

## **PRESS - RELEASE**

### ***Closing of acquisition of a 50% stake in CITIC Canada Energy Limited***

**Astana, December 12, 2007.** JSC KazMunaiGas Exploration Production (“KMG EP” or the “Company”) announces today the closing of the transaction to acquire a 50% stake in CITIC Canada Energy Limited (“CCEL”) from CITIC Group.

Earlier, on October 3, 2007 the Board of Directors of KMG EP has approved a series of transactions to acquire a 50% stake in CCEL. On November 8, 2007 the sale and purchase agreement and other documents related to this transaction were signed. Other required formalities including certain regulatory approvals have also been completed.

Also, on December 12, 2007 shareholders of JSC Karazhanbasmunai have elected nine members of the Board of Directors and on the same date Mr. Askar Balzhanov (CEO of KMG EP) was elected as Chairman of the Board of Directors of JSC Karazhanbasmunai.

**- ENDS -**

#### **Notes to Editors:**

KMG EP is one of the 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. In 2007 the Company announced acquisition of 50% stakes in JV Kazgermunai LLP and CCEL that made the Company the 2<sup>nd</sup> oil producer in Kazakhstan. 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.

CITIC Canada Petroleum Limited (formerly Nations Energy Company Ltd) was formed in 1996 as a private Canadian company to pursue international oil and gas E&P projects around the world. In 1997, Nations Energy acquired 94.6% of the share capital representing 100% of voting control of JSC ‘Karazhanbasmunai from the Government of Kazakhstan. JSC Karazhanbasmunai holds 100% of the mineral rights until June 2020 to develop the Karazhanbas oil and gas field in the western part of Kazakhstan which, according to the company, has proved reserves of about 55 mmt (364 million barrels ) as of the end of 2006. In 2006 JSC Karazhanbasmunai produced approximately 2.3 mmt (42 kbopd) of crude oil.

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

«KMG EP», Public Relations (+7 717 2 977 908, +7 7172 977924)

Lyazzat Kokkozova

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

«KMG EP», Investor Relations (+7 7172 975433)

Alexander Gladyshev

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

WMC Communications Ltd (+44 203 178 44 18)

Elena Dobson

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

*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 Company’s intentions, beliefs and statements of current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, potential acquisitions, 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.*