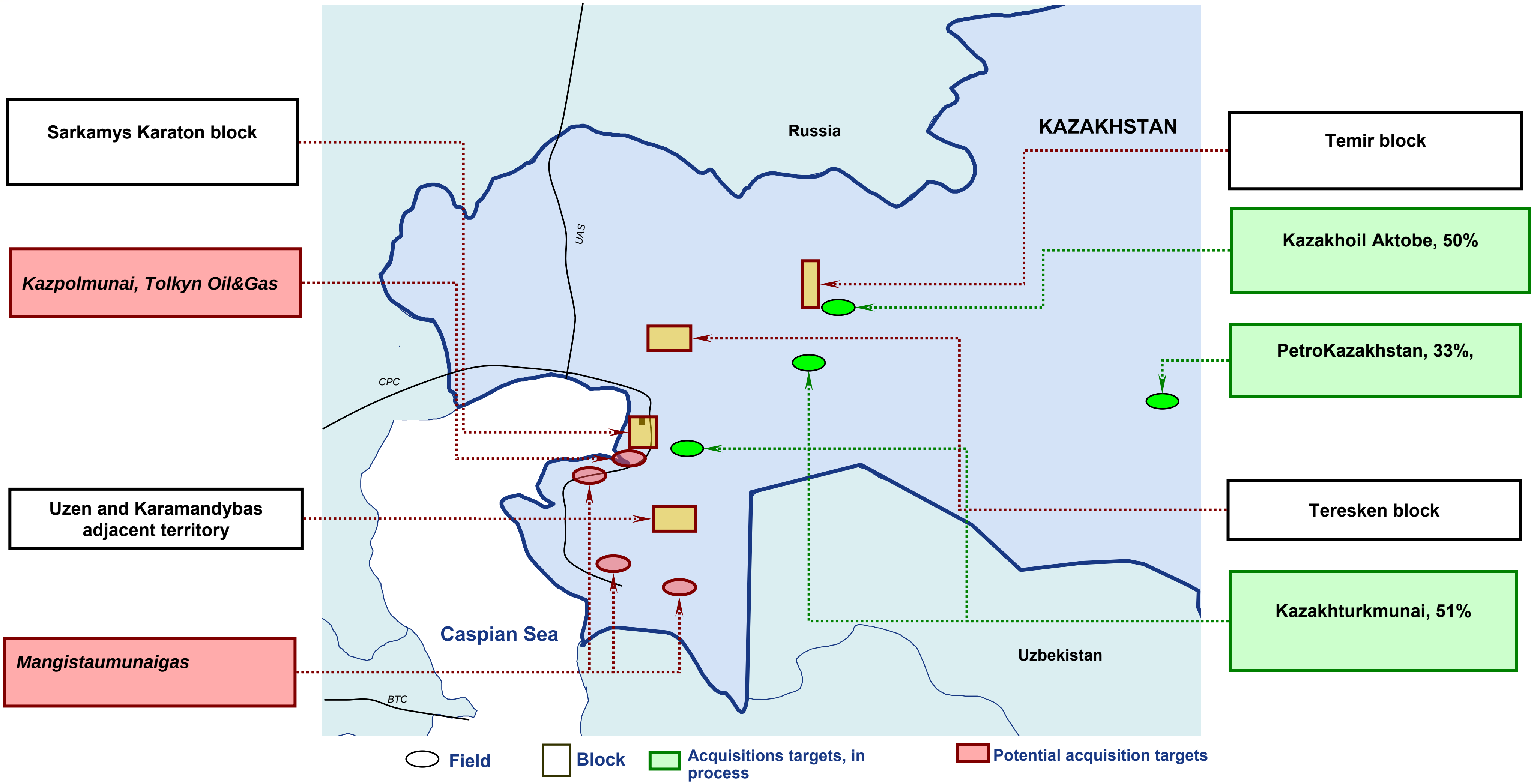
- Periodic review of the budget, to reflect changes in market environment
- Reduced production drilling: 70 wells in 2009 (2008: 149)
- Reduced level of enhanced oil recovery activity
- One subsalt well to start drilling on block R9

(1) 2008 CCEL production and capex are indicated as 50% stake of KMG EP for the full year
Oil production for KGM and CCEL is calculated from the moment of acquisition these assets on April 24, 2007 and December 12, 2007 respectively
(2) Oil production of Kazgermunai for 2007 is indicated as a 50 % stake owned by KMG EP from the date of acquisition (24th April). Oil production and capex of Kazgermunai for 2008 are indicated as 50 % stake owned by KMG EP . Numbers may not add up due to rounding.
(3) Convenience translation from Tenge at KZT/US$ 122.55, 120.29 and 150.0 for 2007, 2008 and 2009E, respectively

Oil production at Uzen and Emba, 2008 - 1Q 2009



Selected acquisition targets



Selected acquisition opportunities

	PetroKazakhstan Inc. (33%)	**Kazakhoil Aktobe (50%)**	**Kazturkmunai (51%)**	**Mangistaumunaigas (MMG) (potential opportunity)**
Shareholders	• 67% CNPC E&D Company Ltd. • 33% NC KMG	• 50% NC KMG • 50% Caspian Investments Resources Ltd (LUKOIL Overseas Ltd subsidiary	• 51% NC KMG • 49% TPAO (Turkish National oil company)	• Central Asia Petroleum Ltd (99%)
Fields	• 11 fields at different stages of development • 5 exploration licenses	• Alibekmola (operated since 2001) • Kozhasai (operated since 2003)	• 8 oil and gas condensate fields in Aktobe and Mangistau regions	• 2 large fields (Kalamkas, Zhetybai) • 13 small fields
2007 Production **2008 Production**	• 141.7 kbpd (6.7 mln. tonnes) • 133.9 kbpd (6.3 mln. tonnes)	• 17.5 kbpd (0.87 mln tonnes) • 15.6 kbpd (0.76 mln tonnes)	• 5.1 kbpd (0.25 mln tonnes) • 4.5 kbpd (0.21 mln tonnes)	• 115.3 kbpd (5.7 mln tonnes) • 113.9 kbpd (5.6 mln tonnes)
Status	• Advanced negotiations with NC KMG • Due diligence completed	• Negotiating possible acquisition with NC KMG	• Negotiating possible acquisition with NC KMG	• NC KMG in negotiations to complete acquisition of MMG

Financial summary

millions of US$(1) , or as indicated	2006	2007	2008
Production (kbopd) (2)	**192**	**192**	**190**
Total revenue	**3,269**	**3,974**	**5,029**
Operating expenses	**(1,534)**	**(1,720)**	**(2,470)**
per bbl produced, including	*23.2*	*24.5*	*35.4*
- Energy, materials, payroll, repairs and other services	*8.5*	*9.5*	*10.7*
- Export duty	*-*	*-*	*8.2*
-Transportation, taxes, management fees, fines and penalties, other	*8.63*	*8.16*	*9.67*
- DD&A	*3.5*	*4.0*	*4.1*
Operating profit	**1,735**	**2,253**	**2,559**
Finance (expense) income	**(1)**	**115**	**357**
Share of results of associates	**(3)**	**142**	**479**
Income tax (expense)	**(760)**	**(1,228)**	**(1,389)**
adjusted effective tax rate (3)	55.0%	52%	48%
Profit for the period (net income) from continuing ops	**972**	**1,282**	**2006**
Cashflow from operations	**969**	**1,411**	**1,362**
Capex	**391**	**327**	**348**

(1) Convenience translation from Tenge at KZT/US$ 124.09, 122.55, 120.29 for 2006, 2007, and 2008 respectively

(2) Production was calculated excluding 50% shares in Kazgermunai and CCEL.

(3) Adjustment is made by subtracting share of results of subsidiaries and fines and penalties from tax base

Financial summary, quarterly

millions of US$(1) , or as indicated	2007	2008	1Q 08	2Q 08	3Q 08	4Q 08
Production (kbopd) (2)	**192**	**190**	**186**	**193**	**190**	**192**
Total revenue	**3,974**	**5,029**	**1,193**	**1,609**	**1,517**	**710**
Operating expenses	**(1,720)**	**(2,470)**	**(410)**	**(602)**	**(627)**	**(832)**
Operating expenses, net of export duty	(1,720)	(1,898)	(410)	(471)	(500)	(517)
OPEX per bbl produced, including	*24.5*	*35.4*	*24.2*	*34.3*	*35.8*	*47.1*
- Energy, materials, payroll, repairs and other services	*9.5*	*10.7*	*8.5*	*10.0*	*10.4*	*13.8*
-Transportation, taxes, export duty, management fees, fines and penalties, other	*8.16*	*9.67*	*8.3*	*7.8*	*8.5*	*8.3*
-Exprot duty	-	*8.2*	-	*7.47*	*7.21*	*17.8*
- DD&A	*4.0*	*4.1*	*4.0*	*4.3*	*4.3*	*4.1*
Operating profit	**2,253**	**2,559**	**783**	**1,007**	**891**	**(121)**
Operating profit, net of ED	**2,253**	**3,131**	**783**	**1,138**	**1,017**	**193**
Finance (expense) income	**115**	**357**	**81**	**83**	**65**	**129**
Share of results of associates	**142**	**479**	**75**	**151**	**91**	**161**
Income tax (expense)	**(1,228)**	**(1,389)**	**(411)**	**(542)**	**(456)**	**20**
adjusted effective tax rate (3)	52%	48%	47.63%	49.75%	47.76%	-269.69%
Profit for the period (net income) from continuing ops	**1,282**	**2,006**	**528**	**699**	**590**	**189**
Cashflow from operations	**1,411**	**1,362**	**539**	**88**	**747**	**(12)**
Capex	**(327)**	**(348)**	**(72)**	**(96)**	**(72)**	**(109)**

(1) Convenience translation from Tenge at KZT/US$ 122.55 and 120.29 for 2007 and 2008 respectively

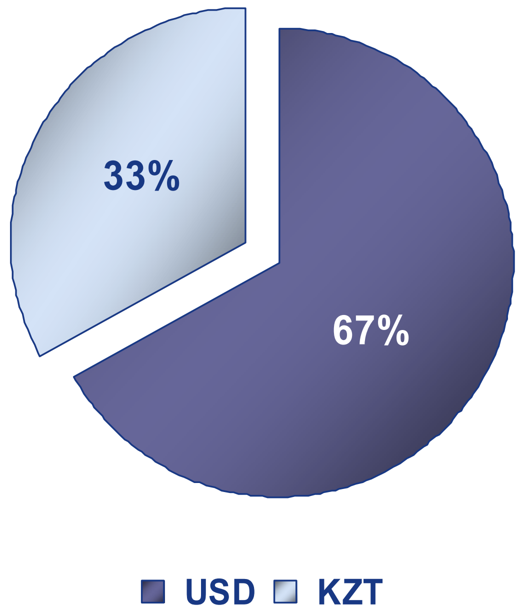
(2) Production was calculated excluding 50% shares in Kazgermunai and CCEL.

(3) Adjustment is made by subtracting share of results of subsidiaries and fines and penalties from tax base

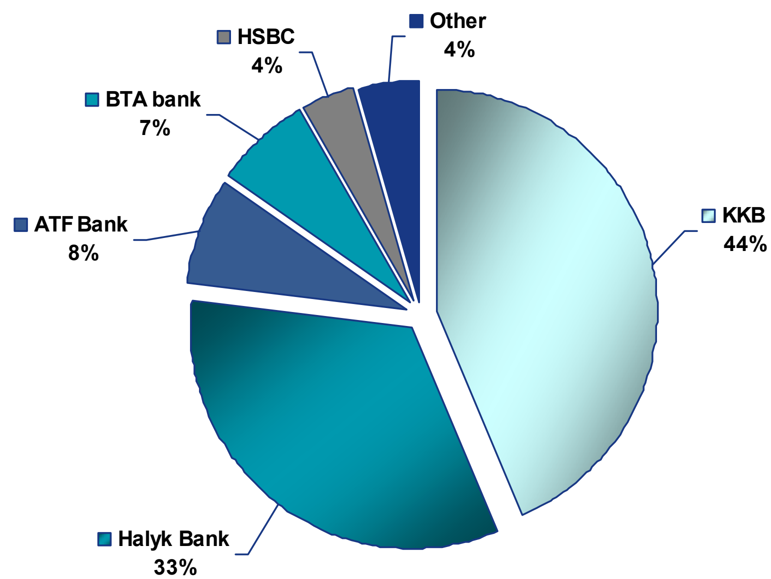
Financial assets and cash equivalents, as of 31th December, 2008

Approx. US$4.6bn of cash and other financial assets as of 31th December 2008 (@ 120.77KZT/US$)

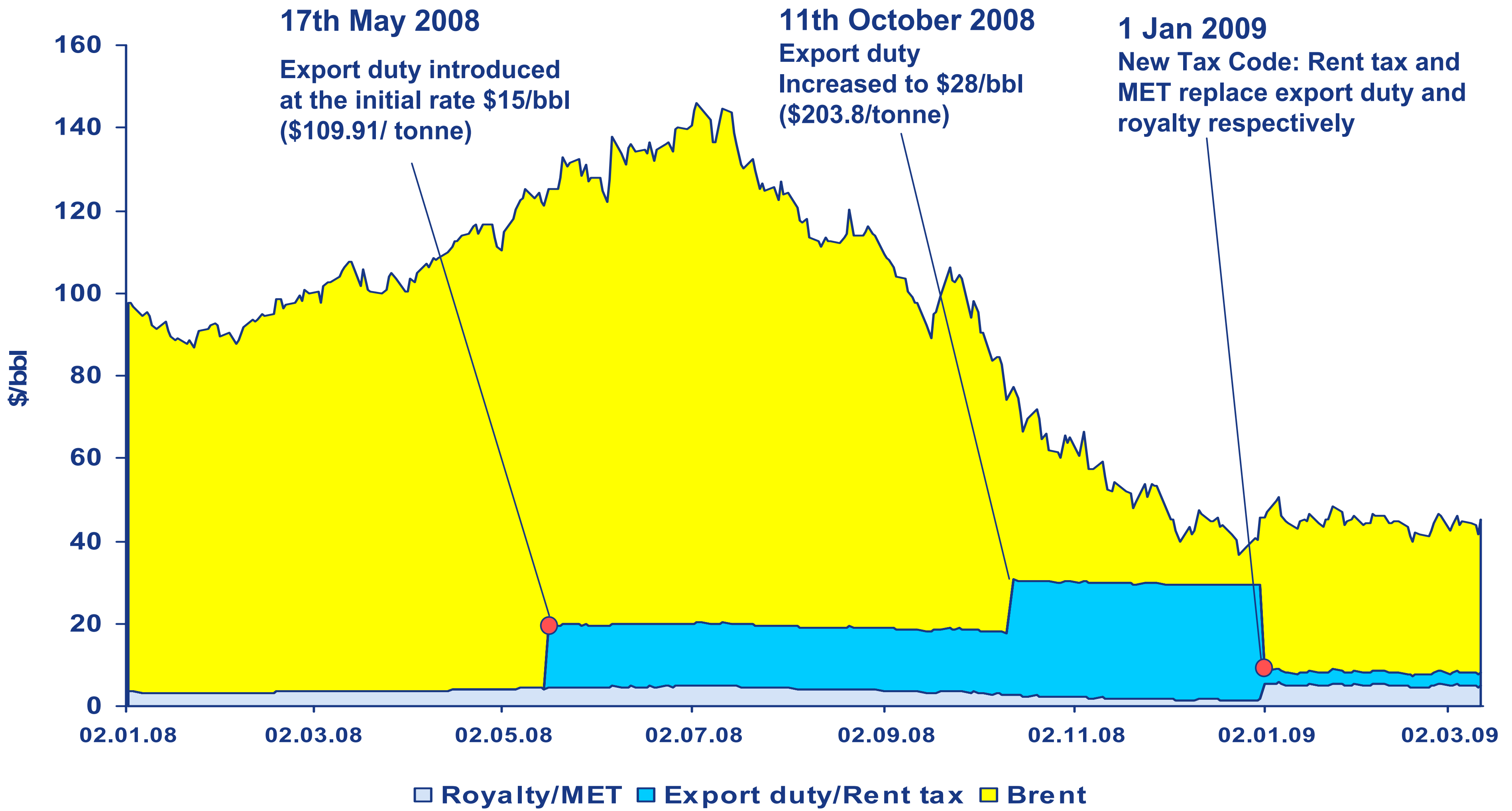
Currency structure



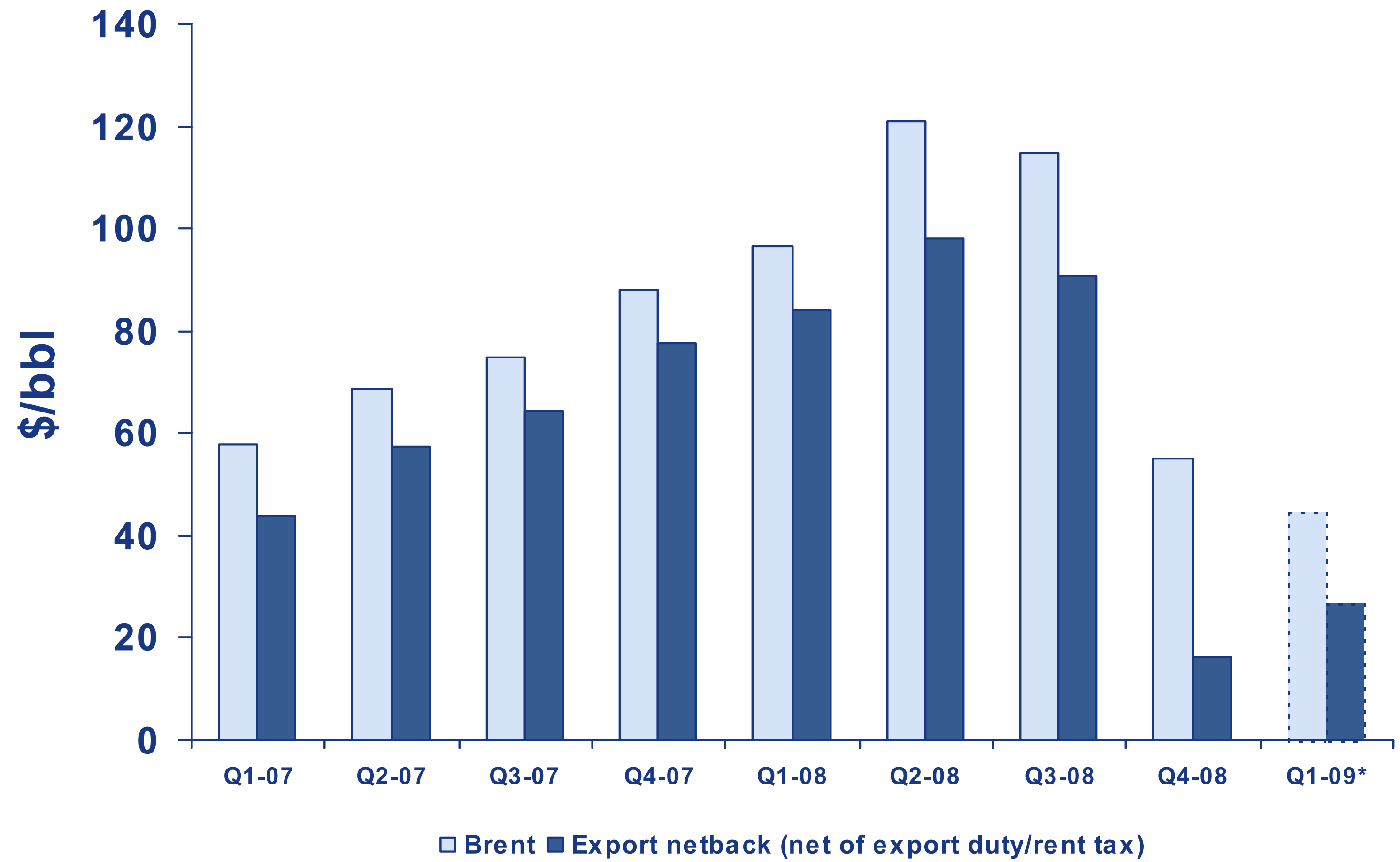
Banks



Export economics in 2008-2009YTD



Netbacks deterioration in Q1-2009



** Preliminary estimate, based on applicable rent tax, assuming transportation expenses and other discounts as in Q4-2008*

Export and domestic netbacks in 2008

2007 FY

US$/bbl	CPC	UAS	Other	Average
Market quote	**73.02** (CPC blend)	**69.53** (Urals)	**n/a**	**n/a**
Realised price	**70.61**	**65.75**	**18.93**	**55.93**
Transportation and other expenses	6.96	6.20	0.83	5.12
Netback price	**63.65**	**59.55**	**18.10**	**50.81**

2008 FY

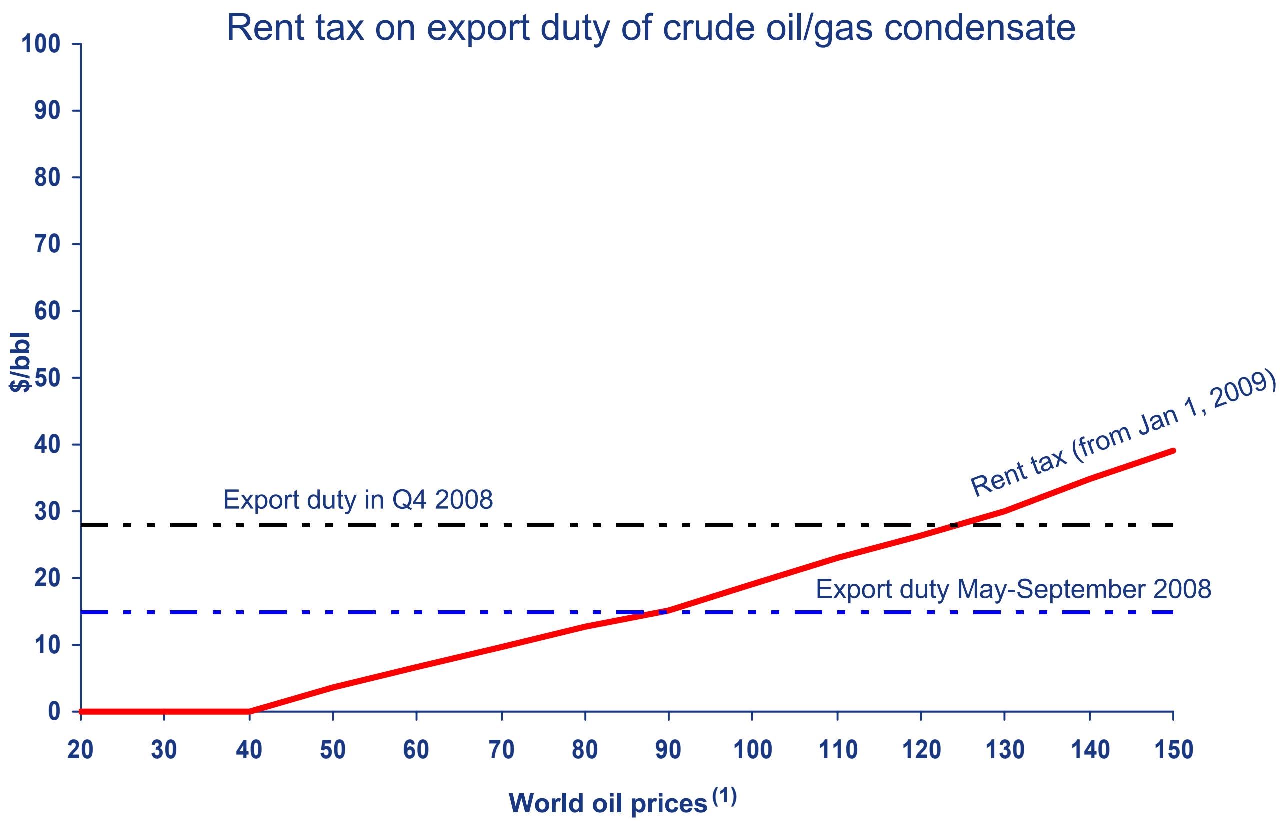
US$/bbl	CPC	UAS	Domestic	Average
Market quote	**98.44** (CPC blend)	**94.08** (Urals)	**n/a**	**n/a**
Realised price	**91.77**	**90.09**	**20.50**	**74,60**
Export customs duty	**11.22**	**11.22**	**n/a**	**8.66**
Transportation and other expenses	**7.86**	**7.45**	**0.94**	**6.05**
Netback price	**72.69**	**71.42**	**19.56**	**59,89**

New Tax Code: summary of changes

- “Tax stability” for pre-2004 contracts abandoned; unified tax regime for almost all subsoil contracts
- Rent tax replaced the export duty
- Introduction of Mineral Extraction Tax (MET) – replaced royalty
- Excess profit tax (EPT) – tax base and rates changed
- Corporate income tax (CIT) rate reduced from 30% to 20% in 2009, 17.5% in 2010, 15% in 2011

✓ Tax Code is enacted from January 1, 2009

New tax code: rent tax replaced export duty

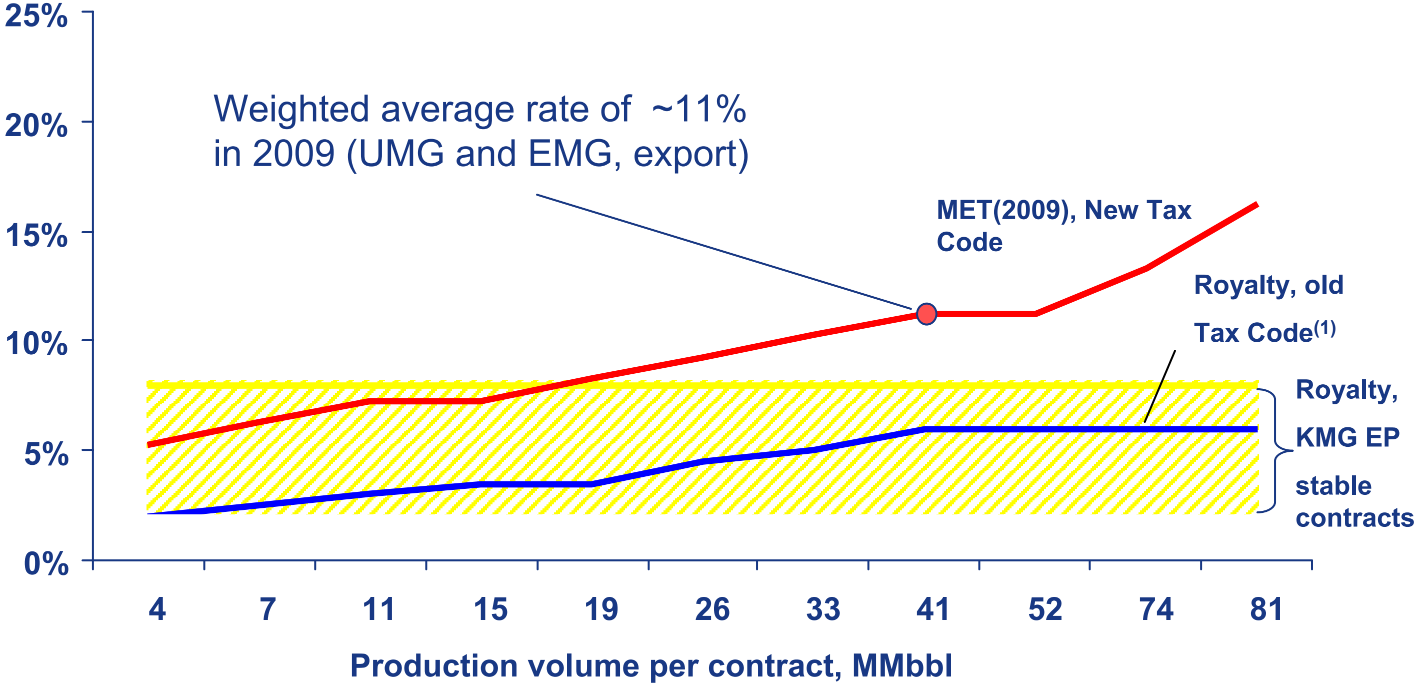


Rent tax (new tax code)

Oil price (P), $/bbl	rate, %
P≤20	0%
20<P<30	0%
30<P<40	0%
40<P<50	7%
50<P<60	11%
60<P<70	14%
70<P<80	16%
80<P<90	17%
90<P<100	19%
100<P<110	21%
110<P<120	22%
120<P<130	23%
130<P<140	25%
140<P<150	26%
150<P<160	27%
160<P<170	29%
170<P<180	30%
180<P<190	32%
190<P	32%

1) World oil price is determined as an average value of Urals or Brent depending on contracts.

New tax code: mineral extraction tax (MET) instead of royalty



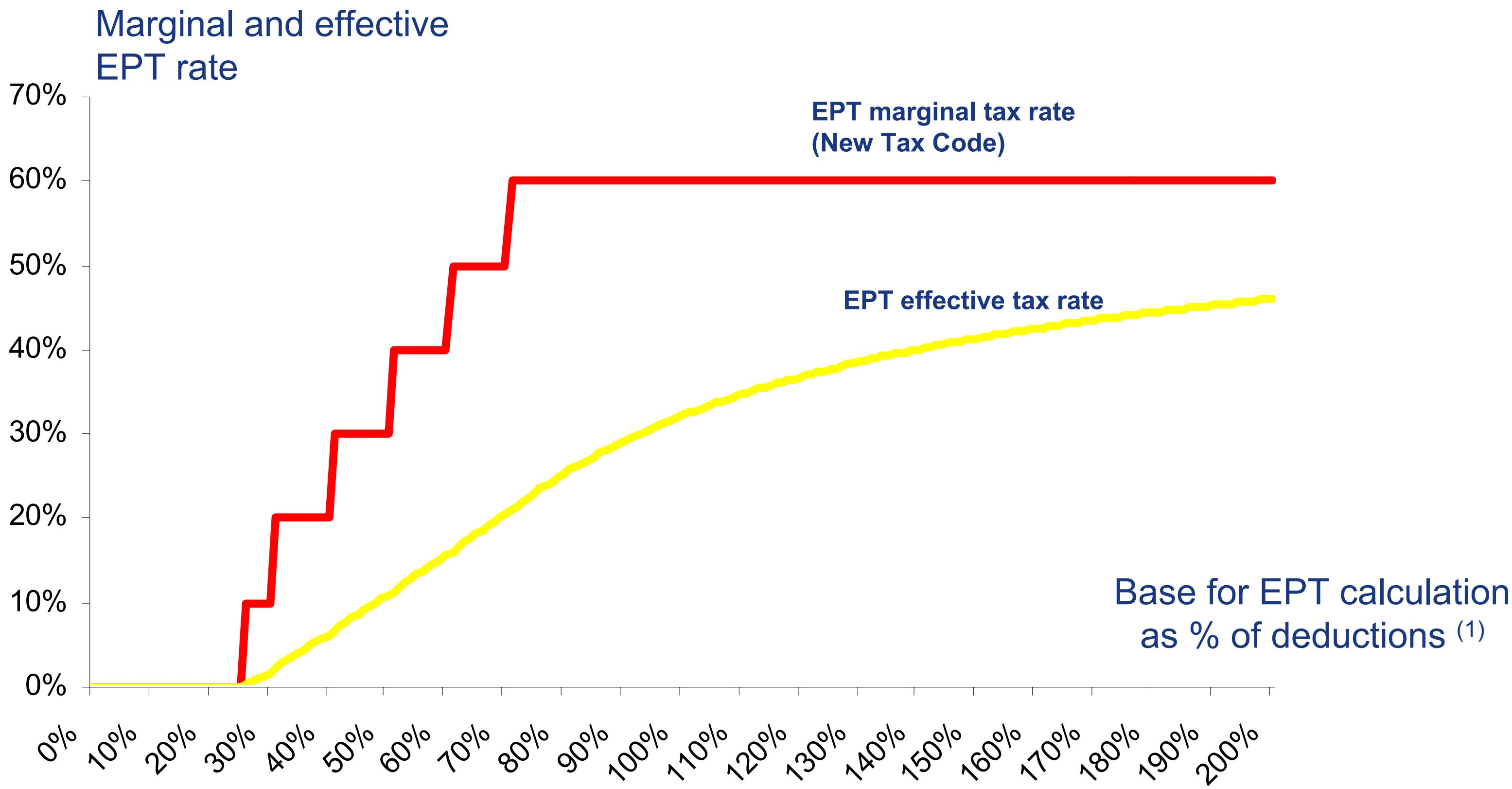
MET (New tax code)

oil production, '000 tonnes (V)	rates, %		
	2009	**2010**	**2011+**
V<250	5%	6%	7%
250<V<500	7%	8%	9%
500<V<1000	8%	9%	10%
1000<V<2000	9%	10%	11%
2000<V<3000	10%	11%	12%
3000<V<4000	11%	12%	13%
4000<V<5000	12%	13%	14%
5000<V<7000	13%	14%	15%
7000<V<10000	15%	16%	17%
10000<V	18%	19%	20%

Currently Ministry of Economics and Budget planning is working on implementing lower MET rates for fields with low profitability (less than 10%), approximately in May 2009.

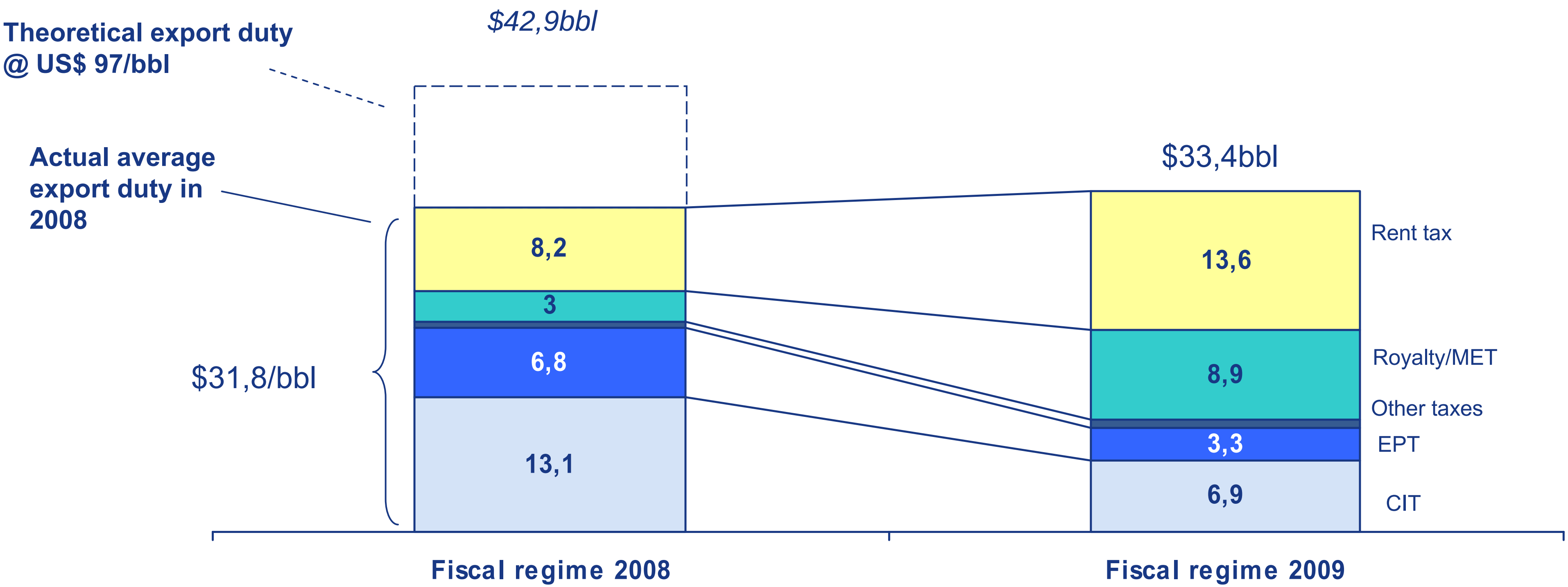
(1) Did not apply to KMG EP's contracts signed before 2004 as they were covered by the stability clause of Kazakhstani tax legislation

New Tax Code: Excess profit tax calculation



1) Deductions include operating expenses deductable for corporate income tax purposes. Capex may be used as deductable instead of depreciation (tax payer's choice)

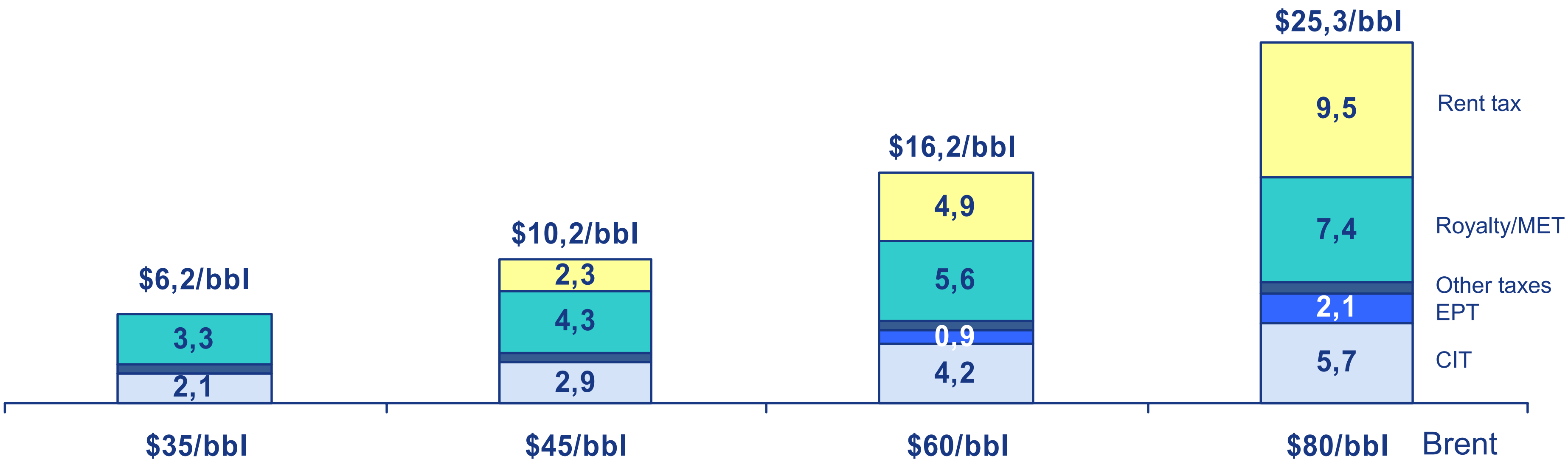
Comparison of taxation 2008 vs 2009, US97$/bbl*



1) *Estimates based on actual cost structure of 2008 at Brent $97/bbl*

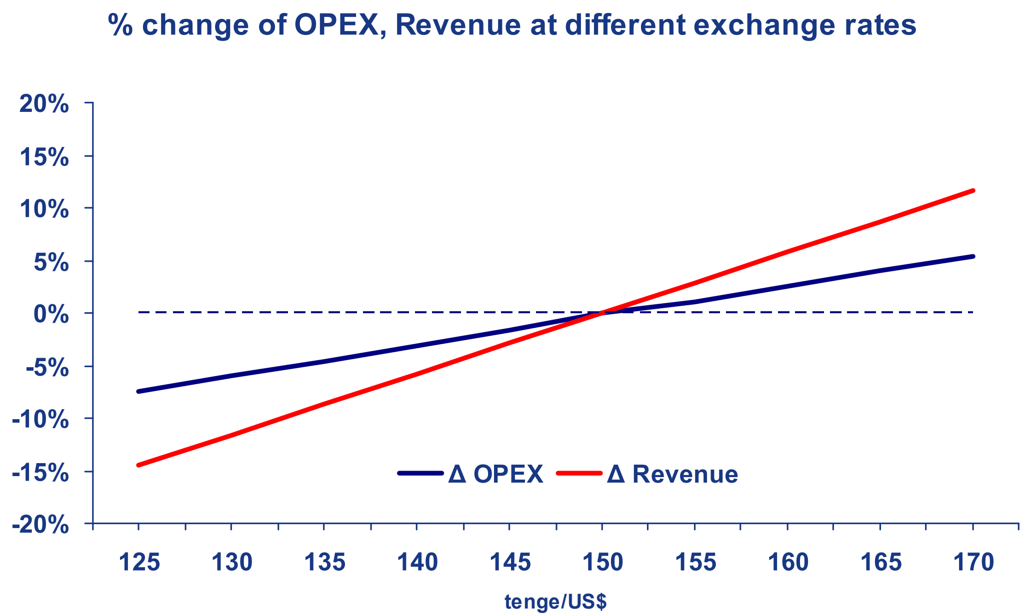
**All taxes per 1 bbl of production*

Tax regime 2009 at different oil prices(1)



1) *Estimates based on actual cost structure of 2008 per 1 bbl of production, assuming sales mix of 77.2% export and 22.8% domestic market*

Revenue and opex sensitivity to KZT/US$ *



Exchange rate	130	140	150	160	170
Δ Revenue	-11.6%	-5.8%	0%	+5.8%	+11.6%
Δ OPEX	-6.0%	-3.1%	0%	+2.6%	+5.4%

** Model estimates of short-term sensitivity to Tenge fluctuations, based on 9m 2008 revenue and opex composition. Actual changes in opex and revenue will depend on number of factors including inflation, cost optimisation majors etc.*

Cash distributions to shareholders

2007	May 18, 2007 (AGM): dividend US$300m, including special dividend US$150m
2008	May 28, 2008 (AGM): dividend US$344m, including special dividend US$152m
	October 8, 2008 (BoD) 12 month buyback programme, US$350m
2009	March 31, 2009 (BoD) dividend recommendations to the Annual General Meeting of Shareholders, US$322m, including special dividend US$80m

Share repurchase programme highlights	
Buy-back launching	**24 Nov 2008**
Purchase period	**31 Oct 2009**
Size	**up to $US350 MM**
Buy-back price	**At the prevailing market price**

Aprox. US$1.3 bn of distributions to shareholders approved since IPO

1H2009 Calendar

- Full year 2008 financial results - 12 March 2009 ✓
- Dividend recommendation for 2008 - end March / April 2009 ✓
- Q1 2009 operating results – April 2009 ✓
- Annual General Shareholders Meeting - May 2009
- Q1 2009 financial results – May 2009

Reference information

Share information

Total number of ordinary shares	73,411,534
GDRs per one ordinary share	6
Total number of preferred shares	4,136,107

Tickers

LSE	KMG
KASE	RDGZ
Reuters	KMGq.L
Bloomberg	KMG LI

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