

Report of KazMunaiGas EP JSC
for the 4 quarter of 2007 and for year 2007
According to Listing Rules of Kazakhstan Stock Exchange

This report on the financial results of JSC "KazMunaiGas" Exploration Production for the 4 quarter of 2007 and year 2007 has been submitted to the Kazakhstan Stock Exchange under its Listing Rules. The Russian version of this report is considered to prevail over this English translation, which is made solely for the convenience of English readers.

Section 1. Description of activity for reporting period

1. Short description of the most significant events for the Company and for the industry it operates in, which occurred in the reporting period.

KazMunaiGas Exploration and Production Joint Stock Company (hereinafter the “Company” or “KazMunaiGas EP JSC”) is engaged in the acquisition, exploration, development, production, processing and export of hydrocarbons with its core operations of oil and gas properties located in the Pre-Caspian and Mangistau basins of western Kazakhstan. The Company conducts its principal operations through the UzenMunaiGas and EmbaMunaiGas production branches. The total number of authorized ordinary and preferred shares is 70,220,935 and 4,136,107 respectively.

The Company’s direct majority shareholder is Joint Stock Company National Company KazMunaiGas (hereinafter “NC KMG”), which represents the state’s interests in the Kazakh oil and gas industry and holds 57.95% of the Company’s outstanding shares as of December 31, 2007. From June 2006 NC KMG was 100%-owned by Samruk State Holding which is in turn 100% owned by the Government of the Republic of Kazakhstan.

On April 24, 2007 the Company acquired from NC KMG a 50% participation interest in JV KazGerMunai LLP which is involved in oil and gas production in South-Central Kazakhstan. The consideration paid amounted to 118.3 billion tenge. NC KMG exercised its right of early repayment of the loan for 800 million US dollars and accrued interest as at the date, provided to NC KMG by the Company’s finance subsidiary Munaishy Finance B.V to finance the acquisition in JV KazGerMunai LLP.

On May 18, 2007, at the Company’s Annual General Meeting of Shareholders, a proposed dividend of 500 tenge per share was approved. The date of record was established as May 28, 2007 and commencing date of dividend payments – from July 2, 2007. The total dividend amount to be paid is 37 billion tenge.

In July 2007, the Company anticipatorily repaid NC KMG the entire loan of 7.9 billion tenge, including remaining principal and accrued interest on IBRD Loan #4061 received in 1996 for realization of the rehabilitation of the Uzen oil field project.

On October 1, 2007 Standard & Poor’s announced it had assigned to the Company its corporate governance score (CGS) of “CGS-5+” and a long-term “BB+” rating with a stable outlook.

On November 8, 2007 the Company signed an agreement for the purchase of a 50% interest in a holding company CITIC Canada Energy Limited (CCEL), which investments are involved in oil and natural gas production in Western Kazakhstan. On December 12, 2007 the Company completed the acquisition. The amount of deal summed up to 932.3 million US dollars.

On 14 December 2007 Fitch Ratings announced it had assigned the Company a ‘BBB-’ credit rating with stable outlook.

On 27 December 2007 Moody’s Investors Service, an international ratings agency, assigned a ‘Baa2’ rating/stable outlook to the Company.

2. Volume of products sold (rendered services):

Volume of products sold (rendered services)	Unit of measure	For the 4 quarter of 2007	For the year-to-date, total
Sold total:			
Crude oil	tons	2 377 808	9 501 147
Refined products	tons	-	-
Gas products:			
Liquid gas	tons	-	39 621
Dry gas	ths.cubic meters	-	118 628
Drink water	ths.cubic meters	962	3 624
Other sale			
Sold for export:			
Crude oil	tons	1 803 411	7 307 684
Refined products	tons	-	-
Other sale			

Section 2. Management and shareholders re-structuring, participation in charter capital of other legal entities.

1. Changes in the composition of executive and supervising bodies for the reporting period.

Changes in the composition of the Board of Director of KazMunaiGas EP JSC during 2007 were made based on decision of general meetings of shareholders upon proposals from representatives of shareholders:

on 30 October 2007 the power of E.K. Ogai was terminated and K.N. Ibrashev was elected.

Members of the Board of Directors as of 31 December 2007:

Full name	Date of birth	Positions held during the last three years and at present chronologically, including part-time work
Chairman of the Board of Directors		
1. Uzakbai Suleymenovich Karabalin	14.10.1947	March 2003 to present - president of JSC NC KazMunaiGas
Members of the Board of Directors		
2. Assia Narymanovna Syrgabekova	22.06.1960	6 October 2003 to 14 January 2004 – First Deputy Chairman of the Executive Board, OJSC Halyk Bank of Kazakhstan; 14 January 2004 to 10 January 2005 - Chairman of the Executive Board, OJSC Halyk Bank of Kazakhstan; 10 January 2005 to 29 March 2006 - First Deputy Chairman of the Executive Board, OJSC Halyk Bank of Kazakhstan; 19 July 2006 – to present – Managing Director on Economy and Finance, JSC NC KazMunaiGas
3. Erzhan Arystanbekovich Zhangaulov	28.05.1968	July 2002 to May 2006 - Executive Director on Legal Support, JSC NC KazMunaiGas; 6 June 2006 to present - Managing Director on Legal Support, JSC NC KazMunaiGas
4. Askar Kumarovich Balzhanov	23.04.1958	25 March 2003 to 2 April, 2004 - First Deputy General Director, Joint Stock Offshore Oil Company KazMunayTeniz; April 4, 2004 to July 2005 – Managing Director of JSC NC KazMunaiGas; July 2005 to 6 June 2006 - General Director, Joint Stock Offshore Oil Company KazMunayTeniz;

		7 June 2006 to present – Chief Executive Officer, KazMunaiGas EP JSC
5. Kenzhebek Niyazovich Ibrashev	14.07.1958	2003 to 2005 – Director on Business Development in RK, Agip Kazakhstan North Caspian Operating NV; 2005 to 2006 – First Deputy General Director, Joint Stock Offshore Oil Company KazMunayTeniz; 2006 to 2007 - General Director, Joint Stock Offshore Oil Company KazMunayTeniz; 2007 to present - Vice-President, JSC NC KazMunaiGas
6. Christopher Mackenzie (independent director)	28.06.1954	December 2001 to January 2005 - Brunswick Capital Ltd., Moscow, Chief Executive Officer; January 2005 to present - Equilibrium UK Ltd., Chairman of the Board of Directors
7. Edward Thomas Walshe (independent director)	05.05.1941	Since 2001 to present – Chief Executive Officer, Eddie Walshe Consulting Ltd.
8. Paul Manduca (independent director)	15.11.1951	December 2002 to March 2005 – Chief Executive Officer in Europe, Deutsche Asset Management Ltd.

During 2007 subject to resolutions of the Board of Directors of KazMunaiGas EP JSC the composition of the Executive Board of the Company has been amended as follows:

on 26 January 2007 the powers of M.Sh. Izbasov were terminated, B. L. Biseken was elected.

Members of the Executive Board as of December 31, 2007:

Full name	Date of birth	Positions held during the last three years and at present chronologically, including part-time work
Chairman of the Board of Directors		
1. Askar Kumarovich Balzhanov	23.04.1958	25 March 2003 to 2 April, 2004 - First Deputy General Director, Joint Stock Offshore Oil Company KazMunayTeniz; April 4, 2004 to July 2005 – Managing Director of JSC NC KazMunaiGas; July 2005 to 6 June 2006 - General Director, Joint Stock Offshore Oil Company KazMunayTeniz; 7 June 2006 to present – Chief Executive Officer, KazMunaiGas EP JSC
Members of the Executive Board		
2. Vladimir Yakovlevich Miroshnikov	02.02.1950	Since 14 March 2002 - Managing Director of Operations, Production management in CJSC NC KazMunaiGas; 1 April 2004 to present – First Deputy CEO, KazMunaiGas EP JSC.
3. Bagitkali Leskaliuly Biseken	25.06.1958	2004 to January 2007 – Director of Department of Procurements Control of LLC “Kazakhstani-Chinese Pipeline” project management group; 10 January 2007 to present – Director of PB “Embamunaigas” of KazMunaiGas EP JSC. Responsibilities – control of oil and gas exploration and production at PB “Embamunaigas”.
4. Murat Izbergenovich Kurbanbayev	10.09.1950	Since 2002 to 2004 – President, OJSC Uzenmunaigas; Since 2004 to present – Director, Ozenmunaigas production branch, KazMunaiGas EP JSC.
5. Zhanneta Duysetayevna Bekezhanova	08.11.1969	Since Feb. 2002 to April 2004 - Chief Financial Officer, JSC KazTransOil; Since April 2004 to present - Chief Financial Officer, KazMunaiGas EP JSC.

6. Kairolla Zhetkizgenovich Erezhepov	25.11.1947	Since 16 March 1997 to 20 August 2004 - Deputy of Parliament of the Republic of Kazakhstan, member of international affairs, defense and security committee; 20 August 2004 to present - Chief of Staff of CEO, KazMunaiGas EP JSC.
7. Askar Akimbayevich Aubakirov	29.05.1970	July 2002 to April 2004 - senior vice-president on economy, OJSC Embamunaigas; April 2004 to September 2005 - first deputy director on economy and finance, Embamunaigas PB; September 2005 to present - Deputy CEO on development of KazMunaiGas EP JSC, part time – head of Moscow Representative Office of KazMunaiGas EP JSC.

2. Information on all major transactions concluded with company shares during the report period, and changes in the composition of the company shareholders holding shares in the amount of five or more per cent of total placed amount.

There were no major transactions concluded with shares during the report period.

KazMunaiGas EP JSC shareholders holding shares in the amount of five or more per cent of total placed amount are set out below subject to reference of JSC Fondovyi Center independent registrar, as of 01.01.2008.

Full name of shareholders – legal entities or surname, name, patronymic, if any, of shareholders physical persons	Name and requisites of document identifying shareholder – physical person, or number and date of state registration (re-registration) of shareholder – legal entity and its location	Total amount of shares belonging to shareholder, with type of share indicated	Percentage ratio of shares belonging to shareholder, to total amount of placed shares	Percentage ratio of shares belonging to shareholder, to total amount of voting shares
JSC National Company KazMunaiGas	11425-1901-AO, 16.03.04 Ministry of Justice of the Republic of Kazakhstan, Department of Justice of Astana, Republic of Kazakhstan, city of Astana, Almaty region, 22 Kabanbay batyr prospect	43,087,006 ordinary shares	57.95%	85.96%

Note: records include information provided by “Central depository of securities” JSC. According to the data provided by “Central depository of securities” JSC the information concerning the holders of 20 095 160 ordinary shares is not disclosed.

3. Information on all transactions of the Company with shares and participatory interests in other legal entities in the amount of five percent or more.

On 24 April 2007 the Company finalized the acquisition of a 50% stake in KazGerMunai JV LLP from JSC NC KazMunaiGas.

On 5 May 2007 the Company sold its 99% interest in JSC Sanatorium Atyrau via tender process of which Dan Is Service LLP is the winner.

On 31 May 2007 the Company sold 100% stake in Embamunaiavtomatika LLP via tender process of which Dasu JSC is the winner.

On 1 July 2007 the Company sold 100% stake in Avtoremontnoye upravlenie LLP via tender process of which BatysInterResurs LLP is the winner.

On 02 July 2007 the Company sold 100% stake in Burgylay LLP via tender process of which SBP “KazMunaiGas-Drilling” LLP is the winner.

On 07 August 2007 the Company finalized liquidation of 100% subsidiary company “Brick Works” LLP.

For the purpose of investment activities outside the Republic of Kazakhstan, the Company formed and accepted 95.1% participation in "KMG EP NETHERLANDS ENERGY COÖPERATIEF U.A.", which was registered on October 18, 2007 at the following address: Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

On December 12, 2007 the Company completed the acquisition of a 50% interest in a holding company, CITIC Canada Energy Limited from CITIC Group.

The list legal entities KazMunaiGas EP JSC has shares in the amount of five or more percent as of December 31, 2007:

№	Name of subsidiary or associated organizations	Legal address	Share (%)	Charter capital, KZT unless otherwise stated	Principal directions of activity
1	LLP Emsauletkurylys	466412 Birlik settlement, Atyrau oblast	100%	172,674,398	construction, repair of residential and communal objects, oil and gas fields construction
2	LLP Central Base For Equipment Completion	466412 Birlik settlement, Atyrau oblast	100%	2,042,455	storage and sale of commodities and materials
3	LLP Akniet-Emba	466035 city of Kulsary, industrial zone	100%	97,850	storage and sale of commodities and materials
4	LLP Embaenergomunai	466412 Birlik settlement, Atyrau oblast	100%	1,726,902,000	construction, repair, setup and maintenance of electricity supply and heating network, electrical equipment
5	LLP Embaokuortalygy	466412 Birlik settlement, Atyrau oblast	100%	2,273,078	rendering services on training of industrial personnel
6	LLP KRUZ	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	185,952,371	construction (well drilling)
7	LLP Zhondeu	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	387,963,110	well workover operation
8	LLP Munaienergosservice	liquidation process is underway	51%	62,000	well workover operation
9	LLP Ken-Kurylysservice	130200, Mangistau oblast, city of Zhanaozen, industrial zone	100%	1,050,000,000	Overhaul and setting-up of equipment
10	LLP Gas-Service	liquidation process is underway	55%	600,000	completion of wells, flow lines
11	LLP Auyz Su	liquidation process is underway	100%	585,000	repair of transport facilities, assembling and replacement of units and cannibalization

12	LLP Sharayna	liquidation process is underway	100%	550,000	Mangystau mineral water production
13	LLP Ozen-Eles	130200 Mangistau oblast, city of Zhanaozen, 2 Satpayev str.	100%	6,722,530,000	catering of employees of Uzen branch
14	LLP KazMunaiGas - Service	010000 city of Astana, 66 Auezov atr.	40.35%	6,269,157,007	hotel business, maintenance of Uzen branch office, gas and boiler plants
15	JSC KING	20 Imanova str., city of Astana	9.80%	1,576,000,000	development of scientific and technical, design and estimate documentation
16	JSC Kazakhstan Petrochemical Industries	050000, 26 Masanchi str., city of Almaty.	50%	43,600,000	petrochemistry
17	Munaishy Finance B.V.	city of Rotterdam (the Netherlands).	100%	90, 000 (Euro)	attraction of money at capital markets; assuming liability for obligations of the group of companies
18	Munaishy Holdings Limited	438 Palm Grove House, city of Road Town, Tortola, British Virgin Islands	100%	10, 000, 000 (USD)	procurement of advisory services and other services permitted by law
19	LLP JV KazGerMunai	120000, Amangeldy str., Tasboget, city of Kyzylorda,	50%	1 000 000 (USD)	Exploration, mining, production, transportation, export, off-take and refining of oil and gas
20	LLP KazGPZ	130200, industrial zone, city of Zhanaozen, Mangistau oblast	100%	2 874 937 316	Refining of gas
21	LLP UDTV	130200, industrial zone, city of Zhanaozen, Mangistau oblast	100%	1 910 449 185	Production and transportation of sea and drinking water
22	KMG EP NETHERLANDS ENERGY COÖPERATIEF U.A.	Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands	95,1%	10 000 (Euro)	Инвестиционная деятельность

4. Information on participation for the period of report in associations, industrial, financial groups, holding companies, concerns, consortiums.

In the reporting period the Company did not participate in associations, industrial, financial groups, holding companies, concerns, consortiums.

5. The list of organizations recognized as affiliated to KazMunaiGas EP JSC subject to legislation on securities market

№	Full name of legal entity	Date and number of state registration of legal entity, mailing address and actual location of the legal entity	Grounds for acceptance of affiliation	Date of affiliation
1	JSC KHMSA Samruk	13.03.2006, № 22053-1901-JSC, 20/1, Kabanbay batyr ave., city of Astana	subparagraph 9) paragraph 1 article 64	24.10.2006
2	JSC NC KazMunaiGas	010000, 22 Kabanbay batyr ave., city of Astana	subparagraph 1),9) paragraph 1 article 64	31.03.2004
3	LLP Zhambay	26.05.1999 No.2728-0915-LLP city of	subparagraph 4),5),7)	31.03.2004

		Atyrau, 61 Azattyk ave.	paragraph 1 article 64	
4	JSC MNK KazMunaiTeniz	17.03.2003 No.13463-1901-JSC, 2/2 Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
5	JSC Trade House KazMunayGas	17.06.2004 No.13554-1901-JSC city of Astana, 1 Sary-Arka str.	subparagraph 4),5),7) paragraph 1 article 64	17.06.2004
6	JSC Kazakhoil-Products	04.01.2001 No.9217-1901-LLP, 22 Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article	31.03.2004
7	JSC KazTransOil	31.05.2004 г. №6636-1901-JSC, 20, Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
8	JSC KazTransGas	09.06.2004 No.13898-1901-JSC , 20, Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
9	JSC Kazakh Oil and Gas Institute	01.10.2003 No. 13027-1901-JSC city of Astana, 20 Imanova str.	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
10	LLP KazMunaiGas-Service	22.07.2005 No.6652-1901-LLP city of Astana, 66 Auezov str.	subparagraph 4),5),6),7) paragraph 1 article 64	31.03.2004
11	JSC Euro-Asia air company	07.10.97 No.3767-1915-JSC city of Atyrau, 12 Smagulova	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
12	JSC Kazakh-British Technical University	30.04.2004 No.44252-1910-JSC, city of Almaty, 59 Tole bi str.	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
13	LLP Kazakhoilkurylys	26.04.1999 No.26138-1910-LLP, 22, Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
14	KOO KazMunaiGaz Finance B.V.	07.11.2001 г. Rokin 55 P.O. Box 990 1000 AZ Amsterdam The Netherlands	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
15	LLP Kazakhoil-Ukraina	03.02.2005 No.68362-1910-LLP city of Almaty, 115 Zheltoksan	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
16	JSC “KTK-K”	04.12.1997 No. 2292-1900-JSC (ИУ) 465002, city of Atyrau. 11 Valikhanov str.	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
17	CJSC ”KTK-P”	06.02.1997 P-08044.17 119017, Moscow, 40 B. Ordynka, building 4, Legion 1 business complex, 4 th floor	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
18	LLP Kazturkmunai	17.02.2003 No.7424-1901-LLP (ИУ) city of Astana, 113 Abay prospect, Business center of Okan Intercontinental hotel, 6 th floor	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
19	LLP Kazakhoil-Aktobe	08.08.2000 No.6600-1904-LLP-(ИУ) city of Aktobe, 12 microdistrict, b.21 sections Г-Д	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
20	LLP JV Tengizchevroil	21.06.1999 No.3838-1900-LLP (ИУ) city of Atyrau, 3 Satpayev str., Tengizchevroil head office	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
21	JSC KazRosGaz	05.06.2006 No.78259-1910-LLP (ИУ) city of Almaty, 95 Chaykovskogo str.	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
22	Kylysh trading partnership	01.06.1994 1 Westferry Circus Canary Wharf London, E14 4HA	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
23	JSC “HMCK Kazmortransflot	29.12.1998 No.42731-1910-JSC city of Aktau, 13 microdistrict, b.55 Business Center	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
24	KOO Kazakhstan pipeline ventures	28.07.1997, 1209 Orange str., New Castle County, Delaware state 19081, USA	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004

25	LLP TenizService	26.12.2003 No.5918-1943-LLP city of Aktau, 13 microdistrict, b.55 Business Center	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
26	JSC Kazakh contract agency	12.02.2004 No.13268-1901-JSC city of Astana, 62 Kosmonavtov str.	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
27	CJSC Damunai Daoil	15.07.1994 No.2359 city of Aktubinsk, 8 Altynsarin str.	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
28	LLC Caspian oil and gas company	06.12.2005 No.1053000031875 414000, Russia, city of Astrakhan, 7-9 Natasha Kachuyevskaya str.	subparagraph 4),5),7) paragraph 1 article 64	06.12.2005
29	JSC Atyrau international airport	09.10.1996 No.678-1915-JSC, city of Atyrau, Airport	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
30	KOO Kashagan b.v.	17.10.2005No. 34234942, the Netherlands, Amsterdam, 55 Rokin	subparagraph 4),5),7) paragraph 1 article 64	17.10.2005
31	LLP KMG-Kumkol	29.06.2006 No.23280-1901-LLP, 22 Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article 64	29.06.2006
32	Cooperative KazMunaiGaz PKI U.A.	04.07.2006 No.34250159, the Netherlands, Amsterdam, 55 Rokin	subparagraph 4),5),7) paragraph 1 article 64	04.07.2006
33	JSC Rauan Media Group	29.10.2003 No. 58781-1910-JSC, 22/1Kabanbay batyr ave., city of Astana	subparagraph 4),5),7) paragraph 1 article 64	31.03.2004
34	JSC Semser	14/02/2005 No.9313-1901-JSC (reregistration), 5, Ak-bulak-2 microdistrict, Almaty district, city of Astana	subparagraph 4),5),7) paragraph 1 article 64	17.06.2004
35	JSC Kazakhstan Petrochemical Industries	No.78299-1910 dated 06.06.2006 050004, city of Almaty, 38 Tolebayev str.	subparagraph 6) paragraph 1 article 64	Dec 2004
36	LLP Embasauletkurylys	No.3699-1915 dated 23.12.2000, 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
37	LLP Ken-Kurylysservice	No.4-1943-07 dated 22.10.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
38	LLP Akniet-Emba	No.127-1915-09 dated 05.12.2005 466039 Atyrau oblast, city of Kulsary, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
39	LLP Embaenergomunai	No. 3698-1915 dated 25.12.2000 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
40	LLP KRUZ	No.7-1943-07 dated 11.11.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
41	LLP Zhondeu	No.2244-1943 dated 20.08.2004 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
42	Munaishy Finance B.V.	non-resident, Schouwburgplein 30-343012 CL ROTTERDAM	subparagraph 6) paragraph 1 article 64	May 2006
43	Munaishy Holdings Limited	non-resident, Palm Grove House, mailing address 438, Road Town, Tortola, British Virgin Islands	subparagraph 6) paragraph 1 article 64	01.11.2006

44	LLP Ural	No.1579-1915 dated 08.10.1999, 060002 Atyrau oblast, Makhambet region, Sartugai	subparagraph 6) paragraph 1 article 64	31.03.2004
45	LLP Central Base for Equipment Completion	No.2675-1915 dated 08.10.2004, 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
46	LLP Embaokuortalygy	No.3700-1915 dated 08.10.2004, 060002 Atyrau oblast, Birlik settlement, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
47	KMG EP Netherlands Energy Cooperatief U.A.	non-resident, Prins Bernhardplein 200 1097 JB Amsterdam The Netherlands	subparagraph 6) paragraph 1 article 64	18.10.2007
48	LLP Ozen-Eles	No.4180-1943 dated 20.08.2004, 130200 Mangistau oblast, City of Zhanaozen, K.Saptayev-2 str. Aruana hotel	subparagraph 6) paragraph 1 article 64	31.03.2004
49	LLP Auyz-Su	No.1278-1943 dated 30.01.2004, 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
50	LLP Sharayna	No.9531943 dated 07.04.2004, 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
51	LLP Munaienergосervice	130200 Mangistau oblast, city of Zhanaozen, industrial zone, liquidation process is underway	subparagraph 6) paragraph 1 article 64	31.03.2004
52	LLP Gas-Service	906-1943 dated 18.08.2004, 130200 Mangistau oblast, city of Zhanaozen, industrial zone	subparagraph 6) paragraph 1 article 64	31.03.2004
53	LLP JV Kazgermunai	Reregistration No. 6795-1933-LLP dated 29.08.2007, 100 Amangeldy str., Tasbuget, city of Kyzylorda	subparagraph 6) paragraph 1 article 64	29.08.2007
54	LLP KazGPZ	165-1943-07-LLP, industrial zone, city of Zhanaozen, Mangistau oblast	subparagraph 6) paragraph 1 article 64	10.10.2006
55	LLP UDTV	164-1943-07-LLP, industrial zone, city of Zhanaozen, Mangistau oblast	subparagraph 6) paragraph 1 article 64	30.10.2006
56	JSC SAT&Company	re-registration No.43446-1910-LLP dated 25.01.2005 city of Almaty, 26 Masanchi str.	subparagraph 9) paragraph 1 article 64	December 2004

Section 3. Financial information

1. Investments.

(31.12.2007, ths. tenge)

Type of investments	Opening balance	Debit	Credit	Closing balance
Long-term investment in capital of other legal entities	2 884 207	135 972 001	35 857 076	102 999 132
Security holdings, total	4 979 605	7 138 042	4 790 979	7 326 668
including:				
Government securities	3 937 621	-	3 937 621	-
Non-government securities	1 041 984	7 138 042	853 358	7 326 668
Other investment	-	-	-	-
Total investment	7 863 812	143 110 043	40 648 055	110 325 800

2. Accounts receivable.

(31.12.2007, ths. tenge)

Accounts receivable type	End of period	Debit	Credit	Beginning of year
Long term receivables				
Trade receivables, incl. major debtors with location indicated:	-	-	-	-
-	-	-	-	-
Advances and prepaid expenses, incl. major debtors with location indicated:	721 077	881 353	930 406	770 130
<i>Pavlodar heavy engineering plant</i>	-	-	133 797	133 797
<i>LLP Asia Group Company LTD</i>	404 612	404 612	-	-
<i>LLP Astana-Kurylys</i>	61 024	61 024	-	-
<i>Prepaid expenses</i>	255 441	476 741	795 377	574 077
Other debt	18 478 228	18 478 228	63 484	63 484
Allowance for doubtful accounts	-	-	-	-
Total long-term receivables	19 199 305	19 359 581	993 890	833 614
Current receivables				
Trade receivables, incl. major debtors with location indicated:	51 213 760	493 881 741	479 941 419	37 273 438
<i>Trade House KazMunaiGaz AG</i>	37 908 725	349 190 881	336 933 073	25 650 917
<i>Esomet SAS</i>	10 966 188	104 564 406	101 314 620	7 716 402
Advances and prepaid expenses, incl. major debtors with location indicated:	4 845 333	35 143 777	35 251 272	4 952 828
<i>CPC</i>	706 386	8 800 197	8 093 811	-
<i>JSC KazTransOil</i>	2 881 106	32 999 991	33 629 601	3 510 716
<i>Prepaid expenses</i>	471 398	787 672	890 351	574 077
Other debt	511 192	35 148 267	38 015 528	3 378 453
Allowance for doubtful accounts	- 1 641 085	2 687 116	1 032 911	- 3 295 290
Total current receivables	54 929 200	566 860 901	554 241 130	42 309 429
Total receivables	74 128 505	586 220 482	555 235 020	43 143 043

3. Loans.

(31.12.2007., ths. tenge)

Name of creditor on loan	Loan currency	Average rate, % per annum	Opening balance	Debit	Credit	Closing balance	Maturity date
Loan from the World Bank № 4061	US dollar	5.43	5 550 798	7 799 973	2 249 175	-	-
Loan from the World Bank № 3744	US dollar	5.38	169 315	171 723	2 408	-	-
Esomet	US dollar	5.24	51 094 760	24 054 123	3 733 438	30 774 075	Sen 2009
Loan from the Sultanate of Oman	US dollar	4.87	1 149 807	61 135	13 800	1 102 472	not defined
Past costs	US dollar	7.93	1 038 758	151 817	77 073	964 014	Mar 2008 - Dec 2025
Other long-term loans	US dollar	16.00	2 616	2 616	-	-	-
Short-term loans	Tenge	16.00	661 640	671 225	18 458	8 873	2008
Total			59 667 694	32 912 612	6 094 352	32 849 434	-

(31.12.2007, ths. tenge)

Name of creditor on loan	End-of-period loan sum, total	Payable sum				
		2008	2009	2010	2011	2012
Esomet	30 774 075	17 585 293	13 188 782	-	-	-
Loan from the Sultanate of Oman	1 102 472	1 102 472	-	-	-	-
Past costs	964 014	17 316	22 931	38 498	38 498	846 771
Other long-term loans	-	-	-	-	-	-
Short-term loans	8 873	8 873	-	-	-	-
Total	32 849 434	18 713 954	13 211 713	38 498	38 498	846 771

4. Account payable, concerned with performing core activities.

(31.12.2007, ths. tenge)

Type of account payable	End period	Debit	Credit	Beginning of year
Long-term payable				
Trade payable, incl. major debtors with location indicated:	-	-	-	-
Advances and prepaid expenses, incl. major debtors with location indicated:	-	-	-	-
Other debt	-	-	-	-
Total long-term payables	-	-	-	-
Current payables				
Trade payable, incl. major debtors with location indicated:	17 124 503	167 998 173	164 610 537	20 512 139
<i>ABN AMRO TRANSTIS LIMITED</i>	228 464	14 715 308	13 373 342	1 570 430
<i>JSC MunaiFieldService</i>	295 628	6 722 255	6 425 835	592 048
<i>Pre-Caspian machine-building complex</i>	946 128	6 661 833	6 908 397	699 564
<i>JSC NC KazMunaiGas</i>	2 439 600	8 920 563	9 328 225	2 031 938
<i>LLP LTD Khazar Oil</i>	-	843 193		843 193
<i>LLP Burgylau</i>	1 072 068	5 459 927	6 531 995	
Advances and prepaid expenses, incl. major debtors with location indicated:	-	-	-	-
Other debt	18 059 982	91 192 384	89 306 776	19 945 590
Total current payables	35 184 485	259 190 557	253 917 313	40 457 729
Total accounts payable	35 184 485	259 190 557	253 917 313	40 457 729

5. Financial results analysis.

ths. tenge

Article of income / Expenses	2006	2007	Deviation	Increase / Decrease, %
Revenue, total	412 207 787	486 974 879	74 767 092	18%
Incl. Domestic:				
Crude oil	37 087 091	37 401 142	314 051	1%
Refined products	7 618 461	-	-7 618 461	-100%
Gas products	3 623 586	4 804 395	1 180 809	33%
Other sales and services	4 491 941	7 218 225	2 726 284	61%
Export:				
Crude oil	359 386 708	437 551 117	78 164 409	22%
Refined products	-	-	-	
Other sales and services	-	-	-	

Finance (expense) income, total	-40 109	13 200 286	13 240 395	-33 011%
Financial income	11 615 497	27 030 779	15 415 282	133%
Financial expense	-7 595 468	-5 787 911	1 807 557	-24%
Foreign exchange (losses) gains	- 4 060 138	- 8 042 582	- 3 982 444	98%
Operating expenses, total	193 397 788	210 834 485	17 436 697	9%
Incl.:				
Transportation	44 060 096	48 247 039	4 186 943	10%
Employee benefits	37 512 548	39 389 555	1 877 007	5%
Depreciation, depletion and amortization	30 843 711	34 663 502	3 819 791	12%
Repairs and maintenance	18 988 262	20 496 194	1 507 932	8%
Royalties	15 850 891	17 948 868	2 097 977	13%
Materials and supplies	11 661 063	13 878 706	2 217 643	19%
Other taxes	8 088 268	4 830 875	-3 257 393	-40%
Social projects	7 850 402	3 660 170	- 4 190 232	-53%
Management fees and commissions	7 678 179	8 002 198	324 019	4%
Energy	7 009 945	7 633 700	623 755	9%
Fines and penalties	363 994	2 735 535	2 371 541	652%
Environmental fine	-11 427 595	-	11 427 595	-100%
Loss on disposal of fixed assets	2 062 402	2 992 114	929 712	45%
Other	12 855 622	6 356 029	- 6 499 593	-51%

6. Other relevant information.

- volume of investment in primary production

for the year 2007 investment in fixed assets made 40 183 669 thousand tenge, incl.:

to oil and gas assets – 1 436 403 thousand tenge;

to other fixed assets – 4 055 418 thousand tenge;

to under construction – 34 691 848 thousand tenge

- bringing into service new production capacities or reduction of operational ones (shops, organization departments, other)

for the accounting period the Company has not brought into service new production capacities and has not reduced operational ones;

- changes in the range of output products

for the accounting period there have not been any changes in the range of output products;

- establishment of branches and/or representative offices of emitter with total headcount and location indicated

On 19 October 2007 the Board of Directors of the Company decided to establish a branch called “Engineer Center” in 2007 on a base of property and staff of existing Special division on increase of reservoir recovery of production branch “Uzenmunaigas” of the Company;

- implementation of new technologies

for the accounting period no new technologies have been implemented by the Company;

- development or contraction of emitter’s production distribution market

for the accounting period there have been no development or contraction made by the Company ;

- composition of major suppliers and/or emitter’s consumer

Suppliers having more than five per cent of all deliveries of commodities and materials:

#	Supplier	Location	Description	Share
1	Leman-Kazakhstan LLP	Almaty	tubular goods	7.56%
2	Almatyneftekhim LLP	Almaty	chemicals	9.97%
3	Kaskor-Mashzavod JSC	Aktau	jack pumps and their spare parts	5.57%
4	Pre-Caspian machine-building complex LLP	Aktau	oil field equipment	10.27%
5	Aktobe plant of oil equipment JSC	Aktobe	tubing, stems	19.57%

- Information on imposed administrative sanctions during the year or filed claims against the company and or its officers

During the year, the Company was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. There are no current legal proceedings or claims outstanding which management believes could have a material effect on the Company's financial position, statement of income or cash flows and which have not been accrued or disclosed in consolidated financial statements;

- information regarding other events occurred in the period of report and which may significantly influence the Company's activity in the future

In order to meet gas utilization program obligations, on January 5, 2008 the joint venture Kazgermunai concluded a contract with OGCC KazStroyService amounting to 17,779,860 thousand tenge for the expansion of existing gas treatment facilities at their Akshabulak field, and construction of the oil and gas facilities at their Nuraly field. The project is expected to be completed by March 31, 2009.

**Deputy General Director
on Economics and Finance**

Zh. Bekezhanova

Chief Accountant

R. Kuzenbayev