



US\$450,000,000

Zhaikmunai Finance B.V.

(incorporated with limited liability under the laws of the Netherlands (the "Issuer"))

10.50% Senior Notes due 2015 (the "Notes")

Guaranteed on a senior basis by Zhaikmunai L.P. and all its subsidiaries other than the Issuer

The Notes will bear interest at the rate of 10.50% per year. Interest on the Notes is payable on 19 April and 19 October of each year, beginning on 19 April 2011. The Notes will mature on 19 October 2015. The Issuer may redeem some or all of the Notes at any time on or after 19 October 2013 at the prices and as described under the caption "*Description of Notes—Optional redemption*". Prior to 19 October 2013, the Issuer may redeem all or part of the Notes by paying a "make whole" premium. In addition, prior to 19 October 2013, the Issuer may redeem up to 35% of the outstanding principal amount of Notes from the proceeds of certain equity offerings.

The Notes will be jointly and severally guaranteed (the "**Guarantees**") on a senior basis by Zhaikmunai L.P. and all of its subsidiaries other than the Issuer (the "**Guarantors**"). The Notes will be the Issuer's and the Guarantors' senior obligations and will rank equally with all of the Issuer's and the Guarantors' other senior indebtedness.

On or subsequent to the issue date, Zhaikmunai LLP (which is the operating subsidiary of Zhaikmunai L.P. and which owns most of the assets of the Group) may elect to undertake, upon satisfaction of certain conditions, to be substituted for the Issuer as issuer of the Notes, whereupon it will assume all of the obligations of the Issuer under the Notes (the "**Substitution**").

The Notes will be secured by a first-priority pledge over the loan by the Issuer to Zhaikmunai LLP of the proceeds from this offering of Notes (the "**Proceeds Loan**"). In addition, the Notes and the Guarantees will have the benefit of first-priority pledges over the shares of the Issuer and its direct holding company Frans van der Schoot B.V. ("**FvdS**"). In the event that, pursuant to the terms of the Indenture, Zhaikmunai LLP is substituted for the Issuer as issuer of the Notes pursuant to the Substitution, the Proceeds Loan will be assigned or novated to Zhaikmunai LLP and the pledge over the Proceeds Loan shall thereupon be terminated.

If the Substitution occurs and the pledge over the Proceeds Loan is terminated, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees.

There is currently no market for the Notes. Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 19.

The Notes and the Guarantees have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction. Accordingly, the Notes and the Guarantees are being offered and sold only to qualified institutional buyers as defined in and in accordance with Rule 144A under the Securities Act ("Rule 144A") and outside the United States in accordance with Regulation S under the Securities Act. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see "Plan of Distribution", "Notice to Investors" and "Transfer Restrictions".

Price for Notes: 100.00% plus accrued interest, if any, from the issue date.

The initial purchasers expect to deliver the Notes to purchasers on or about 19 October 2010 only in book-entry form through the facilities of The Depository Trust Company ("**DTC**").

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J.P. Morgan

NOTICE TO INVESTORS

This Offering Memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes described in this Offering Memorandum. You are authorised to use this Offering Memorandum solely for the purpose of considering the purchase of the Notes and no person is authorised to give information to you other than that contained in this Offering Memorandum.

We have furnished the information in this Offering Memorandum. You acknowledge and agree that the Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers.

The information contained under the heading “*Exchange Rates*” includes extracts from information and data publicly released by official and other sources. Although we accept responsibility for the accurate extraction and summarisation of such information and data, we accept no further responsibility in respect of such information. In addition, the information set out in relation to sections of this Offering Memorandum describing clearing arrangements, including the sections entitled “*Description of Notes*” and “*Book-Entry, Delivery and Form*”, is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream currently in effect. While we accept responsibility for accurately summarising the information concerning DTC, Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, this Offering Memorandum contains summaries believed to be accurate with respect to certain documents but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of these documents will be made available to prospective investors upon request.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the Issuer’s knowledge and belief, the information contained in this Offering Memorandum with regard to the Issuer and its subsidiaries and the Notes, and to the best of the Guarantors’ knowledge and belief the information contained in this Offering Memorandum with regard to themselves and their Guarantees, is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the information set out under the headings “*Summary*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Business*” includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While the Issuer accepts responsibility for the accurate extraction and summarisation of such information and data, the Issuer has not independently verified the accuracy of such information and data and accepts no further responsibility in respect thereof. The information in this Offering Memorandum is current only as of the date on the cover and the business and financial condition of the Issuer or the Group and other information in this Offering Memorandum may change after that date.

Unless the context indicates otherwise, when we refer to “we”, “us”, and “our”, for the purposes of this Offering Memorandum, we are referring to Zhaikmunai L.P. and its subsidiaries (including any of their predecessors).

In making an investment decision, prospective investors must rely on their own examination of the company and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this Offering Memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations. You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum.

The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law. We and the Initial Purchasers require persons into whose possession this Offering Memorandum comes to inform themselves about and to observe any such restrictions. This Offering Memorandum does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or sale would be unlawful.

We reserve the right to withdraw this offering at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby and to allot to any prospective purchaser less than the full amount of the Notes sought by it for any reason or no reason.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Notes and the Guarantees have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction and may not be offered or sold within the United States except in transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the Notes and the Guarantees are being offered and sold in the United States only to persons that are qualified institutional buyers in reliance on Rule 144A and outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions on offers, sales and transfers of the Notes and the distribution of this Offering Memorandum, see “*Transfer Restrictions*”, “*Notice to New Hampshire Residents Only*” and “*Notice to Certain European Investors*”. By purchasing any Notes, you will be deemed to have represented and agreed to all of the provisions contained in those sections of this Offering Memorandum.

Neither the U.S. Securities and Exchange Commission, any state securities commission nor any other U.S. or non U.S. securities authority has approved or disapproved of these securities or passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act pursuant to registration or exemption therefrom and applicable securities laws of any other jurisdiction. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

STABILISATION

IN CONNECTION WITH THIS OFFERING, CITIGROUP GLOBAL MARKETS LIMITED (THE “**STABILISATION MANAGER**”) OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER WILL UNDERTAKE ANY STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER) IN ACCORDANCE WITH APPLICABLE LAWS AND RULES.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY

WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

U.S. INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area. This Offering Memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the “**Prospectus Directive**”), as implemented in member states of the European Economic Area (the “**EEA**”), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for us or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorised, nor do we or they authorise, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Memorandum.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer is not being made and will not be made to the public of any Notes which are the subject of the offering contemplated by this Offering Memorandum in that Relevant Member State, other than: (a) to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity that has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of the Notes shall require us or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an “offer of Notes to the public” in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom. This Offering Memorandum is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, *etc.*) of the Financial Promotion Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this

document relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are being offered solely to “qualified investors” as defined in the Prospectus Directive and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive.

France. This Offering Memorandum has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the “AMF”) and therefore has not been and will not be filed with the AMF for prior approval or submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France and offers and sales of the Notes will only be made in France to providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own accounts and/or to a closed circle of investors (*cercle restreint d’investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L.411-2 and D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code Monétaire et Financier*. Neither this Offering Memorandum nor any other offering material may be released, issued or distributed to the public in France or used in connection with any offer for subscription on sale of the Notes to the public in France. The subsequent direct or indirect retransfer of the Notes to the public in France may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code Monétaire et Financier*.

Germany. The offering of the Notes is not a public offering in the Federal Republic of Germany. The Notes may only be offered, sold and acquired in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany as amended, (the “**Securities Prospectus Act**”, *Wertpapierprospektgesetz, WpPG*), and any other applicable German law. No application has been made under German law to publicly market the Notes in or out of the Federal Republic of Germany. The Notes are not registered or authorised for distribution under the Securities Prospectus Act and accordingly may not be, and are not being, offered or advertised publicly or by public promotion. Therefore, this Offering Memorandum is strictly for private use and the offer is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The Notes will only be available to and this Offering Memorandum and any other offering material in relation to the Notes is directed only at persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2, No. 6 of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

Switzerland. The offering of the Notes is not a public offering in Switzerland. The Notes offered hereby are being offered in Switzerland on the basis of a private placement only. This Offering Memorandum does not constitute a prospectus within the meaning of Article 652A of the Swiss Federal Code of Obligations.

Italy. The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except (i) to qualified investors (*investitori qualificati*), as defined by CONSOB in its Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”); or (ii) in circumstances that are exempted from the compliance with the public offer rules pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Financial Services Act**”) and Regulation No. 11971. Any offer, sale or delivery of the Notes or distribution of copies of the Offering Memorandum or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 385 of 1 September 1993 and CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws and regulations; and (b) in compliance with any other applicable notification requirements or limitations which may be imposed by CONSOB or the Bank of Italy. Please note that in connection with the subsequent distribution of the Notes (with a minimum denomination lower than €50,000) in Italy, in accordance with Article 100 bis of the Italian Financial Services Act where no exemption from the rules on public offer applies under (ii) above, the subsequent distribution of the Notes in the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and

void and in the intermediaries transferring the Notes being liable for any damages suffered by potential purchasers in connection with such sales.

Spain. This offering of Notes has not been and will not be verified by or registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Notes may not be offered in Spain in any form or by any means, except in circumstances that do not qualify as a public offer of securities in Spain in accordance with Article 30 bis of the Securities Market Act (*Ley 24/1988, de 28 de julio del Mercado de Valores*) as amended and restated, or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 (*Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*).

Luxembourg. The terms and conditions relating to this Offering Memorandum have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*) for the purposes of public offering or sale in the Grand Duchy of Luxembourg (“**Luxembourg**”). Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except for the sole purpose of the admission to trading and listing of the Notes on the Official List of the Luxembourg Stock Exchange and except in circumstances that do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg Act of 10 July 2005 on prospectuses for securities. This Offering Memorandum constitutes a prospectus for the purposes of Part IV of the Luxembourg law dated 10 July 2005 on Prospectuses for Securities.

AVAILABLE INFORMATION

We have agreed that, for so long as any Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, they will, during any period in which they are neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee (as defined herein) for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or the Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

General

The Issuer was incorporated under the laws of the Netherlands, Zhaikmunai L.P. was formed under the laws of the Isle of Man, the other subsidiaries of the Group were formed under the laws of the Netherlands, the British Virgin Islands (“**BVI**”) and Kazakhstan and all of the Group’s operations are located in Kazakhstan. None of the Directors of the General Partner, except Atul Gupta, and none of our senior managers is a resident of the United States or the United Kingdom. Our assets are located outside the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States or the United Kingdom upon us, our directors or our executive officers or to enforce against any of them judgments of courts in the United States or the United Kingdom, including judgments predicated upon civil liabilities under the securities laws of the United States or the United Kingdom.

The Netherlands

We are advised that there is no enforcement treaty between the Netherlands and the United States providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a judgment rendered by any federal or state court in the United States in such matters is not recognised and cannot automatically be enforced in the Netherlands. In order to obtain a judgment that can be enforced in the Netherlands, the dispute will have to be re-litigated before the competent Dutch Court. This court will have discretion to attach such weight to the judgment of any federal or state court in the United States as it deems appropriate. Given the submission by the Dutch companies to the jurisdiction of the relevant courts in the United States, the Dutch Courts can in principle be expected to give conclusive effect to a final and enforceable judgment of such court in respect of the contractual obligations under the relevant document without re-examination or re-litigation of the substantive matters adjudicated upon. This would require (i) the Dutch courts being satisfied that the federal or state court in the United States had jurisdiction over the proceedings, (ii) proper service of process to have been given, (iii) the proceedings before such court to have complied with principles of proper procedure (*behoorlijke rechtspleging*), (iv) the judgment is final and conclusive in such a way that all appeals have been exhausted and no other remedy could be obtained from a competent individual body, and (v) such judgment not being contrary to the public policy of the Netherlands. However, no assurance can be given that the Dutch Courts will give such effect to a final and enforceable judgment of the relevant United States courts. In addition, it is doubtful whether a Dutch Court would accept jurisdiction and impose civil or other liability in an original action commenced in the Netherlands and predicated solely upon United States federal securities laws.

Kazakhstan

We are advised that Kazakhstan’s courts will not enforce any judgment obtained in a court established in a country other than Kazakhstan unless there is in effect a treaty between such country and Kazakhstan providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty. There is no such treaty between Kazakhstan and the United States or the United Kingdom. Since Kazakhstan is a party to the 1958 New York Convention on Recognition and Enforcement of Arbitral Awards (the “**Convention**”), foreign arbitration awards are generally recognised and enforceable in Kazakhstan, subject to qualifications provided in the Convention and in the laws of Kazakhstan.

Isle of Man

Zhaikmunai L.P. was formed under the laws of the Isle of Man. We are advised that any judgment for a fixed sum of money obtained against Zhaikmunai L.P. in the High Court of England will be enforceable against it in the Isle of Man in accordance with the provisions of the Judgments (Reciprocal Enforcement) (Isle of Man) Act 1968 provided that such judgment is final and conclusive and is not obtained by fraud or contrary to public policy of the Isle of Man at the time or contrary to the rules of natural justice in the Isle of Man at the time and provided that the correct procedures under the laws of the Isle of Man (including registration of the English judgment with the Isle of Man courts) are complied with. There is no statutory procedure in the Isle of Man for the recognition or enforcement of judgments of the state or federal courts of the United States. However, under Isle of Man common law, a foreign judgment in person or given by the courts of the United States with jurisdiction to give that judgment may be recognised and enforced by an action for the amount due under it provided that the judgment: (i) is for a debt or definite sum of

money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty); (ii) is final and conclusive; (iii) was not obtained by fraud; (iv) is not one whose enforcement would be contrary to public policy in the Isle of Man at the time; and (v) was not obtained in proceedings which were opposed to natural justice in the Isle of Man at the time.

British Virgin Islands

Enforcement of Judgments of the Courts of England and Wales

Any final and conclusive monetary judgment obtained against Zhaikmunai L.P. or any of its subsidiaries in the courts of England and Wales, for a definite sum, may be registered and enforced as a judgment of the British Virgin Islands court if application is made for registration of the judgment within twelve months or such longer period as the court may allow, and if the British Virgin Islands court considers it just and convenient that the judgment be so enforced. Alternatively, the judgment may be treated as a cause of action in itself so that no retrial of the issues would be necessary. In either case, it will be necessary that in respect of the foreign judgment:

- the court issuing the judgment had jurisdiction in the matter and Zhaikmunai L.P. or the relevant subsidiary either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
- the judgment given by the court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations of Zhaikmunai L.P. or the relevant subsidiary;
- in obtaining judgment there was no fraud on the part of the person in whose favour judgment was given, or on the part of the court;
- recognition or enforcement of the judgment in the British Virgin Islands would not be contrary to public policy;
- the proceedings pursuant to which judgment was obtained were not contrary to natural justice; and
- the judgment given by the court is not the subject of an appeal.

Enforcement of Judgments of the Courts of the United States

Any final and conclusive monetary judgment obtained against Zhaikmunai L.P. or any of its subsidiaries in the courts of the United States for a definite sum may be treated by the courts of the British Virgin Islands as a cause of action in itself so that no retrial of the issues would be necessary provided that in respect of such judgment:

- the court issuing the judgment had jurisdiction in the matter and Zhaikmunai L.P. or the relevant subsidiary either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process;
- the judgment given by the court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations of Zhaikmunai L.P. or the relevant subsidiary;
- in obtaining judgment there was no fraud on the part of the person in whose favour judgment was given or on the part of the court;
- recognition or enforcement of the judgment in the British Virgin Islands would not be contrary to public policy; and
- the proceedings pursuant to which judgment was obtained were not contrary to natural justice.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. All statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, those which reflect our current views or, as appropriate, those of our directors, with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to our business) are forward looking statements. These forward-looking statements relate to the Group and the sectors and industries in which it operates. Statements that include the words “expects”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continue” and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the U.S. federal securities laws or otherwise.

All forward-looking statements included in this Offering Memorandum involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Offering Memorandum entitled “*Risk Factors*”, which should be read in conjunction with the other cautionary statements that are included in this Offering Memorandum. Other important factors that could cause actual results to differ materially from our expectations include, among others, the following:

- volatility and future decreases in crude oil, gas, refined products and other commodity world prices and related fluctuations in demand for such products;
- operational limitations, including equipment failures, labour disputes and processing limitations;
- unplanned events or accidents affecting the Group’s operations or facilities, including the Gas Treatment Facility;
- cancellation, delay, non-completion and cost overruns in relation to the Group’s future projects;
- the availability or cost of transportation routes and traders’ fees charged for arranging transportation;
- the inability of the Group to accurately predict its future decommissioning liabilities;
- the uncertainty and expense inherent in the Group’s appraisal and exploration projects;
- changes in governmental laws and regulation, including unfavourable tax laws, regulatory changes affecting the availability of permits and licences, and governmental actions that may affect operations or the Group’s planned expansion;
- the availability of debt and other financing;
- the ability of the Group to retain and hire qualified personnel and consultants;
- unfavourable changes in economic, social or political conditions in Kazakhstan and adverse sovereign action by the Government;
- incidents or conditions affecting the export of crude oil and gas;
- lower than estimated or expected crude oil and gas reserves, quality and production volumes; and
- reservoir performance, drilling results and implementation of the Group’s oil expansion plans.

Any forward-looking statements in this Offering Memorandum reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity.

Any forward-looking statements speak only as at the date of this Offering Memorandum. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PRESENTATION OF FINANCIAL, RESERVES AND OTHER INFORMATION

Financial Information

The financial statements of the Group included in this Offering Memorandum have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The special-purpose combined financial statements of Jubilata Investments Limited and Claydon Industrial Limited and their subsidiaries Condensate-Holding LLP and Zhaikmunai LLP as at and for the year ended 31 December 2007 (the “2007

Combined Financial Statements”) included in this Offering Memorandum were prepared in accordance with IFRS except that they were prepared on a combined basis and therefore do not comply with IAS 27, *“Consolidated and Separate Financial Statements”*.

Following the formation of Zhaikmunai L.P. in August 2007 and the subsequent reorganisation in March 2008, Zhaikmunai LLP, a limited liability partnership formed under the laws of Kazakhstan and the Group’s sole operating subsidiary (**“Zhaikmunai”**), became Zhaikmunai L.P.’s indirect wholly owned subsidiary. This Offering Memorandum contains unaudited condensed consolidated financial statements of Zhaikmunai L.P. and its subsidiaries as at and for the six months ended 30 June 2010, audited consolidated financial statements of Zhaikmunai L.P. and its subsidiaries as at and for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements. Following the reorganisation on 28 March 2008, Jubilata Investments Limited and Claydon Industrial Limited became subsidiaries of Zhaikmunai L.P.

The audit report from Ernst & Young LLP with respect to the audited consolidated financial statements as at and for the year ended 31 December 2008 refers to Note 2 of the consolidated financial statements relating to Zhaikmunai’s breach of the Syndicated Facility and without qualifying their opinion, Ernst & Young LLP emphasised in this report that Zhaikmunai’s dependence on refinancing its debt (being the loan under the Syndicated Facility which was classified as a current liability and exceeded current assets by approximately US\$363 million as of 31 December 2008) indicated the existence of a material uncertainty as to the Group’s ability to continue as a going concern. Following the waivers of this breach pursuant to an amendment agreement dated 27 August 2009, the loan was reclassified as a non-current liability in the audited consolidated financial statements as at and for the year ended 31 December 2009. The audit report from Ernst & Young LLP with respect to the audited consolidated financial statements as at and for the year ended 31 December 2009 does not include any emphasis of matter.

As presented in this Offering Memorandum, **“EBITDA”** means earnings before finance costs, taxation, foreign exchange loss, losses and unrealised gains on hedging contracts, employee share option plan, depreciation and amortisation, and **“EBIT”** means earnings before finance costs, taxation and foreign exchange loss, losses and unrealised gains on hedging contracts and employee share option plan. EBITDA and EBIT are supplemental measures of the Group’s performance and liquidity that are not required by or presented in accordance with IFRS. Furthermore, EBITDA and EBIT should not be considered as alternatives to net income, profit before income tax or as an alternative to cash flow from operating activities as a measure of the Group’s liquidity or as a measure of cash available to the Group to invest in the growth of its business.

Although Zhaikmunai L.P. does not currently employ EBITDA as a measure for internal valuations, Zhaikmunai L.P. presents EBITDA in this Offering Memorandum because Zhaikmunai L.P. believes it is frequently used by securities analysts, investors and other interested parties in evaluating similar issuers, most of which present EBITDA when reporting their results. Zhaikmunai L.P. presents EBIT because Zhaikmunai L.P. believes that it provides a useful measure for evaluating its ability to generate cash and its operating performance due to the costs it incurs for depreciation. Nevertheless, EBITDA and EBIT have limitations as analytical tools and they should not be considered in isolation from, or as a substitute for, analysis of Zhaikmunai L.P.’s results of operations. As a measure of performance, EBITDA and EBIT present some limitations for the following reasons:

- they do not reflect the Group’s cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Group’s working capital needs;
- they do not reflect gains or losses in hedging or foreign exchange contracts;
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on the Group’s debt;
- they do not capture differences in income taxes, which may be significant even for companies operating in the same sector or country;
- in the case of EBITDA, although depreciation and amortisation are non-cash charges, the assets being depreciated will often have to be replaced in the future and EBITDA does not reflect any cash requirements for such replacements; and

- other companies in our industry may calculate these measures differently from the way we do, limiting its usefulness as a comparative measure.

Rounding

Certain figures contained in this Offering Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Offering Memorandum may not conform exactly to the total figure given for that column or row.

Certain Reserves Information

Cautionary Note to U.S. Investors

The estimates of the Group's oil and gas reserves and resources as at 1 July 2009 presented in this Offering Memorandum have been made at our request by Ryder Scott Company L.P., an international oil and gas consultant ("**Ryder Scott**") in a report dated 18 September 2009 together with a letter dated 8 April 2010 (the "**2009 Ryder Scott Report**") included as Annex I to this Offering Memorandum. The estimates of the Group's oil and gas reserves and resources as at 1 July 2008 and 1 July 2007 presented in this Offering Memorandum have been made by Ryder Scott in a report dated 10 September 2008 (the "**2008 Ryder Scott Report**") and a report dated 30 October 2007 (the "**2007 Ryder Scott Report**" together with the 2008 Ryder Scott Report and the 2009 Ryder Scott Report, the "**Ryder Scott Reports**"), respectively. The reserves estimates presented in the 2009 Ryder Scott Report have been prepared according to standards established by the 2007 Petroleum Resources Management System sponsored by the Society for Petroleum Engineers (the "**SPE**"), the American Association of Petroleum Geologists, World Petroleum Council and the Society for Petroleum Evaluation Engineers (the "**PRMS**") (with some exceptions discussed therein) and not according to U.S. Securities and Exchange Commission ("**SEC**") standards. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Estimations and Assumptions—Oil and gas reserves*". However, the SEC has recently adopted revisions to the SEC standards that make them more consistent with the PRMS standards, including allowing for the voluntary disclosure of probable and possible reserves.

Zhaikmunai has now moved its reserve reporting to a calendar year cycle, which is the reporting cycle favoured by the oil and gas industry, and therefore the next reserves report will report as at 31 December 2010.

Prospective investors should read "*Business—Operations—Oil and Gas Reserves*" and the 2009 Ryder Scott Report for more information on the Group's reserves and resources, the assumptions, methods and procedures used in the preparation of the reserve estimates and the underlying assumptions thereof and the reserves and resources definitions that the Group uses.

Hydrocarbon Data

General

We use standards established by the PRMS. Additionally, Zhaikmunai is obliged to submit data according to Kazakh standards for reporting purposes to State bodies. Kazakhstan's method of classifying oil reserves is based on a system employed in the former Soviet Union and differs substantially from the standard international methodology. Since 2004, Zhaikmunai has engaged Ryder Scott to conduct reviews of the Group's hydrocarbon reserves and resources. Unless otherwise stated herein, the estimates set forth in this Offering Memorandum of the Group's proved, probable and possible reserves and resources are based on reports prepared for the Group by Ryder Scott in accordance with the standards established by the PRMS. For further information regarding these standards, see Annex I to this Offering Memorandum.

For internal record-keeping purposes, the Group records information relating to production, transportation and sales of crude oil and gas condensate in tonnes, a unit of measure that reflects the mass of the relevant hydrocarbon, and, accordingly, we present such information on the same basis in this Offering Memorandum. References in this Offering Memorandum to "tonnes" are to metric tonnes. One metric tonne equals 1,000 kilograms.

Presentation in 2009 Ryder Scott Report

The 2009 Ryder Scott Report reports its estimations as follows:

- oil and condensate in standard 4.2 gallon barrels (“**barrels**” or “**bbl**”);
- plant products in barrels; and
- gas in millions of cubic feet (“**mmcf**”).

Presentation in this Offering Memorandum

For information purposes only, we have presented the Group’s estimations in this Offering Memorandum as follows:

- oil and condensate in barrels and barrels per day (“**bpd**”). Barrel figures are extracted from the 2009 Ryder Scott Report or converted from our internal records presented in tonnes at a rate of 7.68 barrels per tonne for crude oil and 8.00 barrels per tonne for condensate. Barrel per day figures have been obtained by dividing figures by the number of days in a given period;
- plant products are referred to as plant products including butane, propane, LPG and liquid hydrocarbons and are presented in barrels. Barrel figures are extracted from the 2009 Ryder Scott Report; and
- gas in: (i) cubic metres (converted by us at a rate of 35.315 cubic feet per cubic metre) and (ii) barrels of oil equivalent (“**boe**”) (converted by us at a rate of 150.83 cubic metres per boe). These conversion rates take into account the specific calorific values of each of the Group’s gas-producing reservoirs.

The actual number of barrels of crude oil produced, shipped or sold may vary from the barrel equivalents of crude oil presented herein, as a tonne of heavier crude oil will yield fewer barrels than a tonne of lighter crude oil. The conversion of data for other companies in tonnes into barrels and from cubic feet into boe may be at different rates.

We have presented herein total proved, probable and possible reserves data for the aggregate of crude oil, condensate, plant products and gas. The Ryder Scott Reports do not include these total reserves figures and we have determined these totals using the conversion rates above.

We expect our production for 2010 to differ from the estimates for 2010 in the 2009 Ryder Scott Report. This is due to the delay in construction of the Gas Treatment Facility (defined below) which the 2009 Ryder Scott Report assumes would have been operational by 1 January 2010. See “*Risk Factors—The level of the Group’s crude oil and gas reserves, their quality and production volumes may be lower than estimated or expected*”.

Discrepancies in Terminology

This Offering Memorandum and the 2009 Ryder Scott Report use different terminology. For example the 2009 Ryder Scott Report refers to “plant products” in its reserves estimates, whereas this Offering Memorandum refers to these reserves as LPG, including propane and butane. Also, the 2009 Ryder Scott Report refers to the Group’s planned gas processing plant, whereas this Offering Memorandum refers to the Group’s gas treatment facility (the “**Gas Treatment Facility**”).

Third-Party Information Regarding the Group’s Market and Industry

Statistical data and other information appearing in this Offering Memorandum relating to the oil and gas industry in Kazakhstan have, unless otherwise stated, been extracted from documents and other publications released by the President of Kazakhstan, the Statistics Agency of Kazakhstan, the Ministry of Finance of Kazakhstan, the Competent Authority, the National Bank of Kazakhstan (“**NBK**”) and other public sources in Kazakhstan, including the NBK’s Annual Report, the World Bank and International Monetary Fund, as well as from Kazakh press reports and publications and edicts and resolutions of the government of Kazakhstan (the “**Government**”). Some of the market and competitive position data has been obtained from U.S. government publications and other third-party sources, including publicly available data from the World Bank, the Economist Intelligence Unit, the annual BP Statistical Review of World Energy, as well as from Kazakh press reports and publications, and edicts and resolutions of the Government. In the case of the presented statistical information, similar statistics may be obtainable from

other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source.

The information described above has been accurately reproduced and, as far as we are aware and have been able to ascertain from information published by those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Offering Memorandum, the source of such information has been identified. Certain sources are only updated periodically. This means that certain data for current or very recent periods cannot be obtained and we cannot assure you that such data has not been revised or will not be subsequently amended.

This Offering Memorandum contains illustrations and charts derived from Zhaikmunai L.P.'s internal information, which have not been independently verified unless specifically indicated.

NO INCORPORATION OF WEBSITE INFORMATION

The contents of the Group's websites do not form part of this Offering Memorandum.

CURRENCY PRESENTATION

Unless otherwise indicated, in this Offering Memorandum, references to “Tenge” or “KZT” are to Kazakhstan Tenge, the lawful currency of Kazakhstan; references to “US Dollars” or “US\$” are to United States Dollars, the lawful currency of the United States; references to “€” are to Euro; and references to “£” are to the lawful currency of the United Kingdom.

On 12 October 2010, the exchange rate for US Dollars on the Kazakhstan Stock Exchange as reported by the NBK was KZT 147.60 per US\$1.00. For further details of applicable exchange rates, see “*Exchange Rates*”.

Unless otherwise indicated, in this Offering Memorandum, contractual amounts and estimates thereof have been calculated using a KZT/US\$ currency exchange rate of KZT150 per US\$1.00 for convenience purposes only. No representation is made that the Tenge or US Dollar amounts in this Offering Memorandum could have been converted into US Dollars or Tenge, as the case may be, at any particular rate or at all.

EXCHANGE RATES

The following table sets forth the high, low, average and period-end rates for the Tenge, each expressed in Tenge and based on the KZT/US Dollar exchange rates on the Kazakhstan Stock Exchange, as reported by the NBK:

<u>Year ended 31 December</u>	<u>High</u>	<u>Low</u>	<u>Average⁽¹⁾</u>	<u>Period End</u>
		(KZT per US Dollar)		
2009	151.40	120.79	147.50	148.36
2008	120.85	119.48	120.30	120.77
2007	127.00	119.28	122.55	120.30
2006	133.85	117.25	126.09	127.00
2005	136.12	129.83	132.88	133.77
2004	143.33	130.00	136.04	130.00
2003	155.89	143.66	149.58	144.22
<u>Month ended</u>		<u>High</u>	<u>Low</u>	
		(KZT per US Dollar)		
October 2010 (through 12 October)		147.63	147.44	
September 2010		147.54	147.16	
August 2010		147.78	147.12	
July 2010		147.73	147.25	
June 2010		147.46	146.65	
May 2010		147.04	146.43	
April 2010		147.07	146.41	
March 2010		147.45	146.89	
February 2010		148.21	147.32	
January 2010		148.46	148.30	

Source: NBK

(1) The weighted average rate reported by the NBK for each month or year during the relevant period.

Up to and including 31 December 2008, the functional currency of the Group was Tenge. Since 1 January 2009, the Group changed its functional currency to US Dollars as a result of increased purchases of materials and other costs from foreign suppliers which were denominated in US Dollars. In addition, the Group now has all of its financing in US Dollars. The Group's presentational currency is and has been the US Dollar. The above rates may differ from the actual rates used in the preparation of Zhaikmunai's financial information and other financial information appearing in this Offering Memorandum. The inclusion of these exchange rates is not meant to suggest that the Tenge amounts actually represent such US Dollar amounts or that such amounts could have been converted into US Dollars at any particular rate, if at all.

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SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum about the offering and our business, financial performance and prospects. This summary does not contain all of the information that may be important to you in deciding to invest in the Notes and it is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Offering Memorandum. You should read the entire Offering Memorandum, including the section entitled "Risk Factors" and the financial statements and related notes contained in this Offering Memorandum before making an investment decision.

Overview

Zhaikmunai L.P. is the indirect holding entity of Zhaikmunai, an independent oil and gas enterprise currently engaging in the exploration, production and sale of crude oil and gas condensate in northwestern Kazakhstan. Zhaikmunai's field and Licence area is the Chinarevskoye Field located in the northern part of the oil-rich Pre-Caspian Basin, one of the largest oil-producing regions in central Asia.

The Chinarevskoye Field, approximately 274 square kilometres in size, is located in the West-Kazakhstan oblast, near the border between Kazakhstan and Russia, and close to the main international railway lines as well as to several major oil and gas pipelines. The Chinarevskoye Field is Zhaikmunai's sole source of production and production growth. According to management estimates based on data included in the 2009 Ryder Scott Report, as at 1 July 2009, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 527 million boe, of which 212 million bbl was crude oil and condensate, 79 million bbl was LPG and 235 million boe was sales gas. Management has also estimated, based on the 2009 Ryder Scott Report, that the Chinarevskoye Field contains approximately 556.3 million boe of possible hydrocarbon reserves.

In September 2004, Thyler Holding Limited, a company indirectly controlled by Frank Monstrey, acquired Zhaikmunai L.P., following which a new management team was appointed at Zhaikmunai to develop and implement a new strategy initially focused on increasing oil production through accelerating investment in drilling and field infrastructure, as well as transferring reserves into higher reserves categories. One aspect of Zhaikmunai's strategy is to increase the production, transportation and marketing of liquid products (crude oil, condensate and LPG). The production and marketing of dry gas is also important for Zhaikmunai. However, due to the fact that marketing and especially transportation of gas is more regulated, Zhaikmunai expects the production and sales of liquid products to represent a significantly larger portion of future revenues and EBITDA compared to the production and sales of dry gas.

As a result, Zhaikmunai built in 2008 its own crude oil and condensate pipeline as well as its own railway terminal to fully control the transportation and marketing of crude oil and condensate from the field site to the export sales point (the pipeline runs from the Chinarevskoye Field to the rail terminal in Rostoshi near Uralsk).

In addition to developing its own transportation infrastructure, the second aspect of Zhaikmunai's liquids strategy is the construction of its own Gas Treatment Facility which will enable Zhaikmunai to produce marketable liquid condensate (a product lighter than Brent crude oil sold at a premium to Brent crude) from the gas condensate stream. The Gas Treatment Facility, once operating at full capacity, will enable Zhaikmunai to increase its daily production of crude oil, stabilised condensate and LPG from approximately 7,261 boe (which was the approximate average daily oil production during the first half of 2010) to a maximum of 28,000 boe. It will also enable Zhaikmunai to produce a maximum annual volume of 1.3 bcm of dry gas. In total, Zhaikmunai expects to increase its daily production of crude oil, condensate, LPG and dry gas from the level of approximately 7,261 boe (which was the approximate average daily oil production during the first half of 2010) to a peak of approximately 48,000 boe during the first quarter of 2011.

From September 2004 to 30 June 2010, the Group invested approximately US\$1.0 billion in drilling and field infrastructure. Total capital expenditure (on a cash basis) for the six months ended 30 June 2010 amounted to US\$92.7 million, an increase of 186% from US\$24.9 million for the six months ended 30 June 2009. Total capital expenditure (on a cash basis) for the full year ended 31 December 2009 amounted to US\$210.6 million, a decrease of 3.8% from US\$218.0 million for the full year ended 31 December 2008 which itself was a 26% increase from US\$173.1 million as at 31 December 2007. Zhaikmunai increased its crude oil production from approximately 826,800 bbl for the year ended 31 December 2005 to approximately 2,690,000 bbl for the year ended 31 December 2009 and, according to management estimates based on reserve reports prepared by Ryder Scott, increased its estimated gross proved plus

probable hydrocarbon reserves from 215 million boe in 2004 to 527 million boe in 2009. Zhaikmunai produced 1,314,256 bbl of crude oil during the first half of 2010 compared to 1,316,051 bbl during the first half of 2009, approximately 2,690,000 bbl of crude oil in 2009, approximately 1,860,000 bbl of crude oil in 2008 and approximately 1,848,000 bbl of crude oil in 2007.

Zhaikmunai's operational facilities are located in the Chinarevskoye Field and, as at 30 June 2010, consisted of an oil processing facility capable of processing 400,000 tonnes per year of crude oil, multiple oil gathering and transportation lines including an oil pipeline from the field to its oil loading rail terminal in Rostoshi near Uralsk, a 17 kilometre gas pipeline from the field to the Orenburg-Novopskov pipeline, a gas powered electricity generation system, warehouse facilities and an employee field camp. As of 30 June 2010, Zhaikmuani had 36 exploration, appraisal and production wells, of which 12 wells were producing, three wells were under test operations, two wells were installed as a water injector and three wells were under drilling and workover operations. In addition, six wells were suspended, four wells were temporarily abandoned awaiting completion of the Gas Treatment Facility or workover operations and a further six exploration wells were plugged and abandoned.

In May 1997, Zhaikmunai was granted exploration and production licences with respect to the Chinarevskoye Field, which initially covered the entire Chinarevskoye Field. In December 2008, Zhaikmunai received an extension of its production licence. The new production licence is valid until 2033 for all horizons (other than the Northeastern Tournaisian reservoir for which the production licence is valid until 2031) and oil or gas-condensate bearing reservoirs and covers 185 square kilometres of the Licence area. The production licence covers almost all proved, probable and possible reserves reported by Ryder Scott as at 1 July 2009. In addition, its exploration licence was extended for an additional three years until 26 May 2011.

During October 1997, Zhaikmunai entered into the PSA with the Government which has been subsequently amended eight times, see "*Business—Subsoil Licences and Contracts—The Licence and The PSA*". The PSA sets forth parameters for the exploration and development of the Chinarevskoye Field and the fees, oil profit sharing and tax liabilities payable to the Government. To date, Zhaikmunai has met all of its capital investment obligations under the PSA.

Zhaikmunai began its first test crude oil production in October 2000 and began commercial production on 1 January 2007. Gas sales are expected to begin in November 2010. See "*Business—Operations—Capital Investments—Gas Treatment Facility*". Zhaikmunai currently sells 85% of its crude oil in the export market and 15% of its crude oil in the domestic market. Zhaikmunai's crude oil has typically been sold to one or more oil traders on the basis of FCA (free carrier) Uralsk. However, Zhaikmunai recently started to sell its crude oil on the basis of DAF (delivery at frontier) and FOB (free on board) terms in order to reduce its overall transportation costs. In each case, Zhaikmunai directly transports all its crude oil through its newly completed oil pipeline to its rail loading terminal in Rostoshi near Uralsk, located approximately 120 km from the Chinarevskoye Field. The crude oil is subsequently transported by rail to oil refineries located in Finland and the Ukraine.

To date, all of Zhaikmunai's revenues have been generated by its crude oil sales. Zhaikmunai had revenues of US\$74.7 million and EBITDA of US\$43.4 million for the six months ended 30 June 2010, compared to revenues of US\$44.7 million and EBITDA of US\$17.3 million for the six months ended 30 June 2009 and revenues of US\$116.0 million and EBITDA of US\$58.9 million in 2009, revenues of US\$135.9 million and EBITDA of US\$57.1 million in 2008 and revenues of US\$108.5 million and EBITDA of US\$58.7 million in 2007.

In addition, the Group has built the Gas Treatment Facility with two gas treatment units for full utilisation of the associated gas produced by the Group, which is essential for its continued crude oil production, and the treatment of gas condensate to produce dry gas for sale following completion and commissioning of the Gas Treatment Facility. The Gas Treatment Facility has been built by JSC OGCC KazStroyService ("**KSS**"). Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when a working commission composed of representatives from Zhaikmunai, KSS, general project designer NipiNeftiGaz and seven governmental authorities of the Republic of Kazakhstan (the "**Working Commission**") issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Black Start or "gas in" is the moment the plant is filled with natural gas from the gas pipeline to which, after commissioning, treated gas will be delivered by the Gas Treatment Facility. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period,

the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission (the competent body authorised to confirm that permanent operations can commence) which is expected to occur no later than 31 December 2010. As of 30 June 2010, the outstanding amounts due to KSS for construction of the Gas Treatment Facility were US\$27.6 million, which includes US\$6.9 million to be paid to KSS on completion of construction and US\$20.7 million (rising to a payment of US\$22.7 million by completion) to be paid to KSS after the State Acceptance Act is granted by the State Acceptance Commission. Other ongoing projects include the construction of a reservoir pressure maintenance system (which is expected to commence at the end of 2010). Zhaikmunai plans to finance all of its capital expenditures in relation to monetising its existing proved reserves from internal cash flow. Should the first phase of the Gas Treatment Facility be successfully implemented along with further successful results in converting probable reserves into proved reserves, Zhaikmunai may consider building a third gas treatment unit which is the second phase of the project. However, Zhaikmunai is currently only focused on completing the first phase of the Gas Treatment Facility.

On 2 April 2008, Zhaikmunai L.P. sold limited partnership interests comprising 10,000,000 Common Units in Zhaikmunai L.P. in the form of GDRs in a global offer. On or around the same day, 30,000,000 Common Units in Zhaikmunai L.P. were converted into GDRs as part of an internal reorganisation, and together with the 10,000,000 GDRs in the global offer, 40,000,000 GDRs were admitted to listing and trading on 3 April 2008. On 15 September 2009, Zhaikmunai L.P. issued 75,000,000 new Common Units in the form of Common Units and GDRs in connection with the Placing and Claremont Subscription.

Key Strengths

We believe that the key strengths of the Group are as follows:

- *Strong reserve base*

According to management estimates based on the 2009 Ryder Scott Report, as at 1 July 2009, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 527 million boe. These estimated reserves comprise proved crude oil and gas condensate reserves of 58.5 million bbl and 153.5 million bbl of probable crude oil and gas condensate reserves, together with 59.5 million boe of proved gas reserves and probable gas reserves of 176 million boe and 21 million bbl of proved LPG reserves and probable LPG reserves of 58.1 million bbl.

- *Upside potential of existing possible reserves*

Management estimates, based on the 2009 Ryder Scott Report, that the Chinarevskoye Field has possible hydrocarbon reserves of approximately 559 million boe. According to management estimates based on data included in reserves reports prepared by Ryder Scott, since 1 January 2004, Zhaikmunai has increased its proved hydrocarbon reserves from 28 million boe to 139 million boe, as at 1 July 2009. Based on its track record to date and Zhaikmunai's drilling expertise, management believes that Zhaikmunai is well positioned to continue converting possible reserves into probable reserves and probable reserves into proved reserves. In addition, Zhaikmunai is permitted under the terms of the PSA to undertake further exploration of the Chinarevskoye Field until May 2011 which may lead to the discovery of further possible reserves.

- *Strong track record within the Chinarevskoye Field*

Zhaikmunai has a strong track record of successful exploration and production within the Licence area. Constructive analysis by Zhaikmunai personnel of 3-D seismic surveys covering the entire Chinarevskoye Field has allowed Zhaikmunai to position wells effectively. Every production well drilled since Zhaikmunai entered into the PSA has yielded commercially viable amounts of hydrocarbons, with no dry wells drilled to date. Since 2004, management has introduced Western-standard drilling rigs and competition among drilling contractors to further improve drilling efficiency. Further, crude oil production increased from an average of 2,210 bpd in 2004 to an average of 7,261 bpd in the first half of 2010. For the full year ended 31 December 2009, the average daily oil production amounted to 7,442 bpd compared to 5,095 bpd for the full year ended 31 December 2008. For the six months ended 30 June 2010, the average daily oil production amounted to 7,261 bpd, virtually unchanged compared to 7,271 bpd for the six months ended 30 June 2009.

- *High quality crude oil*

The crude oil produced by Zhaikmunai is a high quality “sweet” crude oil with an average API gravity of 40°-41.5° and a low sulphur content of approximately 0.4%. The high quality of its crude oil allows Zhaikmunai to sell its crude oil at a smaller discount to Brent crude than other oil producers in the region.

- *Advantageous location*

Zhaikmunai’s facilities are located in western Kazakhstan approximately 60 kilometres from the Russian border, which reduces overall transportation distances from the Group’s production operations to ultimate purchasers of its oil in European markets. In addition, Zhaikmunai’s operations are located close to various transportation routes, being 17 kilometres from the Orenburg-Novopskov gas pipeline (which has been constructed and is awaiting commissioning) and less than 100 kilometres from rail links and the Atyrau-Samara oil pipeline. The completion of the oil pipeline from Zhaikmunai’s facilities to its rail terminal in Rostoshi near Uralsk gives Zhaikmunai direct access to the rail terminal and an option for a direct connection to the export pipeline to Samara which is crossed by the Zhaikmunai pipeline. Zhaikmunai’s location provides reduced transportation distances and access to flexible transportation links, each of which allows it to benefit from reduced transportation costs.

- *Beneficial terms under the PSA*

Zhaikmunai currently benefits from a relatively low tax and royalty payment burden under the PSA as the terms of the PSA have been “grandfathered” from its signing in 1997. As such, the terms of the PSA allow Zhaikmunai to predict the Government’s share of production revenue with reasonable certainty (although such “grandfathering” may be revised by the Government—see “*Risk Factors—Risk Factors Relating to Kazakhstan—The Group is exposed to adverse sovereign action by the Government*”). Royalty taxes on production range from 3% to 7% on crude oil and between 4% and 9% on gas depending on the level of production. Government share of production ranges from 10% to 40%, depending on the level of production. However, such share is applied to that proportion of production referred to as “profit oil”, being that amount of oil produced in excess of allowable expenditure (limited to 90% of its hydrocarbon production or an equivalent amount in monetary terms) thereby allowing for recovery of capital expenditures incurred by the Group in relation to its petroleum operations.

- *Strong management team*

The Group benefits from management with significant experience in the oil and gas sector in general, and Kazakhstan in particular. Our Chief Executive Officer has more than 25 years of experience in the oil and gas industry, including approximately 11 years experience working in emerging markets for the Gaz de France group. In addition, Zhaikmunai has introduced experienced senior managers in key departments, including geology, drilling, production and engineering, with an average experience of 20 years in the oil and gas industry.

Business Strategy

The Group intends to maintain Zhaikmunai as an exploration and production oil and gas company focused on the Chinarevskoye Field. The Group’s goals are to maximise the conversion of its existing probable reserves into proved reserves and its possible reserves into probable reserves and to increase long-term production potential. To achieve these goals, the Group is pursuing the following strategies:

- *Expand existing reserve base*

Increases in drilling and improvements in oil recovery techniques are expected to improve the Group’s ability to convert probable and possible reserves into proved and probable reserves. Using the existing 3-D seismic mapping of the Chinarevskoye Field and its understanding of the geological features of the Licence area, Zhaikmunai plans to continue positioning wells effectively to improve the probability of converting possible reserves into probable reserves and probable reserves into proved reserves. In addition, significant exploration potential exists in the reservoirs located in the Chinarevskoye Field, which the Group plans to explore to increase its reserve base. In May 2008, Zhaikmunai declared commercial prospects for six discoveries in the Chinarevskoye Field.

- *Further increase production of liquids*

The Group intends to increase Zhaikmunai's annual crude oil and condensate production, which, according to Ryder Scott, is expected to peak in 2015 at an average of approximately 62,000 bpd as compared to an average of 7,261 bpd produced in the first half of 2010. This increase is expected to be achieved by increasing the number of wells drilled per year and enhancing oil recovery methods, as well as extending the hydrocarbon production areas of the Chinarevskoye Field following completion of exploration activities. For example, Zhaikmunai drilled two production wells, two appraisal wells and three sidetrack wells in 2009 and plans to drill an average of 13 wells per year between 2011 and 2014. At 30 June 2010, there were 14 producing wells.

- *Monetise gas reserves*

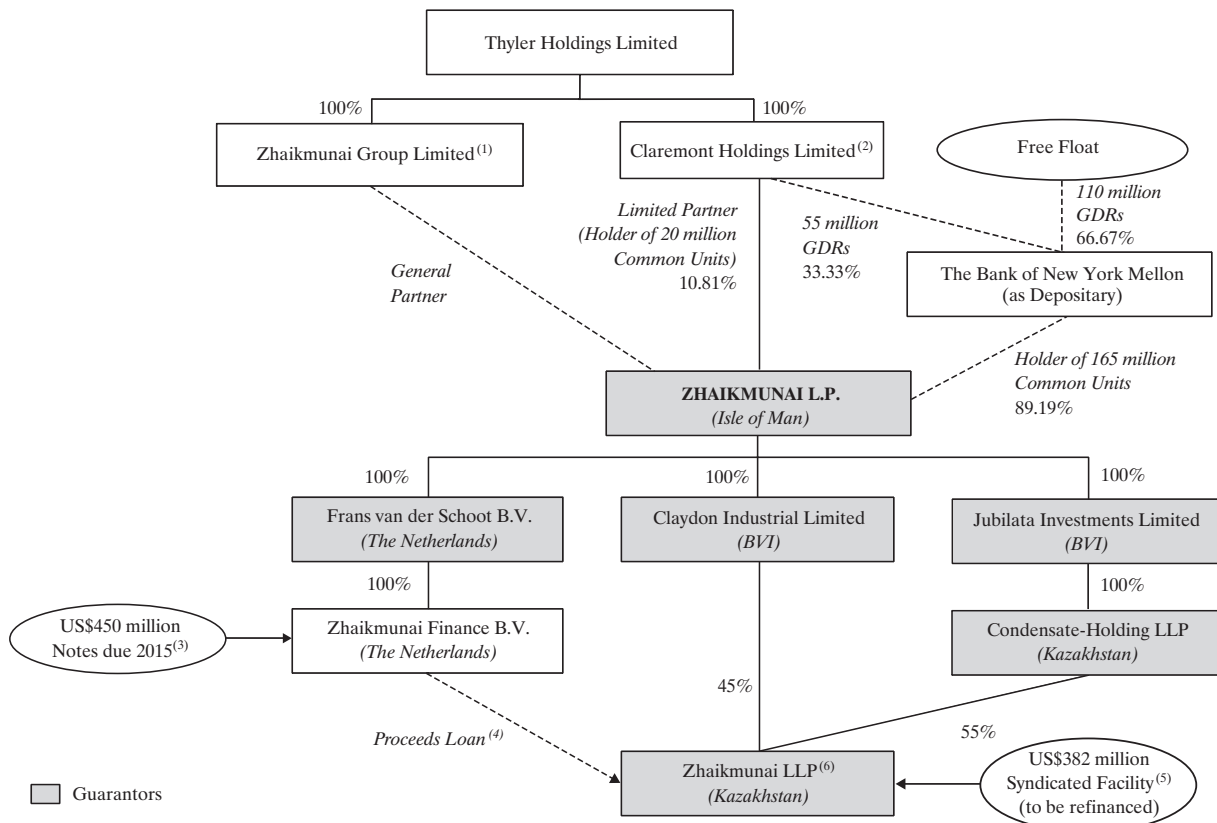
A substantial portion of the Group's reserves comprise gas. To monetise these reserves, the Group has built the first phase of the Gas Treatment Facility and associated projects; the first phase of the construction of the Gas Treatment Facility will cost approximately US\$227.0 million. The facility is expected to process both associated gas and wet gas from gas condensate reservoirs. The processing of associated gas is expected to enable the Group to cease flaring crude oil gas production, while the capability to treat wet gas is expected to allow the Group to start the development of the Licence area's gas condensate fields. The Gas Treatment Facility will also include a gas-fired power plant with an output of 15 megawatts that is expected to provide the field site with all required electricity. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when the Working Commission issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission which is expected to occur no later than 31 December 2010. Management estimates, based on the production profile of both proven and probable reserves reported in the 2009 Ryder Scott Report, that annual raw gas and LPG productions are expected to peak in 2017 at 4.0 billion cubic metres and 0.9 billion cubic metres, respectively.

- *Increase the number of products and customers*

The Group has significantly improved its transportation infrastructure for crude oil, thereby reducing transportation risks and costs. In 2008, the Group successfully completed the construction of its own crude oil pipeline that connects the Chinarevskoye Field with its rail loading terminal in Rostoshi near Uralsk. Management believes the pipeline offers a more secure delivery method which will improve efficiency, reduce the risks of oil spills and result in lower costs through economies of scale. The costs of constructing the crude oil pipeline and rail loading terminal amounted to approximately US\$97 million. To date, management estimates savings in transportation costs associated with the pipeline amount to approximately US\$25 per tonne. In addition, Zhaikmunai's 17 kilometre gas pipeline linking it to the Orenburg-Novopskov gas pipeline has been successfully constructed and is awaiting commissioning, which will occur at the same time as the commissioning of the Gas Treatment Facility. As a result of the improved infrastructure, the Company will be able to produce three new products in the second half of 2010 and will continue to explore the most economically efficient transport routes for each of these products.

Corporate Structure

The following chart shows a simplified summary of the corporate and financing structure of Zhaikmunai L.P. and its subsidiaries as of 30 June 2010 adjusted to give effect to the offering of the Notes. The chart does not give effect to the Substitution (see “*Summary—The Substitution*”) and does not include all of the debt obligations of the Group.



- (1) The sole shareholder of Zhaikmunai Group Limited is Thyler Holdings Limited, which is indirectly owned by Frank Monstrey. Frank Monstrey is the chairman of the board of directors of Zhaikmunai Group Limited (the “**Board**”), the General Partner of Zhaikmunai L.P.
- (2) Claremont currently owns 55 million GDRs and 20 million Common Units, and as a result, owns 40.54% of the Common Units of Zhaikmunai L.P. (either directly or in the form of GDRs). Each GDR represents one Common Unit. On 9 September 2010, following approval from the competition authorities, Claremont sold 50 million GDRs, representing approximately 27% of the issued Common Units, to KazStroyService Global B.V., an Affiliate of KSS (“**KSS Global**”), the company which has built the Gas Treatment Facility in the Chinarevskoye Field for the Group. Following completion of the transfer, KSS Global held these GDRs as part of the free float. Claremont has agreed in connection with its sale of 50 million GDRs to KSS Global that it will take reasonable steps, including voting as a limited partner in any general meeting of the limited partners, to procure that an individual nominated by KSS Global (or two individuals if the size of the Board of the General Partner is increased to nine directors) is appointed to the Board of the General Partner. Of the 55 million GDRs held by Claremont, 23,809,524 are subject to transfer to Dehus Dolmen Nominees, an Affiliate of Baring Vostok Capital Partners and further to this arrangement, Baring Vostok Capital Partners, nominated a member of the Board of Zhaikmunai Group Limited. In the event that the transfer rights agreed between the parties are exercised and the transfer of 23,809,524 GDRs to Dehus Dolmen Nominees takes place, Claremont will own 27.7%, of the Common Units of Zhaikmunai L.P. (either directly or in the form of GDRs). Neither Thyler nor Claremont has entered into any other agreement pursuant to which any other director may be appointed to the Board of Zhaikmunai Group Limited.
- (3) The Notes are guaranteed by Zhaikmunai L.P. and all of its subsidiaries (other than the Issuer) and the Notes and the Guarantees are secured by (i) a first-ranking pledge over the Proceeds Loan and (ii) first-ranking pledges over the shares of the Issuer and its direct holding company Frans van der Schoot B.V. (“**FvdS**”). In this event, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees.
- (4) On closing of the offering of the Notes, the Issuer will on-lend the proceeds from the offering of the Notes to Zhaikmunai LLP (the “**Proceeds Loan**”). See also footnote (3).
- (5) Zhaikmunai LLP will use part of the proceeds from the offering to repay the outstanding amount under the Syndicated Facility, which was used to both finance subsoil operations and refinance the outstanding debt at that time which had been used to finance subsoil use operations.
- (6) Zhaikmunai LLP is the sole operating subsidiary of Zhaikmunai L.P. and owns most of the assets of the Group.

The Offering

The summary below describes the principal terms of this offering. The “*Description of Notes*” section of this Offering Memorandum contains a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary.

Issuer Zhaikmunai Finance B.V. (the “**Issuer**”), a newly-incorporated private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* or *B.V.*) under and subject to the laws of the Netherlands and a wholly-owned subsidiary of Frans van der Schoot B.V. (“**FvdS**”). On or subsequent to the issue date Zhaikmunai LLP may elect to undertake, upon satisfaction of certain conditions, to be substituted for the Issuer as issuer of the Notes, whereupon it will assume all the obligations of the Issuer under the Notes (the “**Substitution**”). See “*Summary—The Substitution*”.

The Issuer is a special purpose vehicle that has no revenue-generating operations of its own. The Issuer conducts no business or operations and has no significant assets, other than the loan of the Notes proceeds to Zhaikmunai LLP (the “**Proceeds Loan**”). The Issuer’s ability to service its indebtedness, including the Notes, is entirely dependent upon the receipt of funds from Zhaikmunai LLP under the terms of the Proceeds Loan or otherwise.

Guarantors Zhaikmunai L.P., FvdS, Claydon Industrial Limited, Condensate-Holding LLP, Jubilata Investments Limited and Zhaikmunai LLP (the “**Guarantors**”).

Notes Offered US\$450 million aggregate principal amount of 10.50% senior notes due 2015 (the “**Notes**”).

Maturity Date 19 October 2015.

Interest Payment Dates Interest will be payable semi-annually in cash on 19 April and 19 October of each year, beginning on 19 April 2011.

Ranking of the Notes The Notes will be the senior obligations of the Issuer and:

- will rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer;
- will rank equal in right of payment with all existing and future senior indebtedness of the Issuer, without giving effect to collateral arrangements;
- will rank effectively senior to all existing and future obligations of the Issuer that are unsecured, to the extent of the value, priority and validity of the liens of the Collateral;
- will rank effectively junior to all existing and future indebtedness of the Issuer secured by property or other assets other than the Collateral to the extent of the value of such property or assets; and
- will rank equally and ratably as to collateral with other senior debt expressly permitted under specific terms of the indenture governing the Notes (the “**Indenture**”) to be secured by the Collateral.

Collateral The obligations of the Issuer under the Notes will be secured by the following collateral (the “**Collateral**”) subject to certain considerations:

- a first-ranking pledge of the Proceeds Loan; and

- first-ranking pledges over the shares of the Issuer and its direct holding company FvdS.

The Collateral granted for the benefit of the Notes is subject to certain limitations. See *“Risk Factors—The value of the Collateral securing the Notes and the Guarantees may not be sufficient to satisfy the Issuer’s and the Guarantors’ obligations under the Notes and the Guarantees, respectively, and the Collateral securing the Notes may be reduced or diluted under certain circumstances”*.

In the event that, pursuant to the terms of the Indenture, the Substitution occurs such that Zhaikmunai LLP is substituted for the Issuer as issuer of the Notes, the Proceeds Loan will be assigned or novated to Zhaikmunai LLP and the pledge over the Proceeds Loan shall thereupon be terminated. In this event, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees.

Guarantees

The Notes will be jointly and severally, fully and unconditionally guaranteed on a senior basis (the **“Guarantees”**) by Zhaikmunai L.P. and all of its subsidiaries other than, prior to the Substitution, the Issuer. The obligations of the Guarantors will be contractually limited under the applicable Guarantees to reflect limitations under applicable law, including but not limited to, with respect to commercial benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors.

Each Guarantor other than Zhaikmunai LLP is a holding company which currently does not conduct operations, and the only significant assets of such Guarantors are the shares or participation interests of their subsidiaries. Zhaikmunai LLP is the only operating subsidiary in the restricted group and owns most of the assets of the Group.

See *“Description of Notes—The Guarantees”*, *“Risk Factors—Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees and the security interests created by the security documents”* and *“Risk Factors—The value of the Collateral securing the Notes and the Guarantees may not be sufficient to satisfy the Issuer’s and the Guarantors’ obligations under the Notes and the Guarantees, respectively, and the Collateral securing the Notes may be reduced or diluted under certain circumstances”*.

Ranking of the Guarantees

Each Guarantee of the Notes will be a senior obligation of the respective Guarantor and:

- will rank senior in right of payment to all existing and future subordinated indebtedness of that Guarantor;
- will rank equal in right of payment to all existing and future senior indebtedness of that Guarantor, without giving effect to collateral arrangements;
- will rank effectively senior in right of payment to all existing and future obligations of that Guarantor that are unsecured, to the extent of the value, priority and validity of the Collateral securing the relevant Guarantee;

- will rank effectively junior to all existing and future indebtedness of such Guarantor secured by property or assets other than the Collateral to the extent of the value of such property or assets; and
- will rank equally and ratably as to collateral with other senior debt expressly permitted under specific terms of the indenture governing the Notes to be secured by the Collateral.

As of 30 June 2010, on an as adjusted basis after giving effect to this offering and the application of net proceeds from this offering as more fully described in “*Use of Proceeds*”, the Issuer and the Guarantors would have had US\$450 million of total indebtedness (not including the impact under IFRS of any issuance costs).

Use of Proceeds The Issuer intends to use the proceeds from the offering to make the Proceeds Loan to Zhaikmunai LLP which will be used (i) to repay in full the amounts outstanding under a senior secured reducing facility agreement with BNP Paribas (as amended from time to time, the “**Syndicated Facility**”), (ii) to pay costs, fees and expenses in relation to the offering and (iii) if the hedging arrangements required by the Syndicated Facility are novated or terminated, to pay all unwinding/termination costs or similar amounts under such arrangements, with all remaining proceeds to be used for general corporate purposes including for use in subsoil operations.

Optional Redemption The Issuer may redeem the Notes:

- in whole or in part at any time on or after 19 October 2013 at the redemption prices described in this Offering Memorandum, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption (see “*Description of Notes—Optional Redemption*”);
- at any time and from time to time prior to 19 October 2013 in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more equity offerings, at a redemption price equal to 110.50% of the principal amount redeemed, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, provided that at least 65% of the original principal amount of the Notes issued on the issue date remains outstanding immediately after each such redemption (see “*Description of Notes—Optional Redemption*”);
- in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, in the event of specified developments affecting taxation; and
- in whole or in part at any time prior to 19 October 2013 at a redemption price equal to 100% of the principal amount thereof plus the applicable “make-whole” premium described in this Offering Memorandum, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption (see “*Description of Notes—Optional Redemption*”).

Special U.S. Federal Income Tax

Considerations	For a discussion of the material tax consequences of an investment in the Notes, see “ <i>Taxation—United States Federal Income Tax Considerations</i> ”.
Additional Amounts	Any payments made by the Issuer or any Guarantor with respect to the Notes will be made without withholding or deduction for taxes in any relevant taxing jurisdiction unless required by law. If the Issuer or a Guarantor is required by law to withhold or deduct for such taxes with respect to a payment to the holders of Notes, it will pay the additional amounts necessary so that the net amount received by the holders of Notes after the withholding is not less than the amount that they would have received in the absence of the withholding, subject to certain exceptions. See “ <i>Description of Notes—Additional Amounts</i> ”.
Asset Sale	The Issuer will be required to offer to purchase the Notes with excess proceeds, if any, following certain asset sales at a purchase price equal to 100% of the principal amount of the Notes, and accrued and unpaid interest and additional amounts, if any, to the date of purchase. See “ <i>Description of Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock</i> ”.
Change of Control	Upon the occurrence of certain change of control events, the Issuer will be required to offer to repurchase the Notes at a purchase price equal to 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of the purchase. See “ <i>Description of Notes—Change of Control</i> ”.
Restrictive Covenants	The Indenture governing the Notes and the Guarantees will, among other things, restrict the ability of Zhaikmunai L.P. and its restricted subsidiaries (including the Issuer) to: • borrow additional money; • pay dividends, redeem or repurchase share capital or make other distributions; • make principal payments on or redeem or repurchase indebtedness that is junior to the Notes or the Guarantees; • make certain investments; • create liens; • guarantee additional indebtedness; • create restrictions on restricted subsidiaries’ ability to pay dividends or other amounts to Zhaikmunai L.P. or its restricted subsidiaries; • enter into transactions with affiliates; • sell assets or consolidate or merge with or into other companies; or • impair the security interests for the benefit of the holders of the Notes. Each of the covenants is subject to significant exceptions and qualifications.
Form of Denomination	The Notes will be issued only in registered form and in denominations of US\$150,000 and integral multiples of

	US\$1,000 in excess of US\$150,000. Notes in denominations of less than US\$150,000 will not be available.
Transfer Restrictions	The Notes and the Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and will not be registered. The Notes are subject to restrictions on transferability and resale. See “ <i>Transfer Restrictions</i> ”. Holders of the Notes will not have the benefit of any registration rights.
No Prior Market	The Notes will be new securities for which there is no market. Although the Initial Purchasers have informed the Issuer that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, the Issuer cannot assure you that an active trading market for the Notes will develop or be maintained.
Substitution	On or subsequent to the issue date, Zhaikmunai LLP may elect to undertake, upon satisfaction of certain conditions, a substitution of the Issuer, whereupon Zhaikmunai LLP will assume all the obligations of the Issuer under the Notes (the “Substitution”). As of the date of this Offering Memorandum, there is no certainty when the Substitution will occur or whether it will occur at all. The provisions in this Offering Memorandum concerning the Substitution are included solely to describe the changes which would occur should Zhaikmunai LLP, in its discretion, elect to substitute itself for the Issuer as the issuer at some point in the future. See “<i>Summary—The Substitution</i>” and “<i>Description of Notes—Certain Covenants—Substitution</i>”. In the event that, pursuant to the terms of the Indenture, the Substitution occurs such that Zhaikmunai LLP is substituted for the Issuer as issuer of the Notes, the Proceeds Loan will be assigned or novated to Zhaikmunai LLP and the pledge over the Proceeds Loan shall thereupon be terminated. In this event, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees.
Listing	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and be admitted to trading on the Euro MTF Market in accordance with the rules of that exchange.
Governing Law of the Indenture, Notes and Guarantees	New York.
Governing Law of the Security Documents	English with respect to the pledge of the Proceeds Loan and the Netherlands with respect to the pledges over the shares of the Issuer and FvdS.
Trustee	Citibank N.A.
Principal Paying Agent, New York Paying Agent and Transfer Agent . . .	Citibank N.A.
Registrar	Citigroup Global Markets Deutschland AG.

Listing Agent, Luxembourg Transfer
Agent and Luxembourg Paying Agent Dexia Banque Internationale à Luxembourg *société anonyme*.
Collateral Agent Capita Trust Company Limited.

Risk Factors

Investing in the Notes involves substantial risks and uncertainties. Please see the “*Risk Factors*” section for a description of certain of the risks you should carefully consider before investing in the Notes.

Summary of Financial Information and Operating Data

The tables below provide summary historical financial information in respect of Zhaikmunai L.P. for the six months ended 30 June 2010 and 2009 and the years ended 31 December 2009, 2008 and 2007. The summary historical financial information has been extracted without material adjustment from the unaudited condensed consolidated financial statements of Zhaikmunai L.P. and its subsidiaries for the six months ended 30 June 2010, the audited consolidated financial statements in respect of Zhaikmunai L.P. and its subsidiaries for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements.

Investors should read the whole of this Offering Memorandum and not rely solely on this summarised information.

Income Statement Data

	Year ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
				(unaudited)	
	(US\$ millions)				
Sales of crude oil	116.033	135.912	108.490	74.654	44.680
Cost of sales	(44.035)	(44.610)	(37.401)	(20.733)	(18.705)
Gross profit	71.998	91.302	71.089	53.921	25.975
General and administrative expenses	(29.726)	(20.299)	(12.542)	(13.671)	(14.184)
Selling and oil transportation expenses	(5.692)	(24.212)	(6.793)	(3.505)	(2.847)
Gain/(loss) on hedging contract . . .	(16.909)	64.780	—	(0.060)	(15.433)
Interest income	0.060	0.604	—	0.058	—
Finance costs	(7.801)	(13.171)	(6.841)	(0.654)	(3.498)
Foreign exchange gain/(loss)	(2.184)	(1.527)	6.247	0.126	(12.624)
Other income/(expense)	(0.906)	1.189	0.820	(0.395)	(0.234)
Profit before income tax	8.840	98.666⁽¹⁾	51.980	35.820	(22.845)
Income tax benefit/(expense)	(27.608)	(35.188)	(15.650)	(16.243)	2.744
Net income/(loss)	(18.768)	63.478	36.330	19.577	(20.101)
Other comprehensive income:					
Exchange difference on translation to presentation currency	—	(0.702)	—	—	—
Total comprehensive income/(loss) for the year	(18.768)	62.776	36.330	19.577	(20.101)

(1) Profit before income tax for 2008 includes a significant hedging gain of US\$64.8 million.

Cash Flow Data

	Year ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
	(unaudited)				
	(US\$ millions)				
Net cash flow from operating activities	45.934	44.223 ⁽¹⁾	48.233	24.672	13.836
Net cash used in investing activities	(200.673)	(195.196)	(173.105)	(71.316)	(24.918)
Net cash provided by/(used in) financing activities	279.418	155.627 ⁽²⁾	129.166	(16.586)	39.391

(1) The total amount of net cash flow from operating activities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$45.819 million (as compared to US\$44.223 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference

(US\$1.596 million) is due to the reclassification of hedging income of US\$1.596 million from net cash flow generated from operating activities to net cash flow from financing activities.

- (2) The total amount of net cash flow by/(used in) financing activities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$175.109 million (as compared to US\$155.627 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$19.482 million) is due to the transfer of the restricted cash of US\$21.078 million less a hedging income of US\$1.596 million from current assets to non-current assets.

Balance Sheet Data

	As at 31 December			As at 30 June
	2009	2008	2007	2010
				(unaudited)
	(US\$ millions)			
ASSETS				
Non-current assets				
Property, plant and equipment	770.953	513.491	289.533	864.952
Hedging contract at fair value	0.098	62.923	—	0.038
Restricted cash	21.358	—	—	21.486
Advances for equipment and construction works	27.399	75.385	70.475	21.259
	819.808	651.799	360.008	907.735
Current assets				
Restricted cash	—	21.078	—	—
Inventories	3.477	3.589	2.496	7.447
Trade receivables	13.878	1.084	9.530	4.133
Prepayments and other current assets	22.663	28.081	14.351	18.009
Income Tax Prepayment	5.599	5.386	—	9.040
Cash and cash equivalents	137.375	11.887	7.360	74.192
	182.992	71.105	33.737	112.821
Total assets	1,002.800	722.904	393.745	1,020.556
EQUITY AND LIABILITIES				
Partnership capital and reserves				
Partnership capital	366.942	92.072	—	366.942
Retained earnings and translation reserve	110.827	129.595	66.819	130.404
	477.769	221.667	66.819	497.346
Non-current liabilities				
Long-term borrowings	356.348	—	203.982	359.817
Derivative financial instrument	—	—	—	—
Share option plan at fair value	7.025	0.516	—	5.992
Abandonment and site restoration liabilities	3.373	3.411	1.299	3.777
Due to Government of Kazakhstan	6.363	6.330	6.317	6.323
Deferred tax liability	76.659	56.940	26.191	87.959
	449.768	67.197⁽¹⁾	237.789	463.868
Current liabilities				
Trade payables	66.381	60.953	36.066	51.219
Current portion of long term borrowings	—	365.439	45.521	—
Current portion of Due to Government of Kazakhstan	1.028	1.031	2.062	1.017
Other current liabilities	7.854	6.617	5.488	7.106
	75.263	434.040⁽²⁾	89.137	59.342
Total equity and liabilities	1,002.800	722.904	393.745	1,020.556

- (1) The total amount for non-current liabilities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$66.681 million (as compared to US\$67.197 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$0.516 million) is due to the reclassification of the share option plan at fair value as a non-current liability from a current liability.

- (2) The total amount for current liabilities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$434.556 million (as compared to US\$434.040 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$0.516 million) is due to the reclassification of the share option plan at fair value as a non-current liability from a current liability.

Financial Data

	Twelve month period ended 30 June 2010
Total debt (US\$ millions)	381.677
Net debt ⁽¹⁾ (US\$ millions)	288.407
EBITDA ⁽²⁾ (US\$ millions)	84.872
Total debt/EBITDA	4.5x
Net debt/EBITDA	3.4x
Adjusted interest expenses ⁽³⁾ (US\$ millions)	27.449
EBITDA/Adjusted interest expenses	3.1x
Revenue (US\$ millions)	146.007
Revenue/Net debt	0.5x
Total debt/Equity⁽⁴⁾	0.8x

- (1) Net debt comprises total debt of US\$381.677 million less cash and cash equivalents of US\$93.270 million. Cash and cash equivalents include cash or cash equivalent at 30 June 2010 of US\$74.192 million plus restricted cash of US\$21.486 million less cash relating to the liquidation fund of US\$2.408 million. The restricted cash required under the Syndicated Facility of US\$19.078 million (US\$21.486 million less cash relating to the liquidation fund of US\$2.408 million) will be released upon the refinancing of the Syndicated Facility. The Group had cash and cash equivalents of US\$84.512 at 31 August 2010 (including restricted cash required under the Syndicated Facility of US\$19.084 million and cash relating to the liquidation fund of US\$2.517 million).
- (2) See “—Other Financial and Operating Data”.
- (3) Adjusted interest expenses represent interest expensed and capitalised relating to the Syndicated Facility less loan review fees and amortisation of arrangement fees relating to the Syndicated Facility.
- (4) Equity means partnership equity and capital reserves which amounted to US\$497.346 million as of 30 June 2010.

Other Financial and Operating Data

	Year ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
EBIT ⁽¹⁾⁽²⁾ (US\$ millions)	42.243	49.100	52.574	35.375	9.977
EBITDA ⁽¹⁾⁽³⁾ (US\$ millions)	58.858	57.145	58.700	43.353	17.339
Crude oil production (bbl per day)	7,442	5,095	5,063	7,261	7,271
Average realised price for crude oil sales (US\$/per barrel)	46.81	82.53	58.71	77.85	51.62

- (1) As presented in this Offering Memorandum, “EBITDA” means earnings before finance costs, taxation, foreign exchange loss, losses and unrealised gains on hedging contracts, employee share option plan, depreciation and amortisation, and “EBIT” means earnings before finance costs, taxation and foreign exchange loss, losses and unrealised gains on hedging contracts and employee share option plan. EBITDA and EBIT are supplemental measures of the Group’s performance and liquidity that are not required by or presented in accordance with IFRS. Furthermore, EBITDA and EBIT should not be considered as alternatives to net income, profit before income tax or as cash flow from operating activities as a measure of the Group’s profitability or liquidity or as a measure of cash available to the Group to invest in the growth of its business.

Although Zhaikmunai L.P. does not currently employ EBITDA as a measure for internal valuations, Zhaikmunai L.P. presents EBITDA in this Offering Memorandum because Zhaikmunai L.P. believes it is frequently used by securities analysts, investors and other interested parties in evaluating similar issuers, most of which present EBITDA when reporting their results. Zhaikmunai L.P. presents EBIT because Zhaikmunai L.P. believes that it provides a useful measure for evaluating its ability to generate cash and its operating performance due to the costs it incurs for depreciation. Nevertheless, EBITDA and EBIT have limitations as analytical tools and they should not be considered in isolation from, or as a substitute for, analysis of Zhaikmunai L.P.’s results of operations. As a measure of performance, EBITDA and EBIT present some limitations for the following reasons:

- they do not reflect the Group’s cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Group’s working capital needs;

- they do not reflect gains or losses in hedging or foreign exchange contracts;
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on the Group's debt;
- they do not capture differences in income taxes, which may be significant even for companies operating in the same sector or country;
- in the case of EBITDA, although depreciation and amortisation are non-cash charges, the assets being depreciated will often have to be replaced in the future and EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently from the way we do, limiting its usefulness as a comparative measure.

(2) The following table provides a reconciliation of EBIT to profit before income tax for the periods indicated:

	Year ended 31 December			Six month ended 30 June	
	2009	2008	2007	2010	2009
	(US\$ millions)			(US\$ millions)	
Profit before income tax	8.840	98.666 ⁽⁴⁾	51.980	35.820	(22.845)
Add back:					
Finance costs	7.801	13.171	6.841	0.654	3.498
Foreign exchange loss/(gain)	2.184	1.527	(6.247)	(0.126)	12.624
Loss/(gain) on hedging contract	16.909	(64.780)	0	0.060	15.433
Employee share option plan	6.509	0.516	0	(1.033)	1.267
EBIT	42.243	49.100	52.574	35.375	9.977

(3) The following table provides a reconciliation of EBITDA to profit before income tax for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
	(US\$ millions)			(US\$ millions)	
Profit before income tax	8.840	98.666	51.980	35.820	(22.845)
Add back:					
Finance costs	7.801	13.171	6.841	0.654	3.498
Foreign exchange loss/(gain)	2.184	1.527	(6.247)	(0.126)	12.624
Loss/(gain) on hedging contract	16.909	(64.780)	0	0.060	15.433
Employee share option plan	6.509	0.516	0	(1.033)	1.267
Depreciation	16.615	8.045	6.126	7.978	7.362
EBITDA	58.858	57.145	58.700	43.353	17.339

Oil and Gas Reserves

The following table sets forth Zhaikmunai's gross proved, probable and possible hydrocarbon reserves at the Chinarevskoye Field based on data included in the Ryder Scott Reports.

Gross Reserves	As at 1 July 2009	As at 1 July 2008	As at 1 July 2007
<i>Proved</i>			
Crude oil and condensate (mmbbl)	58.5	54.4	56.3
<i>Developed</i>	30.2	17.0	16.1
<i>Undeveloped</i>	28.3	37.4	40.3
Plant products (mmbbl)	21.1	20.2	20.5
<i>Developed</i>	10.0	5.6	3.3
<i>Undeveloped</i>	11.1	14.6	17.2
Gas (mmboe) ⁽¹⁾	59.5	58.8	59.9
<i>Developed</i>	28.2	16.8	8.6
<i>Undeveloped</i>	31.3	42.0	51.3
Total (mmboe)⁽¹⁾	139.1	133.4	136.7
<i>Probable</i>			
Crude oil and condensate (mmbbl)	153.5	162.7	104.8
Plant products (mmbbl)	58.1	59.0	36.9
Gas (mmboe) ⁽¹⁾	176.0	179.5	118.8
Total (mmboe)⁽¹⁾	387.6	401.2	260.5
<i>Possible</i>			
Crude oil and condensate (mmbbl)	275.9	275.9	149.5
Plant products (mmbbl)	74.5	74.5	53.2
Gas (mmboe) ⁽¹⁾	205.9	206.0	156.0
Total (mmboe)⁽¹⁾	556.3	556.4	358.7

(1) Management has converted the dry gas reserves data from cubic feet to boe of dry gas and excluded the gas flared in 2008 and 2009. See "Presentation of Financial, Reserves and Other Information—Presentation in this Offering Memorandum".

For a more detailed analysis of our reserves, see Annex I of this Offering Memorandum.

The Substitution

The Issuer, a newly-incorporated private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), is a wholly owned subsidiary of Frans van der Schoot B.V. ("FvdS"). At any time following the closing of this offering of Notes, Zhaikmunai LLP may elect to undertake, upon satisfaction of certain conditions, to be substituted for the Issuer as issuer of the Notes, whereupon Zhaikmunai LLP will assume all the obligations of the Issuer under the Notes (the "**Substitution**"). See "Description of Notes—Certain Covenants—Substitution".

Upon completion of the Substitution, all the obligations of the Issuer under the Notes will be assumed by Zhaikmunai LLP, the Proceeds Loan will be assigned or novated to Zhaikmunai LLP and the pledge over the Proceeds Loan will be terminated. In this event, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees. Immediately prior to, and in order to facilitate, the Substitution, Zhaikmunai LLP will likely acquire 100% of the share capital of the Issuer such that the Issuer will become a direct wholly-owned subsidiary of Zhaikmunai LLP. See "Description of Notes—Certain Covenants—Substitution" for full details regarding the conditions to the Substitution.

As of the date of this Offering Memorandum, there is no certainty when the Substitution will occur or whether it will occur at all. The provisions in this Offering Memorandum concerning the Substitution are included solely to describe the changes which would occur should Zhaikmunai LLP, in its discretion, elect to substitute itself for the Issuer as the issuer of the Notes at some point in the future.

Recent Developments

Production

Production volumes during July and August 2010 were 573,748 bbls, an increase of 30.6% from production of 439,400 bbls in the same period in the previous year. Gas production during July and August 2010 was approximately 1,108.9 million standard cubic feet (compared with 677.2 million standard cubic feet for the same period in 2009). Average daily crude oil production during July and August 2010 was 9,254 bpd (compared with 7,087 bpd for the same period in 2009).

Capital expenditure and construction and engineering projects

The focus of the Group's construction activity in the first half of 2010 was on the Gas Treatment Facility. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when the Working Commission issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission which is expected to occur no later than 31 December 2010. See "*Business—Gas Treatment Facility*" for full details regarding the status of the Gas Treatment Facility.

Gas Treatment Facility Operation and Maintenance Agreement

Zhaikmunai LLP has been in discussions with an international oil and gas services company to enter into an operation and maintenance agreement for the Gas Treatment Facility under which such company will be responsible for the operations and maintenance of all plant and associated equipment at the Gas Treatment Facility for a term of 36 months following the operations commencement date. Final terms for this contract are yet to be agreed. See "*Business—Contracts Material to our Business—Gas Treatment Facility Operation and Maintenance Agreement*".

Delivery to new destination

In June and July this year, the Group made its first deliveries of crude oil through the Black Sea port of Feodosia (Ukraine). A total of 233,444 bbl was transported by rail FOB (free on board) Feodosia, Ukraine where it was loaded on a tanker. As such, the Group has successfully tested a new destination that it can use for its future crude and condensate production.

Gas Flaring Permits

Zhaikmunai holds two gas flaring permits to flare associated gas which were due to expire on 30 September 2010 and which the Competent Authority has agreed to extend until 31 December 2010.

Other Key Developments

On 9 September 2010, following approval from the competition authorities, Claremont sold 50,000,000 GDRs, representing approximately 27% of the issued Common Units, to KazStroyService Global B.V. ("**KSS Global**"), an Affiliate of KSS, the company which has constructed Zhaikmunai's Gas Treatment Facility in the Chinarevskoye Field in Kazakhstan. Each GDR represents one Common Unit. Following completion of the transfer, KSS Global held these GDRs as part of the free float. Claremont has agreed in connection with its sale of 50 million GDRs to KSS Global that it will take reasonable steps, including voting as a limited partner in any general meeting of the limited partners, to procure that an individual nominated by KSS Global (or two individuals if the size of the Board of the General Partner is increased to nine directors) is appointed to the Board of the General Partner. Of the 55 million GDRs held by Claremont, 23,809,524 are subject to transfer to Dehus Dolmen Nominees, an Affiliate of Baring Vostok Capital Partners, in the event that the transfer rights agreed between Claremont and Dehus Dolmen Nominees are exercised. Claremont currently owns 20 million Common Units and 55 million GDRs representing approximately 40.54% of Zhaikmunai L.P.'s issued Common Units (directly or in the form of GDRs) and in the event that the transfer rights agreed between the parties are exercised and if the transfer of 23,809,524 GDRs to Dehus Dolmen Nominees takes place, Claremont will own 27.7%, of the Common Units of Zhaikmunai L.P. (either directly or in the form of GDRs). See also "*Significant Holders of Limited Partnership Interests and Common Units*".

RISK FACTORS

You should consider carefully the following information about these risks, together with the other information contained in this Offering Memorandum. If any of the following risks actually occur, our business, prospects, financial condition and results of operations could be materially and adversely affected. Additional risks or uncertainties not presently known to us, or that we currently believe are immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below will not occur and if such events do occur, you may lose all or part of your original investment in the Notes.

Risk Factors Relating to the Group's Business

The Group only has rights to explore and extract oil and gas within the Chinarevskoye Field and its sole source of revenue comes from this right.

Zhaikmunai conducts its operations in the Chinarevskoye oil and gas condensate field (the “**Chinarevskoye Field**”) pursuant to a subsoil use licence (the “**Licence**”) which is part of an associated production sharing agreement (“**PSA**”) which expires in 2031 (with respect to the Tournaisian Field) and 2033 (for the rest of the Chinarevskoye Field). Zhaikmunai's activities in the Licence area are the Group's sole source of revenue and Zhaikmunai began commercial production only in January 2007. The Group does not hold, nor does it currently have plans to acquire, any other rights to extract crude oil or hydrocarbons elsewhere in Kazakhstan or abroad. As a result, the Group's success depends solely on the success of its activities in the Licence area. Any event that adversely interferes with the Group's ability to conduct its operations in the Chinarevskoye Field could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and may lead to termination of the PSA and revocation of the Licence. Any disruption in activities under the PSA and the Licence or termination of the PSA or revocation of the Licence would result in a complete disruption of revenue streams for Zhaikmunai, which would materially adversely affect the payment of interest to holders of the Notes and repayment of principal.

The Group's future hydrocarbon production profile is based on the Gas Treatment Facility operating at full or near-full capacity. If the Gas Treatment Facility is not operating at full or near-full capacity, this may result in a reduction or suspension of the Group's production of hydrocarbons.

The Group has built the first phase of its Gas Treatment Facility with two gas treatment units for full utilisation of the associated gas produced by the Group, which is essential for its continued crude oil production, and the treatment of gas condensate to produce dry gas, condensate and LPG for sale. The Gas Treatment Facility has been built by KSS. Pre-commissioning works for the completion of the Gas Treatment Facility started in June 2010. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when a working commission composed of representatives from Zhaikmunai, KSS, general project designer NipiNeftiGaz and seven governmental authorities of the Republic of Kazakhstan (the “**Working Commission**”) issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Black Start or “gas in” is the moment the plant is filled with natural gas from the gas pipeline to which, after commissioning, treated gas will be delivered by the Gas Treatment Facility. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission (the competent body authorised to confirm that permanent operations can commence) which is expected to occur no later than 31 December 2010.

Historically, prior to the completion of the Gas Treatment Facility, Zhaikmunai has flared associated gas pursuant to gas flaring permits (“**Gas Flaring Permits**”) granted by the competent authority formerly known as the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan and recently re-organised into the Ministry of Oil and Gas of the Republic of Kazakhstan (the “**Competent Authority**”). Once the Gas Treatment Facility is operational Zhaikmunai will no longer need to flare associated gas. Zhaikmunai's Gas Flaring Permits were due to expire on 30 September 2010, however the Competent Authority has agreed to extend these until 31 December 2010. Zhaikmunai does not intend to further extend its Gas Flaring Permits. Should the Gas Treatment Facility cease to be operational due to operational risks or hazards, the Group would have to apply for new Gas Flaring Permits from the Competent Authority in order to flare associated gas and there can be no guarantee that these would be

issued. If no such permits are issued, the Group might have to reduce or suspend its production activities as production levels will be based on the assumption of a fully operational Gas Treatment Facility which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations. See “—*The Group faces drilling, exploration and production risks and hazards that may affect the Group's ability to produce crude oil at expected levels, quality and costs*”.

Management expects a gas off-take contract to be finalised by the time the Gas Treatment Facility is operational. Failure to complete the Gas Treatment Facility and to finalise a gas off-take contract in line with management's expectations could result in a suspension in oil production by the Group, delayed commercial production of gas, condensate and LPG and/or significant fines (e.g. ten times the usual fines paid for permitted flaring) for continued oil production and a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Any failure relating to the Gas Treatment Facility which leads to a suspension or reduction of production activities would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group may be unable to raise additional financing when necessary from time to time; this would adversely affect its ability to pursue its business strategy.

The Group may from time to time require additional equity or debt financing to satisfy its capital investment commitment and liquidity needs. The Group's ability to arrange financing and the cost of financing generally depend on many factors, including:

- economic and capital markets conditions generally, and in particular the non-investment grade debt market;
- investor confidence in the crude oil and gas industry, in Kazakhstan and in the Group;
- the business performance of the Group;
- regulatory developments;
- credit available from banks and other lenders; and
- provisions of tax and securities laws that are conducive to raising capital.

The terms and conditions on which future funding or financing may be made available may not be acceptable or funding or financing may not be available at all. If additional funds are raised by incurring debt, the Group may become more leveraged and subject to additional or more restrictive financial covenants and ratios. The Group's inability to procure future financing would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's significant leverage may, among other things, make it difficult for it to service its debt and operate its business.

The Group currently uses and plans to continue to use debt financing for Zhaikmunai's future operations and projects. As at 30 June 2010, after giving pro forma effect to this offering (including the application of proceeds therefrom), the Group would have had US\$450 million in borrowings (not including the impact under IFRS of any issuance costs). See “*Capitalisation*”. As a result, the risks normally associated with debt financing may affect the Group's business, prospects, financial position and operating results. For example, the Group's substantial leverage could:

- make it more difficult for the Group to satisfy its debt;
- require the Group to dedicate a substantial portion of its cash flows from operations to payments on its debt, which may reduce the funds available for working capital, capital expenditures and other general corporate purposes;
- limit the availability of credit under hedging contracts, which may make it more challenging for the Group to enter into new hedging arrangements;
- increase the Group's vulnerability in the event of general and/or industry-specific adverse economic conditions; and

- limit the Group's ability to borrow additional funds or increase the cost of any such borrowing, particularly due to the financial and other restrictive covenants contained in the agreements governing its debt.

In addition, if principal payments due at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as debt capital or by issuing additional Common Units in Zhaikmunai L.P., then the Group's cash flow may not be sufficient to repay all maturing debt.

In addition, prevailing interest rates or other factors at the time of refinancing, such as the possible reluctance of lenders to make commercial loans in Kazakhstan, could also result in higher interest rates and the increased interest expense would adversely affect the Group's ability to service debt and to complete its capital expenditure programme.

The Group relies on transportation systems owned and operated by third parties which may become unavailable. The Group may be unable to access these or alternative transportation systems.

The Group does not currently have the capacity to transport its crude oil production for export independently. Although the Group's crude oil production is currently transported from the Chinarevskoye Field to export markets via a crude oil pipeline owned by the Group to the Group's rail loading terminal in Rostoshi near Uralsk, it relies on third parties to transport its oil to its ultimate customers by railcar. The same transportation arrangements will be used for condensate in the future. In addition, the Group will need to put in place arrangements for the transportation of its future gas, butane and propane production, which facilities will also require infrastructure owned by third parties.

Rail

Once the Group's crude oil is delivered to the Group's oil loading rail terminal, it is then sent by rail to oil refineries in Finland and the Ukraine. The Group's crude oil production has typically been delivered on a FCA (free carrier) Uralsk basis and one or more oil trader(s) who have contracted to purchase the Group's production arrange the method of transportation via rail from Uralsk to Finland and the Ukraine. Although the cost of transportation is incurred by the relevant purchasing oil trader, this cost is reflected in the price that the Group receives for its production (the "Netback"). Accordingly, costs associated with transporting oil production to its ultimate purchaser will have an effect on the revenues that the Group receives. Zhaikmunai recently started to sell its crude oil on the basis of DAF (delivery at frontier) and FOB (free on board) terms in order to reduce its overall transportation costs. Condensate will either be mixed with crude oil at the field and transported with the Group's crude oil by rail or transported separately.

The availability of sufficient rail cars, which in Kazakhstan are owned by JSC National Company Kazakhstan Temir Zholy ("KTZ") or leased and owned by private operators, affects the cost of transport and therefore the Netback received by the Group. Insufficient or costly rail cars could have an adverse effect on the Netback received by the Group and therefore have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The viability of rail as a transport method for the Group depends heavily on Russia's transportation infrastructure since the rail cars must use the Russian railway system. Any factors which result in increased railway transportation costs in Russia could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Any reduction or cessation in the availability of rail infrastructure, whether due to serious malfunctions, security issues, political developments or other force majeure events, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Transportation of dry gas, butane and propane

The Group's gas production is currently flared in accordance with the Gas Flaring Permits. The Group anticipates that once the Gas Treatment Facility is completed and operational, the Group's future dry gas production will be transported via its 17 kilometre gas pipeline (which is completed and will be commissioned along with the rest of the Gas Treatment Facility) linking the Chinarevskoye Field to the Orenburg—Novoposkov gas pipeline which will be the point of sale to the gas offtaker. As there is no alternative route for the transportation of dry gas from the Chinarevskoye Field, if the Group is unable to agree favourable terms for the sale of its dry gas with an offtaker, such as KazRosGaz (a joint venture between KazMunaiGaz and Gazprom), the Group will have to sell its gas production at the local market

which may be at unfavourable prices. This could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group expects that its future LPG production will be transported via trucks to a third-party rail terminal in Uralsk for onward delivery by rail to its expected final markets in Eastern Europe and the Black Sea region. As the Group does not own its own fleet of trucks for the transportation of LPG, the Group has entered into transport arrangements with third-party contractors. If the third-party contractors breach or do not honor their obligations under the transport arrangements, Zhaikmunai may not be able to produce or supply LPG as anticipated. In addition, similar to transportation for the Group's crude oil and condensate production, onward transportation of the Group's LPG production will depend on the Russian rail system and the availability of rail cars, the risks associated with which are similar to those described above in relation to transportation of crude oil. Failure to obtain adequate transportation for its LPG production could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group requires significant water supplies in order to conduct its business and failure to obtain such water may adversely affect its business.

Normal drilling operations and exploration activities, and the use of water injection techniques in the Group's crude oil reservoirs, require access to significant supplies of water. The Group currently extracts water pursuant to a water use permit issued on 28 August 2008 (the "**Water Use Permit**") which is valid until August 2030 with certain limitations on the amounts of water that can be used. The Water Use Permit can be withdrawn if the terms of special water use specified in the Water Use Permit are breached. Such terms include monitoring the quality of underground water, submitting statistical reports and monitoring reports, complying with requirements relating to water protection during mining operations and regular checking of equipment. As the Group's production increases, the amount of water required by the Group for its operations will also increase, which will require the Group to apply for additional permits to access additional water sources. The Group's current Water Use Permit allows the Group to use around half of the anticipated requirements of the Group when it reaches full production capacity. The Group intends to apply for further Water Use Permits at an appropriate time. In the event the Group ceases to have access to the necessary amount of water, if the level of water available to it is curtailed or if the Group fails to obtain further Water Use Permits, the Group's ability to pursue its drilling and oil production activities may be materially and adversely affected, which would have a material adverse effect on its business, prospects, financial condition and results of operations. For more information on Water Use Permits, please see "*Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan—Water permits*".

The proportion of crude oil and gas production that must be shared with the State, as well as the Group's royalty payments to the Government, may increase.

Under the terms of the PSA and the Licence, the Group is required to deliver a share of its monthly production to the State (or make a payment in lieu of such delivery). The share to be delivered to the State increases as annual production levels increase. Pursuant to the PSA as currently in effect, the Group is currently able to effectively deduct a significant proportion of production from the sharing arrangement (known as Cost Oil) that it would otherwise have to share with the State. Cost Oil reflects the capital expenditures incurred by the Group in relation to its petroleum operations. Management expects that the capital expenditures necessary for Zhaikmunai's operation will decrease significantly following completion of its current planned development projects, as well as entry into the production phase of the PSA. Accordingly, the amount of crude oil production that may be deducted from the sharing arrangement is expected to similarly decrease, in which case the proportion of production subject to the Government's share (known as Profit Oil) will increase.

In addition, under the PSA, as the level of crude oil and gas produced by the Group increases, the royalty rate payable to the State will also increase. Increases in production will therefore result in a proportionately higher monthly royalty payment being made to the State. Significant increases in the proportion of crude oil and gas production that the Group must share with the State and in royalty payments to the State could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's planned development projects are subject to risks related to cancellation, delay, non-completion and cost overruns which could result in a reduction or suspension of the Group's production of hydrocarbons.

An important element of the Group's growth strategy is to construct new operation facilities. These projects are at various stages of development and are subject to risks of cancellation, delay and non-completion. For example, the Group may experience technical difficulties during construction, testing and commencement of operations that may not be resolved in a timely or cost-effective manner, or at all. The construction of new facilities also depends on the services of certain contractors and the products of a limited range of suppliers. A reduction or cessation of the services of the contractors retained to build these facilities or a shortage in the necessary supplies to complete these facilities, could also result in delays and could inflate the costs associated with these projects.

Further, the Group may experience operational difficulties with these projects due to the limited experience of its employees and/or contractors in the management and operation of such facilities. The Group may also incur cost overruns in connection with completing the projects, which it may not have sufficient financial resources to fund. The construction of these facilities may not be completed as scheduled, or at all.

The failure to complete any of the Group's planned development projects which lead to a reduction or suspension of the Group's production of hydrocarbons or any delays or cost overruns in their development could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group may face unanticipated increased costs.

The crude oil and gas business is a capital-intensive industry. To implement its business strategy, the Group has invested in the construction of its crude oil and gas pipelines, and has invested, and continues to invest, in drilling and exploration activities and infrastructure, including the construction of a Gas Treatment Facility, the expansion of its oil treatment facility and the rail terminal. The Group's current and planned expenditures on such projects may be subject to unexpected problems, costs and delays, and the economic results and the actual costs of these projects may differ significantly from the Group's current estimates. See "*—The Group's planned development projects are subject to risks related to cancellation, delay, non-completion and cost overruns which could result in a reduction or suspension of the Group's production of hydrocarbons*".

The Group relies on oil field suppliers and contractors to provide materials and services in conducting exploration and production. Any competitive pressures on the oil field suppliers and contractors, or substantial increases in the worldwide prices of commodities, such as steel, could result in a material increase in costs for the materials and services required by the Group to conduct its business. The cost of oil field services and goods has increased significantly in recent years and is heavily linked to the price of oil, which mean costs could continue to increase in the future. Future increases could have a material adverse effect on the Group's operating income, cash flows and borrowing capacity and may require a reduction in the carrying value of the Group's properties, its planned level of spending for exploration and development and the level of its reserves. Prices for the materials and services the Group depends on to conduct its business may not be sustained at levels that enable the Group to operate profitably.

The Group may also need to incur various unanticipated costs, such as those associated with personnel, transportation and Government taxes. Personnel costs, including salaries, are increasing as the standard of living rises in Kazakhstan and as demand for suitably qualified personnel for the crude oil and gas industry increases. Additionally, trade unions are active in Kazakhstan, particularly in the crude oil and gas sector. Although there have been no strikes in the history of the Group, industrial action, and the increased costs associated with such action, could occur.

An increase in any of these or other costs could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

The Group cannot accurately predict its future decommissioning liabilities.

The Group, through its operations, has in the past assumed certain obligations in respect of the decommissioning of its field and related infrastructure and is expected to assume additional decommissioning liabilities in respect of its future operations. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provision for and/or underwrite the liabilities relating to such

decommissioning. Although the Group's accounts make a provision for such decommissioning costs, there can also be no assurances that the costs of decommissioning will not exceed the value of the long-term provision set aside to cover such decommissioning costs. It is, therefore, difficult to forecast accurately the costs that the Group will incur in satisfying its decommissioning obligations and the Group may have to draw on funds from other sources to bear such costs.

The Group depends on key members of management, external consultants and service providers and on its ability to retain and hire new qualified personnel and consultants.

The Group depends on the contribution of a number of its key senior management and personnel. For example, the Group depends on the services of Mr Kai-Uwe Kessel, Zhaikmunai L.P.'s Chief Executive for overall management of the Group's business. Mr Kessel has over 25 years of experience in the oil and gas industry.

The Group depends on the extensive contacts and relationships of its executives and Frank Monstrey, the Chairman of the board of directors of the General Partner. Management personnel are provided pursuant to agreements between Zhaikmunai, Probel Capital Management N.V. ("**Probel**"), FvdS and Amersham Oil Limited, each of which are indirectly controlled by Frank Monstrey. The services provided under these agreements are integral to the management of the Group. Key personnel, such as Mr Kessel, may not remain with the Group and these companies may not continue to supply the services of these senior managers to the Group on similar terms, or at all, including due to the effect of the dilution of Claremont's interest in Zhaikmunai L.P. Please see "*Significant Holders of Limited Partnership Interests and Common Units—Partnership Agreement*". The ability of Mr Monstrey to ensure his retention of control of Zhaikmunai L.P. and, through Zhaikmunai L.P., the Group, will depend on certain contractual arrangements with other holders of GDRs and/or Common Units and, therefore, continuing ownership of GDRs and/or Common Units by such holders. The Group is not insured against damage that may be incurred in case of loss or dismissal of the Group's key specialists or managers. The loss of or diminution in the services of one or more of the Group's senior executives or the Group's inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group depends on the services of Zhaikmunai management personnel on issues related to daily business of the Group.

The Group's future success will depend, in part, on its ability to continue to attract, retain and motivate qualified personnel. Competition in Kazakhstan for personnel with relevant expertise is intense due to the relatively small number of qualified individuals. Currently, all Kazakh employers attracting foreign employees must obtain a labour permit for such employees to work in Kazakhstan from regional authorities and the Ministry of Labour and Social Protection of Population of Kazakhstan imposes an annual quota on the number of foreigners who can be given such a permit. The quota is typically too small to permit the desired number of foreign employees and, accordingly, the process of obtaining work permits for foreign employees can be time-consuming and uncertain. Sanctions may also be imposed during the period between applying for and obtaining a work permit, which could include deportation of the individual concerned. While approximately 5% of Zhaikmunai's staff as at 30 June 2010 were non-Kazakhs requiring a work permit, these individuals tend to serve in senior positions. As such, any changes affecting the availability of, or difficulties in obtaining, work permits for these individuals could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Factors critical to retaining the Group's present personnel and to attracting additional highly qualified personnel include the Group's ability to provide competitive compensation arrangements. Wage structures in Kazakhstan, though rising, remain lower than in industrialised nations and it may be difficult to attract and retain experienced and skilled personnel from outside Kazakhstan at wages that are acceptable to the Group. In addition, the Group operates in areas which are subject to extreme temperatures and climate. As such, it is difficult to attract and retain skilled management personnel at affordable rates.

The Group retains external consultants to provide services that are critical to its operations and strategy, such as creating geological models used in exploration and performing hydro-fracturing and other stimulation techniques.

The failure by the Group to retain the services of its existing personnel and the services of specialist external consultants, and to successfully manage its personnel needs generally, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Failure to obtain necessary equipment could materially and adversely affect production.

The Group's drilling and exploration activities rely on specific equipment obtained from third parties, such as drilling rigs. The Group may be unable to obtain the equipment or services it needs from contractors at prices which allow the Group to operate profitably. If the Group is unable to obtain necessary equipment, such as drilling rigs, or if agreements or arrangements that are in place to secure such equipment are not on terms favourable to the Group or are terminated or adversely modified, this would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Harsh climate conditions may affect the lifespan of the Group's assets and the future cost and operation of the Group's facilities.

West Kazakhstan, where the Chinarevskoye Field is located, is subject to extreme temperatures and climate. These temperature fluctuations impose additional stress on buildings and equipment and, as a result, the lifespan of buildings and equipment is not as long as in milder climates. The need to cater to extreme temperatures and climate also imposes additional costs in design, construction and maintenance. Since most of the equipment used by the Group is imported, maintenance costs are high. Supplies of spare parts and replacement parts are not readily or cheaply available and there is a shortage of skilled maintenance personnel to adequately maintain the Group's equipment. As a result, the increased costs of design, construction and maintenance, or delays while replacement equipment and spare parts are delivered to the Chinarevskoye Field, could have an adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is subject to risks related to fluctuations in the US Dollar/Tenge exchange rate.

The crude oil that the Group exports is sold at prices quoted in US Dollars and cash payment to the Group is made in US Dollars. Approximately 20% of the Group's expenses for the year ended 31 December 2009 and the six months ended 30 June 2010 were denominated in Tenge and not indexed to the US Dollar and hence were subject to fluctuations of the US Dollar/Tenge exchange rate. The Group does not maintain any currency hedging arrangements. If the value of the US Dollar falls against the Tenge, then the Group will have less Tenge available to pay its Tenge expenses and its results will be affected.

In addition, Russian rail tariffs are priced in Swiss francs and Kazakh rail tariffs are priced in Tenge, whereas Zhaikmunai's oil prices are quoted and settled in US Dollars. Consequently, if the US Dollar depreciates or appreciates against the Swiss franc or the Tenge, Zhaikmunai's Netback is reduced or increased, respectively.

Fluctuations in such exchange rate could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group faces potential conflicts of interest.

The Group has engaged in, and may continue to engage in, transactions with related parties that could give rise to conflicts of interest. For example, the Group has engaged in transactions with companies controlled by and/or related to Frank Monstrey, the Chairman of the board of directors of the General Partner who indirectly controls a majority of the Common Units through his indirect control of Thyler and its Affiliates, including management services agreements with the Group and with companies which may become affiliates in future. Conflicts of interest may continue to arise and we may not satisfactorily resolve any actual or potential conflict in the future. For example, following completion of the sale of GDRs to KSS Global, KSS Global became a substantial holder of Common Units. Future contracts with KSS or its Affiliates may now give rise to a conflict of interest. See “—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates”, “Management and Corporate Governance—Board Structure, Practices and Committees of the General Partner—Conflicts of Interest and Fiduciary Duties” and “Related Parties and Related Party Transactions—Other”.

The Group's insurance coverage may not be adequate for covering losses arising from potential operational hazards and unforeseen interruptions.

The insurance industry in Kazakhstan is not as developed as in more advanced economies and many forms of insurance protection typically used in more advanced economies, such as business interruption insurance, are unavailable. Kazakh law only requires oil and gas companies to insure against certain limited types of risks, such as employees' health and safety, environmental damage and certain civil

liability, for instance civil liability of owners of objects, activities of which may cause damage to third parties, and vehicle owners' civil liability. As a result of its engagement in extraction and exploration activities, the Group may become subject to liabilities for hazards against which it either cannot obtain insurance, or may elect not to do so because of high insurance premium costs. Losses from uninsured risks may cause the Group to incur costs that could have a material adverse effect on the Group's business, prospects, operating results and financial condition.

As of the date of this Offering Memorandum, Zhaikmunai maintains insurance covering certain risks associated with the operation of its wells and covering the wells in the event of fire, theft, acts of nature and other certain events. Separate cover is also maintained with respect to damage that may be caused by Zhaikmunai to third parties and environmental pollution. These insurance policies are with Kazakh insurance companies. The Group's insurance does not cover business interruption, key-man, terrorism or sabotage insurance. The proceeds of insurance applicable to covered risks may not be adequate to cover increased expenses relating to these losses or liabilities.

Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage which could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

As of the date of this Offering Memorandum, no insurance has been obtained by Zhaikmunai in relation to the Gas Treatment Facility. The insurance contract is expected to be in place in time for full commissioning of the Gas Treatment Facility, following which there will be a meeting with the State Acceptance Commission to obtain the State Acceptance Act. Following receipt of the State Acceptance Act, Zhaikmunai will have the right to seek registration of its title with respect to the Gas Treatment Facility. We believe that the structure, limits and quality of the insurance coverage for the Gas Treatment Facility will be comparable with other facilities of a similar nature located in Kazakhstan. However, if suitable insurance cannot be obtained or the insurance in relation to the Gas Treatment Facility leaves any uninsurable or uninsured risks or has insufficient insurance coverage, this could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

Risk Factors Relating to the Crude Oil and Gas Industry

Any volatility and future decreases in commodity prices could materially adversely affect the Group's business, prospects, financial condition and results of operations.

The Group's business depends heavily on prevailing world crude oil prices. Crude oil sales have been the Group's primary source of revenue and the price of crude oil is affected by a variety of factors beyond the Group's control. Historically, crude oil prices have been highly volatile. For instance, crude oil prices have fluctuated significantly, reaching a high of US\$147 per barrel in July 2008 and dropping to as low as US\$34.04 per barrel in December 2008. By December 2009, prices somewhat recovered to approximately US\$78 per barrel and prices have varied between a low of approximately US\$69 per barrel and a high of approximately US\$87 per barrel in the first half of 2010. The price per barrel was approximately US\$75 as at 30 June 2010. The Group's revenues and net income fluctuate significantly with changes in crude oil prices.

The Group's profitability is determined in part by the difference between the income received for crude oil that the Group produces and its operating costs, as well as costs incurred in transporting and selling its crude oil. Therefore, lower crude oil prices may reduce the amount of crude oil that the Group is able to produce economically or may reduce the economic viability of the production levels of specific wells or of projects planned or in development because production costs would exceed anticipated income from such production. Prices for other commodities such as LPG and condensate are linked to the market price for crude oil and any fluctuations in the market price for crude oil will similarly, but to a lesser extent, affect the Group.

Although the Group entered into hedging contracts in March 2010 covering oil export sales of 4,000 barrels per day running from March 2010 through December 2010 (pursuant to which the floor price for Brent crude oil price is fixed at US\$60 per barrel), these only partially protect the Group against decreases in oil prices from their current levels. These hedging contracts may be terminated upon repayment of the Syndicated Facility and Zhaikmunai may have to pay certain unwinding/termination costs in relation with the termination of such hedging contracts. Any decline in crude oil prices and/or any curtailment in the Group's overall production volumes could result in a reduction in net income, could impair the Group's ability to make planned capital expenditures and to incur costs necessary for the development of the

Group's fields and could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

Prices for crude oil and other commodities are subject to large fluctuations in response to a variety of factors beyond the Group's control, including:

- condition of the world economy and geopolitical events;
- relatively minor changes in the global and regional supply of and demand for crude oil and expectations regarding future supply and demand;
- market uncertainty and speculative activities by those who buy and sell crude oil on the world markets;
- weather, natural disasters and general economic conditions;
- actions of the Organisation of Petroleum Exporting Countries, and other crude oil producing nations, to set and maintain specified levels of production and prices;
- governmental regulation in Kazakhstan and elsewhere;
- political stability in Kazakhstan, neighbouring countries and other oil-producing regions; and
- prices and availability of alternative and competing fuel sources.

Accordingly, the Group may not continue to receive the same prices per tonne for crude oil as it currently receives or historically has received. If prices for the Group's crude oil or other commodities fall below current levels and/or if the Group's overall production volumes are curtailed, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The level of the Group's crude oil and gas reserves, their quality and production volumes may be lower than estimated or expected.

Unless stated otherwise, the crude oil and gas reserves data included in this Offering Memorandum has been derived or extracted from the 2009 Ryder Scott Report, which has been prepared in accordance with the standards established by the PRMS. There are numerous uncertainties inherent in estimating the quantity and the quality of reserves and in projecting future rates of production, including many factors beyond the Group's control. Estimating the amount and quality of crude oil and gas reserves is a subjective process and estimates made by different experts often vary significantly. In addition, results of drilling, testing and production subsequent to the date of an estimate may result in revisions to that estimate. Accordingly, reserves estimates may be different from the quantity or quality of crude oil and gas that is ultimately recovered and, consequently, the revenue derived therefrom could be less than that currently expected. The significance of such estimates depends heavily on the accuracy of the assumptions on which they are based, the quality of the information available and the ability to verify such information against industry standards.

The reserves data contained herein are estimates only and should not be construed as representing exact quantities. These estimates are based on production data, prices, costs, ownership, geological and engineering data, and other information assembled by us, and they assume, among other things, that the future development of the Group's crude oil fields and the future marketability of the Group's crude oil will be similar to past development and marketability. Many of the factors, assumptions and variables involved in estimating reserves are beyond our control and may prove to be incorrect over time, and potential investors in the Notes should not place undue reliance on the forward-looking statements contained herein (including data taken from the 2009 Ryder Scott Report) concerning the Group's reserves or production levels.

We expect our production for 2010 to differ from the estimates for 2010 in the 2009 Ryder Scott Report. This is due to the delay in construction of the Gas Treatment Facility which the 2009 Ryder Scott Report assumes would have been operational by 1 January 2010.

If the assumptions on which the estimates of the Group's reserves of crude oil or gas have been based are wrong, the Group may be unable to produce the estimated levels or quality of crude oil or gas set out in this Offering Memorandum, which would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group may not be able to develop commercially its reserves and resources.

The SPE standards are applied to the Group's reserves and resources. Under SPE standards, probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than proved reserves. Possible reserves may be assigned to areas of a reservoir adjacent to probable where data control and interpretations of available data are progressively less certain. Contingent resources are those deposits that are estimated, on a given date, to be potentially recoverable from known accumulations but that are not currently considered commercially recoverable. The resources may not be considered commercially recoverable by the Group for a variety of reasons, including the high costs involved in recovering the contingent resources, the price of oil at the time and the availability of the Group's resources and other development plans that the Group may have. By contrast, prospective resources are those deposits that are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. The Group's estimates of its possible and probable reserves are uncertain and can change with time and there can be no guarantee that the Group will be able to develop its reserves and resources commercially.

To further increase probable reserves, the Group has started water injection tests in the Tournaisian reservoir to determine the effect on production levels. Water injection is required for the recovery of the probable oil reserves presented in the 2009 Ryder Scott Report. These secondary recovery mechanisms are still in the test phase and therefore, the Group cannot ascertain at this stage whether it will be successful in implementing these water injection techniques and failure to do so may impact upon the Group's ability to reach maximum production capacity. See also, "*—The Group requires significant water supplies in order to conduct its business and failure to obtain such water may adversely affect its business*".

Appraisal and exploration projects do not necessarily result in a profit on the investment or the recovery of costs.

Appraisal and exploration activities are capital intensive and inherently uncertain in their outcome. The Group's future oil and gas appraisal and exploration projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity, or adverse geological conditions.

The Group faces drilling, exploration and production risks and hazards that may affect the Group's ability to produce crude oil at expected levels, quality and costs.

The Group's future success will depend, in part, on its ability to develop crude oil reserves in a timely and cost-effective manner. The Group's drilling activities may be unsuccessful and the actual costs incurred to drill and operate wells, and to complete well workovers, may have an impact on the Group's profits. The Group may be required to curtail, delay or cancel any drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, premature declines in reservoirs, blowouts, uncontrollable flows of crude oil, natural gas or well fluids, pollution and other environmental risks, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. In addition, the Group's crude oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Also, drilling hazards or environmental damage could greatly increase the cost of operations and various field operating conditions may adversely affect the production from successful wells. The occurrence of any of these events could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's production operations are also subject to risks associated with natural catastrophe, fire, explosion, blowouts, encountering formations with abnormal pressure, the level of water cut, cratering and crude oil spills, each of which could result in substantial damage to crude oil wells, production facilities, other property and the environment or in personal injury. Any of these risks could result in loss of crude oil

and gas or could lead to environmental pollution and other damage to the Group's properties or surrounding areas and increased costs.

Should the Gas Treatment Facility cease to be operational due to operational risks or hazards or its entry into full operations be delayed, the Group would have to apply for new Gas Flaring Permits from the Competent Authority in order to flare associated gas as gas flaring permits are not issued unless specific gas flaring is anticipated. Although this is mitigated by the fact that the Gas Treatment Facility has two separate units which can run independently, the Group might still have to flare associated gas, for which new Gas Flaring Permits would be required. There can be no guarantee that these would be issued. If no Gas Flaring Permits were issued, the Group would have to suspend or cease production.

Any of these drilling, exploration and production and operational risks and hazards could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Government has the ability to require the Group to make deliveries of crude oil to domestic refineries and these may be at prices that are materially below international market prices.

According to the PSA, the State has the priority right to purchase up to 50% of hydrocarbons produced by Zhaikmunai calculated after the share of production with the State at prices not exceeding world market prices, as determined by the Kazakh government. In addition, the State has the right under the PSA to request Zhaikmunai to deliver the State's distributed oil and gas in-kind to destinations specified by the State. Also, the State has the right to requisition part or all hydrocarbons owned by Zhaikmunai under the PSA in the event of war, natural disasters or other emergency situations.

Moreover, the Government can require oil producers in Kazakhstan to supply a portion of their crude oil production to domestic refineries to meet domestic energy requirements. Prior to the seventh amendment of the PSA, Zhaikmunai had periodically received requests to deliver crude oil to oil refineries in Kazakhstan and in February 2008 delivered 4,000 tonnes of crude oil to the Atyrau refinery in Kazakhstan. Pursuant to the seventh amendment of the PSA, Zhaikmunai agreed to deliver at least 15% of its annual crude oil production to the domestic market at domestic market prices. As the Atyrau refinery, which is located closest to and can be supplied from the Chinarevskoye Field, has capacity to process the Group's crude oil production, the risk that Zhaikmunai will be compelled by the Government to deliver a portion of its output for purposes of supplying domestic refineries will continue. In July 2009, the Competent Authority also requested that Zhaikmunai supply 15,000 tonnes of LPG to domestic markets annually.

In addition, deliveries to the domestic market depend, among other things, on the contractual terms and conditions agreed with the relevant refineries, such as the Atyrau refinery. Moreover, deliveries to the Atyrau refinery depend on transportation services provided by KTZ, the national railways carrier. In 2008 and 2009, Zhaikmunai experienced certain problems with deliveries to the Atyrau refinery as KTZ on several occasions restricted or prevented such deliveries to be made due to a lack of loading and unloading capacity at the delivery station. Deliveries to the domestic market are therefore dependent on services provided by third parties and may result in Zhaikmunai breaching its delivery obligations to the domestic market under the PSA.

Because domestic prices for these supplies of crude oil may be set substantially below international market prices, if Zhaikmunai supplies crude oil pursuant to a request by the Government it would likely generate substantially less revenue from sales of such supplies than from sales of crude oil on the export market. The PSA does not specify the price at which any such crude oil should be supplied. In the event the Government were to require Zhaikmunai to supply the domestic market with more crude oil than its agreed 15% volume, this could force the Group to reduce its production and result in lost sales and could materially adversely affect the Group's business, prospects, financial condition and results of operations.

The Group may be unable to comply with its obligations under the PSA and the Licence.

The Group's exploration, mining and processing activities depend on the grant, renewal or continuance in force of the PSA, the Licence, other licences, permits, and regulatory approvals and consents, each of which are valid for a limited time period. The PSA, the Licence, such other licences, permits and regulatory approvals and consents may not in the future be granted on terms acceptable to the Group or at all, and may not continue in force. The terms of the PSA and certain other information related to operations of Zhaikmunai are confidential and Zhaikmunai has not sought consent to disclose the terms of the PSA.

In October 2007, Kazakhstan adopted legislation to amend the Old Subsoil Law. These amendments, which came into force on 3 November 2007, provide the Government with the right to initiate reviews of subsurface use contract terms and to unilaterally terminate subsurface use contracts in respect of deposits of “strategic importance”. The Competent Authority has requested that the termination and suspension rights in the Old Subsoil Law mentioned above be incorporated in the PSA; however Zhaikmunai has not agreed to such incorporation. The New Subsoil Law, which was adopted on 24 June 2010, and came into force on 7 July 2010, contains similar provisions. The Chinarevskoye Field is not currently in the list of deposits of strategic importance but no assurance can be given that the Chinarevskoye Field will not be included in such list in future.

Other provisions of Kazakh law provide that fines may be imposed and licences and hydrocarbon contracts may be suspended, amended or terminated if a licence holder fails to comply with its obligations under such documents, including if a licence holder fails to make timely payments of levies and taxes for subsoil use, fails to provide the required geological information or fails to meet other reporting requirements. Failure to comply may also lead to suspension, revocation or termination of such licences and hydrocarbon contracts.

The Group’s operations must be carried out in accordance with the terms of applicable law, the Licence and the PSA (including the Production Permit, the Exploration Permit, the Development Plan, the Gas Flaring Permits, the technological scheme of development of the Licence area and work programmes) and other licences, permits, regulatory approvals and consents. For example, although the PSA requires Zhaikmunai to use only Kazakhstan subcontractors, it has in the past used and expects to continue to use foreign subcontractors, which could prompt a claim for breach of the PSA by the State. In addition, according to the seventh amendment to the PSA, Zhaikmunai agreed to use 40% of Kazakhstan goods, 70% of Kazakhstan works and services and a certain percentage of Kazakhstan personnel. Under the New Subsoil Law, the failure by a subsoil user to remedy more than two breaches of its obligations under a subsoil use contract or project documents within a period of time established in the notice of such breach from the Competent Authority may result in a termination of the relevant subsoil use contract. Recently, the Competent Authority announced it has terminated subsoil use contracts of certain companies due to breaches of Kazakh regulations relating to goods, supplies and services from Kazakh sources. In addition, any antecedent breach under the Licence, the PSA, and other licences, permits, regulatory approvals and consents could result in the Group being ineligible for the permits it needs in the future.

The Competent Authority and the mining authorities have on various occasions in the past, most recently in February 2009 and in February and June 2010, notified Zhaikmunai of purported violations of certain provisions of the PSA and requested information from Zhaikmunai demonstrating its compliance with its obligations under the PSA. Zhaikmunai has responded to all such notices and requests on a timely basis and has provided the requested information, that Zhaikmunai believes demonstrates its compliance with the terms of the PSA, to the relevant authorities. To date such authorities have not taken any further action in relation to such notices following receipt of such information from Zhaikmunai.

However, the views of the Government agencies regarding the development of the Chinarevskoye Field or compliance with the terms of its licences or permits may not coincide with the Group’s views, which might lead to disagreements that cannot be resolved. The Group could also encounter challenges from third parties to the validity of its existing Licence and contracts or any future permits that may be required, which could trigger suspension and subsequent termination of these contracts.

Any suspension, revocation or termination of any of the Licence, the PSA or other material permits could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations.

The Group is obliged to comply with environmental regulations and cannot guarantee that it will be able to comply with these regulations.

The Group’s operations are subject to environmental risks inherent in crude oil and gas exploration and production industries. Compliance with environmental regulations may make it necessary for the Group, at costs that may be substantial, to undertake measures in connection with the storage, handling, transportation, treatment or disposal of hazardous materials and waste and the remediation of contamination.

On 26 March 2009, the Government ratified the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the “**Kyoto Protocol**”). Ratification of the Kyoto Protocol, which is

intended to limit or discourage emissions of greenhouse gases such as carbon dioxide, will have an impact on environmental regulation in Kazakhstan. The effect of such ratification in other countries is still unclear; accordingly, potential compliance costs associated with the Kyoto Protocol are unknown. Nonetheless, the likely effect will be to increase costs for electricity and transportation, restrict emissions levels, impose added costs for emissions in excess of permitted levels, and increase costs for monitoring, reporting and financial accounting. As the Group's business involves incurring certain of these costs, increases in such costs could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The legal framework for environmental protection and operational safety is not yet fully developed in Kazakhstan. Stricter environmental requirements, such as those governing discharges to air and water, the handling and disposal of solid and hazardous wastes, land use and reclamation and remediation of contamination, may be adopted in the near future, and the environmental authorities may move towards a stricter interpretation of existing legislation. The costs associated with compliance with such regulations could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's environmental liabilities currently stem from gas flaring, the disposal of waste water and oil spillage. The costs of environmental compliance in the future and potential liability due to any environmental damage that may be caused by the Group could be material. Moreover, the Group could be adversely affected by future actions and fines imposed on the Group by the environmental protection agencies of the Government, including the potential suspension or revocation of the Licence and termination of the PSA. To the extent that any provision in the Group's accounts relating to remediation costs for environmental liabilities proves to be insufficient, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Although the Group is obliged to comply with all applicable environmental laws and regulations, given the changing nature of environmental regulations, it may not be in compliance at all times. Any failure to comply with these environmental requirements could subject the Group to, among other things, civil liabilities and penalty fees and possibly temporary or permanent shutdown of the Group's operations. In the past, the Government claimed that the operator of the Kashagan oil field (a consortium of international investors) had breached certain provisions of its licence and environmental regulations, and consequently suspended the operator's licence. The New Subsoil Law empowers the Competent Authority to terminate existing subsoil licences in certain circumstances. The PSA and the Licence could be suspended as a consequence of non-compliance with environmental regulations. See “—*Risk Factors Relating to Kazakhstan—The Group is exposed to the risk of adverse sovereign action by the Government*”. Any such suspension or revocation of the Licence, or the costs associated with compliance with such regulations, could materially adversely affect the Group's business, prospects, financial condition and results of operations.

The Group is subject to an uncertain tax environment that may lead to disputes with regulatory authorities.

The PSA provides, in summary, that for the lifetime of the PSA and the Licence Zhaikmunai shall be subject to the tax regime that was in place in Kazakhstan at the time the PSA was signed. In addition, under the PSA, Zhaikmunai is required to share a proportion of its production (in cash or kind), and make royalty payments in addition to certain other payments.

As of 1 January 2009, a new Tax Code became effective and introduced a new tax regime and taxes applicable to subsoil users (including oil mineral extraction tax and historical cost). However, the Tax Code does not supersede the previous tax regime applicable to PSAs entered into before 1 January 2009, which continue to be effective under Article 308 of the Tax Code.

Also, under the seventh amendment to the PSA executed in November 2008, Zhaikmunai agreed, upon the enactment of the Tax Code, to enter into negotiations with the Competent Authority as to the tax regime of the PSA. The seventh amendment was preceded by certain changes of ownership that occurred within the Group in 2008. Such changes required certain authorisations by the State (i.e., Government's waiver of its pre-emptive right of purchase and a prior consent of the Competent Authority) and such authorisations were, in fact, granted, but, on a condition that amendments are introduced to the tax section of the PSA after adoption of the new Tax Code.

The Competent Authority has recently entered into discussions with all subsoil users who are parties to PSAs with the Government, including Zhaikmunai, with regard to potential changes to the tax regime

applicable to such PSAs. Government officials have publicly expressed a desire to remove tax stability provisions from PSAs in cases where such a change is necessary to restore the balance of interests between the parties. While Zhaikmunai believes that such a change would not be justified or appropriate in relation to its PSA, there is no certainty that the Government will share this view. There is currently no indication as to whether the current discussions will result in any change in the tax regime applicable to Zhaikmunai's PSA or what such change, if any, would be.

Despite the stabilisation clauses (providing for general and tax stability) in the PSA, in 2008 Zhaikmunai was required to pay new crude oil export duties introduced by the Government. Despite Zhaikmunai's efforts to prove that the new export duties were not applicable to it under the PSA, the State authorities did not accept this and Zhaikmunai was required to pay export duties. However, during January 2009, the Government revised and established the rate of the export duties at US\$nil per tonne of crude oil. In August 2010, the Government reimposed an export duty at US\$20 per tonne of crude oil. Zhaikmunai has written to the Ministry of Finance and the Ministry of Oil and Gas to state that pursuant to the terms of its PSA it is not subject to such export duty and to protest against application of such duty to it. However, to date, Zhaikmunai has not received any response to such letter from the Ministry of Oil and Gas and the Ministry of Finance continues to seek to compel Zhaikmunai to pay such export duty. Furthermore, it has been reported that such export duty will be increased to US\$40 per tonne of crude oil in January 2011. There can be no certainty that the authorities will not compel Zhaikmunai to pay such export duty notwithstanding the tax stability and general contractual stability provisions of its PSA. Recently the Kazakhstan government has also stated an intention to draft new tax rules to abolish tax exemptions for foreign firms working on large oil and gas projects in Kazakhstan, see *"Risk Factors Relating to Kazakhstan—The Group is exposed to the risk of adverse sovereign action by the Government"*.

Future tax investigations or inquiries could create tax liabilities for the Group or could result in assessments to which the Group believes it is not subject or with which the Group believes it has complied. Tax authorities could conceivably impose material fines, penalties and interest charges that could be challenged unsuccessfully by the Group either with the tax authorities or through the courts. The uncertainty of application, including retroactive application, a reintroduction of export duties taxes and the evolution of tax laws create a risk of additional and substantial payments of tax by the Group, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations. See footnote 22 of the audited consolidated financial statements of Zhaikmunai L.P. and its subsidiaries for 2009 for more detail and footnote 13 of the unaudited condensed consolidated financial statements of Zhaikmunai L.P. and its subsidiaries as at and for the six months ended 30 June 2010.

The Group operates in a highly competitive industry.

The crude oil and gas industry is highly competitive. The Group competes with numerous other participants in the acquisition of subsoil use rights for crude oil and gas exploration and production and properties and access to export transportation routes of crude oil and gas. Competitors include crude oil companies that have greater financial resources, staff and facilities than the Group has. See *"Business—Competition"*. The Group's ability to increase reserves in the future will depend not only on its ability to develop existing properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of crude oil and gas include price, methods and reliability of delivery and availability of imported products. The Group's failure to compete effectively could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risk Factors Relating to Kazakhstan

Risks associated with emerging and developing markets generally.

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets such as Kazakhstan may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one

market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Since the advent of the global economic crisis in 2007, Kazakhstan's economy has been, and may continue to be, adversely affected by market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems outside Kazakhstan or an increase in the perceived risks associated with investing in emerging and developing economies could dampen foreign investment in Kazakhstan and adversely affect the Kazakh economy. The Kazakhstan banking sector has been particularly affected by the lack of availability of international wholesale debt financing, the volatility of deposits and the fact that they have suffered significant losses, all of which led to a destabilisation of the Kazakhstan banking sector. This led to a Government bail-out program in 2009 which led to State support for Kazakhstan's four largest banks (BTA, Alliance Bank, Halyk Bank and Kazkommertsbank). This resulted in new banking legislation which is largely untested and there can be no assurance that this legislation will lead to a recovery of the domestic financial markets or the condition of Kazakhstan banks. This in turn may have further negative effects on the Kazakh economy.

The oil and gas sector in Kazakhstan has recently experienced significant volatility. As oil and gas production and exports, to a large degree, form the foundation of the country's economy, the Kazakh economy is particularly sensitive to fluctuations in the price of oil and gas on the world market. A decline in the price of oil and/or gas could therefore have a significant negative effect on the Kazakh economy. In turn, this could have a direct negative effect on the Group, whose primary source of revenue is crude oil sales. See “—*The Kazakhstan economy is highly dependent on oil exports. Accordingly, the Kazakhstan economy and the Group may be affected by oil price volatility*” and “*Risk Factors relating to the Crude Oil and Gas Industry—Any volatility and future decreases in commodity prices could materially adversely affect the Group's business, prospects, financial condition and results of operations*”.

In addition, ongoing terrorist activity and armed conflicts in the Middle East have also had a significant effect on international finance and commodity markets. Any future national or international acts of terrorism or armed conflicts could have an adverse effect on the financial and commodities markets in Kazakhstan and the global economy. As Kazakhstan produces and exports large volumes of crude oil and gas, any acts of terrorism or armed conflicts causing disruptions of Kazakh oil and gas exports could negatively affect the Kazakh economy and thereby materially adversely affect the Group's business, financial condition, results of operations or prospects.

Potential investors in emerging markets such as Kazakhstan should therefore be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks. Potential investors in the Notes should also note that emerging economies such as Kazakhstan's are subject to rapid change and that the information set out in this Offering Memorandum may become outdated relatively quickly. Accordingly, potential investors in the Notes should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Potential investors are urged to consult with their own legal and financial advisers before making an investment in the Notes.

The Kazakhstan economy is highly dependent on oil exports. Accordingly, the Kazakhstan economy and the Group may be affected by oil price volatility.

Countries in the Central Asian region, including Kazakhstan, whose economies and state budgets rely on the export of oil and oil products and other commodities, the import of capital equipment and significant foreign investments in infrastructure projects, could be adversely affected by volatility in oil and other commodity prices and by any sustained fall in them or by the frustration or delay of any infrastructure projects caused by political or economic instability in countries engaged in such projects. Kazakhstan's dependence on oil and oil products also has an indirect impact on its currency, the Tenge, which is indirectly correlated to the price of oil. In addition, any fluctuations in the value of the US Dollar relative to other currencies may cause volatility on earnings from US Dollar denominated oil exports. An oversupply of oil or other commodities in world markets or a general downturn in the economies of any significant markets for oil or other commodities or weakening of the US Dollar relative to other currencies would have a material adverse effect on the Kazakhstan economy, which would, in turn, have an adverse effect on the business, financial condition and results of operations of the Group.

The national budget for 2009-2011 initially projected revenues on the basis of world oil prices of US\$60 per barrel. These projections were subsequently revised to US\$50 per barrel for 2010, in light of the decline in world oil prices. World oil prices have somewhat recovered towards the end of June 2010 to approximately US\$75 per barrel. However, statements in March 2010 by the Kazakh Economy Ministry projected the country's GDP based on an oil price of US\$65 per barrel in 2010. There can be no assurance that continuing oil price volatility may not require further revisions of the national budget.

All the Group's assets are located in Kazakhstan and the Group is therefore susceptible to country-specific risk factors, such as political, social and economic instability.

The Group is subject to Kazakhstan-specific risks, including, but not limited to, local currency devaluation, civil disturbances, changes in exchange controls or lack of availability of hard currency, changes in energy prices, changes with respect to taxes, withholding taxes on distributions to foreign investors, changes in anti-monopoly legislation, nationalisation or expropriation of property, and interruption or blockage of hydrocarbons or other strategic materials exports. The occurrence of any of these factors could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Kazakhstan's president, Nursultan Nazarbayev, has been in office since Kazakhstan became an independent sovereign state in 1991. Since 1991, Kazakhstan has pursued a programme of political and economic structural reform designed to establish a free market economy through the privatisation of state enterprises and deregulation of the economy. In addition, under President Nazarbayev's leadership, the foundations of a market economy have taken hold, including privatisation of state assets, liberalisation of capital controls, tax reforms and pension system development. As with any economy in transition, such reforms may not continue and may not achieve their intended aims.

Since the dissolution of the Soviet Union, a number of former Soviet Republics have experienced periods of political instability, civil unrest, military action and popular changes in governments or incidents of violence. Commentators on Kazakhstan suggest that there is political in-fighting among the potential successors to President Nazarbayev, and there are concerns about possible dynastic succession. As there is currently no clear successor, the issue is a potential cause for instability in Kazakhstan. Further, if a future president is elected with a different political outlook, the business regime in Kazakhstan could change. Changes to Kazakhstan's property, tax or regulatory regimes or other changes could have a material adverse effect on the Group's business and results of operations. Furthermore, future political instability, civil unrest or violence in the region could affect the political or economic stability of Kazakhstan or the countries to which or through which the Group exports its products, and could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Kazakhstan depends on neighbouring states to access world markets for a number of its major exports, including oil, natural gas, steel, copper, ferro-alloys, iron ore, aluminium, coal, lead, zinc and wheat. For example, the rail cars used to export the Group's crude oil to Finland must use the Russian railway system. Kazakhstan therefore depends on good relations with its neighbours to ensure its access to export markets. Should access to these export routes be materially impaired, this could adversely impact Kazakhstan's economy. Adverse economic factors in the regional markets may also adversely impact Kazakhstan's economy.

Potential investors in the Notes should be aware that companies whose assets are located in emerging markets, such as Kazakhstan's, are subject to emerging market risks which companies whose assets are located in more developed markets may not face, see "*Risks associated with emerging and developing markets generally*".

As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Kazakhstan and adversely affect the Kazakh economy. In addition, during such times, emerging market companies can face severe liquidity constraints as foreign funding resources are withdrawn. Thus, even if Kazakhstan's economy remains relatively stable, financial turmoil in any emerging market country, in particular countries in the Caspian Sea or Central Asian regions, which recently have experienced significant political instability (including terrorism), could seriously disrupt the Group's business, which would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is exposed to the risk of adverse sovereign action by the Government.

The oil and gas industry is central to Kazakhstan's economy and its future prospects for development, and thus can be expected to be the focus of continuing attention and debate. In similar circumstances in other developing countries, petroleum companies have faced the risks of expropriation or renationalisation, breach or abrogation of project agreements, application to such companies of laws and regulations from which they were intended to be exempt, denials of required permits and approvals, increases in royalty rates and taxes that were intended to be stable, application of exchange or capital controls, and other risks.

In August 2007, at a regular meeting of the Cabinet of Ministers, Prime Minister Karim Masimov announced the Government's disapproval of the delayed production by Agip KCO, the operator at the Kashagan oil field and a subsidiary of ENI. The Government suggested that the operator failed to meet certain provisions of Kazakh environmental laws and threatened to revoke the operator's permits to operate. A settlement reached in January 2008 resulted in the terms of the production sharing agreement being revised in favour of KazMunaiGas such that the share interest of KazMunaiGas doubled and the share interests of the other members of the consortium decreased. Although we believe that Zhaikmunai is in compliance with its obligations under the PSA and applicable Kazakh law, the Government could raise similar complaints, even without merit, about Zhaikmunai's operation of the Chinarevskoye Field and the Competent Authority has on several occasions in the past notified Zhaikmunai of purported violations of its PSA obligations. Under the New Subsoil Law, the failure by a subsoil user to remedy more than two breaches of its obligations under a subsoil use contract or project documents within a period of time established in the notice of such breach from the Competent Authority may result in a termination of the relevant subsoil use contract. See "*—The Group may be unable to comply with its obligations under the PSA and the License*". The Tax Code which disregards the stability of the tax regime under subsoil use contracts came into force on 1 January 2009. Even if Zhaikmunai's PSA is not affected by this new tax regime, Kazakhstan may revise the stability of the tax regime of Zhaikmunai's PSA which could result in negative tax consequences. In January of this year, President Nazarbayev of Kazakhstan has spoken out against tax stabilisation clauses stating that parties operating in Kazakhstan should work under the same legislation. Furthermore the former Minister of Energy and Natural Resources Sauat Mynbayev has publicly warned foreign companies that they should prepare themselves for losing their exemption from domestic taxation. See "*—The Group is subject to an uncertain tax environment that may lead to disputes with regulatory authorities*". Moreover, the New Subsoil Law was adopted on 24 June 2010 and came into force on 7 July 2010 and the application of this law is as yet untested. See "*—Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan*". Any complaints by the Government or the invocation or application by the Government of the New Subsoil Law in relation to the Chinarevskoye Field may have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The laws and regulations of Kazakhstan are developing and uncertain. Any changes in laws, regulations and permit requirements to which the Group is subject could require it to make substantial expenditures or subject the Group to material liabilities or other sanctions.

The laws and regulations of Kazakhstan relating to foreign investment, subsoil use, licensing, companies, customs, currency, capital markets, pensions, insurance, banking, taxation and competition are still developing and are uncertain. Many such laws provide regulators and officials with substantial discretion in their application, interpretation and enforcement. Furthermore, the judicial system may not be fully independent of social, economic and political forces. Court decisions can be difficult to predict and enforce, and the Group's best efforts to comply with applicable law may not always result in compliance as determined by regulators and/or the courts. Furthermore, because the recently introduced New Subsoil Law does not define the course of action available to the Government by reference to the gravity of a breach, a minor breach could conceivably lead to severe consequences, such as suspensions or termination of the subsoil user rights. Because the New Subsoil Law is new, there are no precedents that would make the consequences of a breach more predictable. For example, Agip KCO, the operator developing the Kashagan oil field on behalf of a consortium of Western oil companies, was accused by the Government in August 2007 of breaching certain provisions of Kazakh environmental law. More recently, the Kazakh Government has made various allegations in respect of the Karachaganak Project, including criminal allegations and allegations of tax evasion. See "*—The Group is exposed to the risk of adverse sovereign action by the Government*".

The Group is required to obtain, on an ongoing basis, all permits as are required by the laws of Kazakhstan. Failure to obtain all such permits could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Given Kazakhstan's legislative, judicial and administrative history, it is not possible to predict the effect of current and future legislation on the Group's business. Moreover, the New Subsoil Law came into force and effect on 24 June 2010 and the application of this law is untested. See "*—Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan*". The ongoing rights of the Group under the PSA, the Licence and other licences, approvals and permits (if applicable) and other agreements may be susceptible to revision or cancellation, and legal redress in relation to such revocation or cancellation may be uncertain. Any changes to the rights of the Group under the PSA, the Licence and other licences (and any other relevant legislative changes) could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Thyler's acquisition of Zhaikmunai could be challenged by the Kazakh anti-monopoly authority.

Under Kazakh anti-monopoly laws, the approval of the anti-monopoly authority (the "**Anti-Monopoly Agency**") is required prior to the completion of certain transactions, including acquisitions of rights allowing the acquirer to direct the business activities of another company. If such consent is not obtained, the Anti-Monopoly Agency may challenge the validity of the transaction. For example, in September 2007 the Pavlodar regional court upheld a lower court ruling (based on a claim brought by the Competition Committee) invalidating an agreement entered into in 2006 that transferred management control of JSC Ekibastuz GRES-2 from JSC Ekibastuz Energy Center to Access Industries on the grounds that the agreement had not been approved by the Competition Committee. The Group does not believe that Thyler's indirect acquisition of Zhaikmunai in 2004 required the consent of the Competition Commission and therefore did not seek consent at that time. However, there is a risk that the Anti-Monopoly Agency could challenge this transaction, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's licences to operate are subject to amendment and termination by the Government if the Group is unable to comply with licence terms and relevant legislation.

The authorities in Kazakhstan can, and do from time to time, inspect the Group's compliance with licence terms and relevant laws. Fines may be imposed and licences may be suspended, restricted or terminated if the holder of a licence fails to comply with licence requirements or relevant laws. For instance, in the past the Government has claimed that certain operators had breached certain provisions of their licences and applicable law, and consequently suspended such operators' licences. In addition, in 2007 the Government approved legislation providing the Government with the right to initiate reviews of subsurface use contract terms and to unilaterally terminate subsurface use contracts in respect of deposits of "strategic importance". These provisions of the 2007 legislation are replicated in the New Subsoil Law. See "*Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan*", "*—The Group may be unable to comply with its obligations under the PSA and the Licence*" and "*—The Group is exposed to the risk of adverse sovereign action by the Government*". Although we believe that Zhaikmunai is in compliance with its obligations under the PSA and applicable Kazakh law, Zhaikmunai has in the past and could potentially in the future face similar Government action, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Kazakh Securities Market Law (the "Securities Market Law") is uncertain on whether the Issuer may be deemed "resident" in Kazakhstan.

The Securities Market Law provides that any legal entity deemed to be resident in Kazakhstan must obtain the prior approvals of the Kazakh Agency on Regulation and Supervision of the Financial Market and Financial Organisations ("**FMSA**") with respect to issue and placement of debt securities abroad. In such case, the law also requires a listing of the securities on the stock exchange operating in Kazakhstan and offering to be made in Kazakhstan through such stock exchange. Under the Securities Market Law, an entity is deemed to be resident in Kazakhstan, and subject to the requirements described above, if it is organised under the laws of Kazakhstan or if not less than two thirds of its assets are situated in Kazakhstan or if its principal management is carried out and strategic commercial decisions are made in Kazakhstan.

The Issuer is incorporated in the Netherlands and it intends to maintain residency there for tax purposes.

The Securities Market Law is broadly worded and, therefore, there can be no assurance that the FMSA or a Kazakh court would not determine that Issuer is not in compliance with the Securities Market Law. In particular there can be no assurance that the FMSA or a Kazakh court would not determine that the

Issuer's principal management is carried out, and its strategic commercial decisions are made, in Kazakhstan.

The Securities Market Law does not specify any penalties for non-compliance with its new provisions. However, the relevant authorities in Kazakhstan could seek to impose general administrative penalties on the Guarantors, which are relatively modest fines. There can also be no assurance that the relevant authorities would not seek to impose on the Guarantors other penalties or requirements to remedy a claimed breach of the Securities Market Law provisions. Any such actions could have a material adverse effect on the Guarantors' business, results of operations and financial condition.

There are Kazakh tax risks associated with the Notes.

In general, Kazakhstan tax legislation with respect to the taxation of securities and financial instruments is not well developed, and in many cases the exact scope of Kazakhstan tax, compliance rules and enforcement mechanism is unclear or open to different interpretations.

As of 1 January 2009, the new Tax Code came into force in Kazakhstan and investors in the Notes should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Notes, including their eligibility for the benefits of double tax treaties, under the laws of their country of citizenship, residence, domicile or incorporation, and seek specialist Kazakhstan tax advice as necessary. See "*Taxation—Kazakhstan*".

The Group cannot ensure the accuracy of official statistics and other data in this Offering Memorandum published by Kazakh authorities.

Official statistics and other data published by Kazakh state authorities may not be as complete or reliable as those of more developed countries. Official statistics and other data may also be produced on different bases from those used in more developed countries. We have not independently verified such official statistics and other data and any discussion of matters relating to Kazakhstan in this Offering Memorandum is, therefore, subject to uncertainty due to questions regarding the completeness or reliability of such information. Specifically, potential investors should be aware that certain statistical information and other data contained in this Offering Memorandum has been extracted from official governmental sources in Kazakhstan and was not prepared in connection with the preparation of this Offering Memorandum.

In addition, certain information contained in this Offering Memorandum is based on the knowledge and research of management using information obtained from non-official sources. This information has not been independently verified and, therefore, is subject to uncertainties due to questions regarding the completeness or reliability of such information, which was not prepared in connection with the preparation of this Offering Memorandum.

Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates

The shareholder of the General Partner has significant influence over the Issuer and the Group.

As at the date of this Offering Memorandum, Thyler is the sole shareholder of the General Partner and one of its Affiliates, Claremont, is the beneficial owner of 40.54% of the Common Units (either directly or in the form of GDRs). Accordingly, Thyler is able to control the removal and appointment of the directors of the General Partner, with the exception of the Independent Non-Executive Directors and one director appointed by an affiliate of Baring Vostok Capital Partners. Claremont is also able to effectively control certain matters requiring approval of holders of Common Units (including those matters which require a special resolution of such holders), including the payment of distributions. Thyler and its Affiliates, which are indirectly controlled by Frank Monstrey, the Chairman of the board of directors of the General Partner, therefore exercise substantial influence over our business and affairs and may take actions that favour their interests over those of the Group or your interests as holders of the Notes.

This concentration of ownership may also have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control. In addition, the Group may be directed by Thyler and its Affiliates to make acquisitions and/or carry out investments contrary to the best interests of the Group and of its minority limited partners or your interests as holders of the Notes.

Zhaikmunai L.P. entered into a relationship agreement (the “**Relationship Agreement**”) with Thyler and Claremont in March 2008 in which Thyler and Claremont undertook to allow Zhaikmunai L.P. to operate its business independently from Thyler and its Affiliates, and to ensure that commercial transactions and relationships with Thyler and its Affiliates are conducted on an arm’s length basis. However, Zhaikmunai L.P. may be unable to enforce its rights under the Relationship Agreement and the relevant agreement will cease to have effect if Claremont (together with its Affiliates) holds less than 25% of the Common Units (either directly or in the form of GDRs). If the Relationship Agreement ceases to have effect, Thyler, as shareholder of the General Partner, could amend the General Partner’s articles of association to remove the independent director approval protection for the purposes of decision making processes of the General Partner.

If Thyler and its Affiliates take actions that favour their interests over those of the Group, the Group’s business, prospects, financial position or results of operations may be materially adversely affected.

Zhaikmunai L.P.’s organisational, ownership and operational structure may create significant conflicts of interest that may be resolved in a manner which is not always in the best interests of the Group.

The Group’s organisational, ownership and operational structure involves a number of relationships that may give rise to conflicts of interest between the Group or holders of the Notes (or both), on the one hand, and Thyler and its Affiliates (including Claremont) on the other. In certain instances, the interests of Thyler and its Affiliates which are involved in the Group’s business may differ from the interests of the Group or your interests as a holder of the Notes (or both), including with respect to the types of decisions made, the method in which Zhaikmunai is operated, the reinvestment of capital generated by hydrocarbon sales, the use of leverage when making capital investments, the provision of senior management services and the appointment of outside advisers and service providers. In particular, Frank Monstrey, who is the Chairman of the board of directors of the General Partner, indirectly controls 100% of the General Partner and indirectly controls 40.54% of the total number of Common Units (either directly or in the form of GDRs) and is therefore able to exert considerable influence over the management of the General Partner and, consequently, Zhaikmunai L.P. As the indirect controlling person of the General Partner, Mr Monstrey is able to control the removal and appointment of the directors of the General Partner with the exception of the Independent Non-Executive Directors (where Claremont has undertaken not to vote on any such resolution). Accordingly, Mr Monstrey exercises substantial influence over the Group’s business and affairs and may take actions that favour the interests of Claremont, Thyler and/or the Affiliates.

The limited partnership agreement contains various provisions that modify the fiduciary duties that might otherwise be owed to the Group when such conflicts arise. As a result of these modifications, it is possible that conflicts of interest may be resolved in a manner that is not always in the best interests of the Group or for you as a holder of the Notes.

Risks Related to the Notes, the Guarantees and the Collateral

The Issuer is a special purpose vehicle with no revenue generating operations of its own.

The Issuer is a special purpose vehicle that has no revenue-generating operations of its own. The Issuer conducts no business or operations and has no significant assets, other than the Proceeds Loan. The Issuer’s ability to service its indebtedness, including the Notes, is entirely dependent upon the receipt of funds from Zhaikmunai under the terms of the Proceeds Loans or otherwise. The ability of Zhaikmunai to make payments to the Issuer will depend on its cash flows and earnings which, in turn, may be affected by all of the factors discussed in these “*Risk Factors*”.

Following the Substitution, Zhaikmunai will assume all of the obligations of the Issuer under the Notes and will become the primary obligor of the indebtedness represented by the Notes. The ability of Zhaikmunai to make payments to the holders of the Notes will depend on its cash flows and earnings which, in turn, may be affected by all of the factors discussed in these “*Risk Factors*”.

In addition, the ability of members of the Group to make payments, loans or advances or pay dividends may be limited by the laws of the relevant jurisdictions in which members of the Group are organised or located. Any of the restrictions or limitations described above could adversely affect the ability of Zhaikmunai to service its obligations to the Issuer in respect of the Proceeds Loan or by the Guarantors to honour their obligations under the Guarantees.

Finally, the Group has in the past made a loss for the year, and in 2009, made a loss of approximately US\$18.8 million. For a full discussion of what led to this loss, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Comparison of the years ended 31 December 2009 and 2008.*” It should be noted that in the first six months of 2010, the Group made a profit of US\$19.6 million. For a full discussion of what led to this profit, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Comparison of the six months ended 30 June 2010 and 2009.*”

In the event that Zhaikmunai is substituted for the Issuer as issuer of the Notes, the pledge over the Proceeds Loan shall be terminated.

The Notes will be secured by a first-priority pledge over the Proceeds Loan. In the event that, pursuant to the terms of the Indenture, Zhaikmunai is substituted for the Issuer as issuer of the Notes, the Proceeds Loan will be assigned or novated to Zhaikmunai, and the pledge over the Proceeds Loan shall also thereupon be terminated. In this event, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees.

Claims of certain secured creditors of the Issuer or the Guarantors will have priority with respect to their security over the claims of creditors who do not have the benefit of such security, such as the holders of the Notes.

Although the Notes will have the benefit of a first-priority pledge over the Proceeds Loan as well as first-priority pledges over the shares of the Issuer and its direct holding company FvdS (together the “**Collateral**”), the Notes will not benefit from any other security. Claims of the creditors of the Issuer or the Guarantors that are secured by assets other than the Collateral will effectively have priority with respect to these assets securing their indebtedness over the claims of the holders of the Notes. As such, the Notes and the Guarantees will be effectively subordinated to any indebtedness and other obligations of the Issuer and the Guarantors that are secured by assets other than the Collateral, to the extent of the value of the assets securing such indebtedness or other obligations (other than to the extent such assets also secure the Notes and/or the Guarantees on an equal and ratable basis or priority basis).

In the event of bankruptcy, liquidation, reorganisation or other winding up of the Issuer or the Guarantors or upon a default in payment with respect to, or the acceleration of any secured indebtedness other than the Notes and the Guarantees, the assets of the Issuer and the Guarantors that secure such indebtedness on a basis prior to the Notes will be available to pay obligations on the Notes and the Guarantees only after all such indebtedness has been repaid in full from such assets. In addition, in the event of bankruptcy, liquidation, reorganisation or other winding up of an Unrestricted Subsidiary, the assets of such Unrestricted Subsidiary will be available to pay obligations on the Notes only after all obligations of such Unrestricted Subsidiary have been repaid in full from such assets. There may not be sufficient assets remaining to pay amounts due on any or all the Notes and the Guarantees then outstanding.

As a result, holders of Notes may receive less, ratably, than holders of other secured indebtedness.

In particular, the Indenture will permit us to secure on a first ranking basis a significant amount of additional indebtedness that we may seek to incur to finance the construction of the second phase of our Gas Treatment Facility (see “*Business—Capital Investments—Gas Treatment Facility*”). We estimate that construction of the second phase will cost approximately US\$362 million.

As of 30 June 2010, on a pro forma basis after giving effect to the issuance of the Notes in this offering (including the application of proceeds therefrom), we would have had US\$450 million of outstanding indebtedness (not including the impact under IFRS of any issuance costs). See “*Capitalisation*”. We will be permitted, however, subject to certain conditions, to incur additional indebtedness in the future, including additional indebtedness secured by the Collateral on a *pari passu* basis with the Notes according to the terms of the Indenture.

The insolvency laws of the Netherlands, Kazakhstan, the Isle of Man and the BVI may not be as favourable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes.

In the event of insolvency of the Issuer or any of the Guarantors, insolvency proceedings should typically be initiated in the jurisdiction of incorporation or formation of the relevant entity and insolvency proceedings should be governed by the law of such relevant jurisdiction. The insolvency laws of the

Netherlands, Kazakhstan, the Isle of Man and the BVI may not be as favourable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. A brief description of the insolvency laws in the Netherlands, Kazakhstan, the Isle of Man and the BVI follows for information purposes only and does not address all insolvency law considerations that may be relevant to creditors.

The Netherlands

The Issuer and one of the Guarantors, FvdS, are incorporated in the Netherlands. Any insolvency proceedings relating to either of such companies would likely be based on Dutch insolvency law. Under certain circumstances, bankruptcy proceedings may also be opened in the Netherlands in accordance with Dutch law over the assets of companies that are not established under Dutch law (for example, if the centre of main interests or the business operations of such company is within the Netherlands). In addition, as a member state of the European Union, a Dutch company will be subject to the regulations of the European Union on the jurisdiction of insolvency proceedings. There are two applicable corporate insolvency regimes under Dutch law: (a) moratorium of payments (*surseance van betaling*), which is intended to facilitate the reorganisation of the company's debts and enable it to continue as a going concern and (b) bankruptcy (*faillissement*), which is primarily designed to liquidate assets and distribute the proceeds thereof to its creditors. In practice, a suspension of payments often results in bankruptcy.

Under Dutch law, secured creditors may enforce their rights against assets of the company over which they have security rights to satisfy their claims as if there were no moratorium of payments or bankruptcy. However, the Dutch Court may order a "cooling down period" for a maximum period of four months during which enforcement actions by secured or preferential creditors are barred, unless such creditors have obtained leave for enforcement from the supervisory judge. In addition, a receiver in bankruptcy can demand a secured creditor to enforce its security interest within a reasonable period of time, failing which the receiver will be entitled to sell or collect the secured collateral, if any, and the secured creditor will have to share in the bankruptcy costs. The receiver can also demand the surrender of secured collateral subject to payment of the relevant secured obligations. Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor will be terminated by operation of law (other than with respect to secured creditors and preferential creditors). Litigation pending in relation to a claim against the bankruptcy estate on the date of the bankruptcy order is automatically stayed and attachments become part of the general attachment caused by the bankruptcy.

Kazakhstan

Zhaikmunai and Condensate-Holding are organised in Kazakhstan and are subject to the bankruptcy law of Kazakhstan. Kazakhstan bankruptcy law may prohibit Zhaikmunai and Condensate-Holding from making payments pursuant to their Guarantees under certain circumstances. From the moment bankruptcy proceedings are initiated in court, a Kazakhstan debtor is prohibited from paying any debts outstanding prior to the bankruptcy proceedings, subject to specified exceptions. After the initiation of bankruptcy proceedings, creditors of the debtor may not pursue any legal action to obtain payment to set aside a contract for non-payment or to enforce the creditor's rights against any asset of the debtor until completion of the bankruptcy procedure. Contractual provisions, such as those contained in the Guarantees, which would accelerate the payment of the debtor's obligations upon the occurrence of certain bankruptcy events, would accelerate the amount due but each accelerated amount becomes part of the total liabilities within the proper priority class. Specifically, Kazakhstan bankruptcy law provides that transactions or payments entered into or made (i) at any time prior to the commencement of bankruptcy proceedings which infringe Kazakhstan law or (ii) within the period beginning three years prior to commencement of the bankruptcy proceedings for no consideration or below market value or favourable treatment of a creditor over the other creditor, may be clawed back by a Kazakhstan court see "*Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees and the security interests created by the security documents—Kazakhstan*". Since Kazakhstan's courts are not experienced with complex commercial issues, there is no way to predict the outcome of a bankruptcy proceeding.

Isle of Man

Zhaikmunai L.P. is a limited partnership formed under the laws of the Isle of Man. Zhaikmunai Group Limited is a limited company incorporated in the Isle of Man and is the general partner of Zhaikmunai L.P. The provisions of Isle of Man companies legislation and winding-up rules relating to the

winding-up of companies apply to the winding-up of Isle of Man limited partnerships. The general system and procedures for dealing with corporate insolvency under Isle of Man law are similar to those in England. Proceedings for the winding up of a company or a limited partnership must be instigated before the court. A liquidator will be appointed and the procedure will be subject to the supervision of the court. The assets of the company or limited partnership in liquidation will ordinarily be available to meet the costs of the liquidation and certain debts are given statutory preference such as tax debts. Secured creditors will take priority over unsecured creditors. Once a winding up order has been made no enforcement proceedings shall be commenced or proceeded against the company or limited partnership except with leave of the court and all such actions are thereby stayed. In the context of a winding up which is subject to the supervision of the court, the court has the power to stay or restrain any proceedings against a company or a limited partnership at any time after the presentation of a winding up petition and before a winding up order has been made. In the case of a voluntary winding up there is no automatic stay of proceedings and proceedings may be commenced or continued against a company or a limited partnership whether before or after a resolution has been passed to wind up but the court has the power to order a stay of proceedings on application being made to it. Apart from the costs associated with the liquidation and any statutorily preferred debts, there would be no deductions made from enforcement proceeds under Isle of Man law.

BVI

Claydon and Jubilata are organised in the British Virgin Islands (“**BVI**”) and are subject to the insolvency laws of the BVI, including the BVI Insolvency Act, 2003 (the “**IA**”). BVI insolvency law, although based to a significant degree upon English insolvency law, differs from comparable law in the United States or Western Europe. The commencement of the liquidation of a BVI company does not affect the right of a secured creditor to take possession of and realise or otherwise deal with assets of the company over which that creditor has a security interest. The right of unsecured creditors to *pari passu* distribution of assets of a company in liquidation is subject to the prior ranking of a number of preferential creditors, including (subject to a cap) the BVI Government and (subject to a cap) certain unpaid employment obligations. As well as the protection given to secured creditors, it should be noted that the IA establishes a statutory right of insolvency set off, and such protections may operate to the detriment of unsecured creditors. Although the IA anticipates establishing an administration regime, the relevant provisions are not currently in force and administration is therefore not currently available under BVI law. The administration provisions of the legislation will not be brought into effect unless and until a proclamation as to the commencement date for such parts of the IA shall be published in the BVI Gazette. There are no debtor in possession bankruptcy proceedings equivalent to Chapter 11 in the United States.

In the event of the insolvency of Jubilata or Claydon, the rights of the holders of the Notes may be affected by various insolvency provisions of BVI law, see “—*Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees and the security interests created by the security documents—BVI*”.

Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees and the security interests created by the security documents.

General

The granting of the Guarantees (and the granting of the security securing such Guarantees) in favour of the Collateral Agent and/or the holders of the Notes may be subject to legal challenge and review and are potentially voidable by an insolvency practitioner, or may be otherwise set aside by a court if certain events or circumstances exist or occur, under fraudulent transfer, commercial benefit or other laws, that have been enacted for the protection of creditors or corporate members in the Netherlands, Kazakhstan, the Isle of Man and the BVI. These laws, among other things, limit the ability of subsidiaries to guarantee and secure the debt of a related company. Although laws differ among various jurisdictions, in general, under fraudulent transfer laws, a court could subordinate or a court or a creditor could void a Guarantee or the security interests in respect thereof if it found that the Guarantor granting such Guarantee:

- knew or should have known that the transaction was to the detriment of the creditors;
- intended to hinder, delay or defraud creditors or preferred one creditor over another; or
- did not receive fair consideration or reasonably equivalent value for incurring such indebtedness and such Guarantor (i) was insolvent or rendered insolvent because it incurred such indebtedness, (ii) was engaged or about to engage in a business or transaction for which its remaining assets constituted

unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay them as they mature.

The measure of insolvency for purposes of fraudulent transfer laws varies, depending on the law applied. Generally, however, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not or would not pay its debts as they become due.

If a court or a creditor were to find that the granting of a Guarantee (and the granting of the security interests associated therewith, if any) was a fraudulent transfer, the court or a creditor could void or declare unenforceable the payment obligations under such Guarantee or invalidate the security interests, or subordinate such Guarantee or security interest to presently existing and future indebtedness of such Guarantor (including trade payables) or require the holders of the Notes to repay any amounts received with respect to such Guarantee or security interest.

In addition, the Netherlands has certain requirements relating to sufficient commercial benefit and/or compliance with corporate objects, the violation of which may result in a company (and any bankruptcy receiver) contesting the enforcement of a guarantee or security.

A brief description of the fraudulent transfer laws, commercial benefit and insolvency related claw-back laws in the Netherlands, Kazakhstan, the Isle of Man and the BVI follows for informational purposes only and does not address all fraudulent transfer, commercial benefit and insolvency related claw-back laws considerations that may be relevant to creditors.

The Netherlands

To the extent that Dutch law applies, a guarantee granted by a legal entity may, under certain circumstances, be nullified by any of its creditors, if (i) the guarantee was granted without a prior existing legal obligation to do so (*onverplicht*), (ii) the creditor concerned was prejudiced as a consequence of the guarantee and (iii) at the time the guarantee was granted both the legal entity and, unless the guarantee was granted for no consideration (*om niet*), the beneficiary of the guarantee knew or should have known that one or more of the entities' creditors (existing or future) would be prejudiced. Also to the extent that Dutch insolvency law applies, a guarantee or security may be nullified by the receiver (*curator*) on behalf of and for the benefit of all creditors of the insolvent debtor. The foregoing requirements apply *mutatis mutandis* for such actions. In addition, the receiver in bankruptcy proceedings may challenge the guarantee if it was granted on the basis of a prior existing legal obligation to do so (*verplichte rechtshandeling*), if (i) the guarantee was granted at a time that the beneficiary knew that a request for bankruptcy had been filed or (ii) the granting of such guarantee was the result of a deliberation between the debtor and the beneficiary with a view to give preference to the latter over the debtor's other creditors. The above applies to any legal act performed by the debtor and therefore also for the granting of security or a guarantee by the debtor. Consequently, the validity of any Dutch guarantees or security entered into by the debtor may be challenged and it is possible that such challenge would be successful.

In addition, if a Dutch company grants a guarantee or security and the granting of the guarantee or security is not in the company's corporate interest, the guarantee may be nullified by the Dutch company, the Dutch company, acting together with its administrator or its receiver and, as a consequence, not be valid, binding and enforceable against it. In determining whether the granting of such guarantee is in the interest of the relevant company, the Dutch Courts would consider the text of the objects clause in the articles of association of the company, whether the company derives, irrespective of the wording of the objects clause, certain commercial benefits from the transaction in respect of which the guarantee or security was granted and the balance between the risk that the company is assuming and the benefit it derives from such transaction.

If it is determined that there are no, or insufficient, commercial benefits from the transactions for the company that grants the guarantee or security and/or the objects clause of the company was transgressed, then such company (and any bankruptcy receiver) may challenge the guarantee or security, and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of

an indirect benefit derived by the company as a consequence of the interdependence of such company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the guarantee or security, the continuity of such company would foreseeably be endangered by the granting of such guarantee or security. It remains possible that even where such strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the guarantee or security cannot serve the realisation of the relevant company's objects or where it is determined that there is a material imbalance, to the disadvantage of the company, between the commercial benefit on the one hand and the risks on the other hand.

Payment pursuant to a guarantee or a security document may also be withheld under the doctrines of reasonableness and fairness (*redelijkheid en billijkheid*), force majeure (*niet toerekenbare tekortkoming*), unforeseen circumstances (*onvoorziene omstandigheden*), suspension (*opschorting*) of the performance of obligations, dissolution (*ontbinding*) of contract, set-off (*verrekening*) and other general defenses available to debtors under Dutch law in respect of the validity, binding effect and enforceability of such guarantee or security interest. Other general defenses include claims that a guarantee or security interest should be avoided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or error (*dwaling*).

It is not certain and has not been determined in published case law whether a right of pledge on shares can be created in advance of the acquisition of the shares by the pledgor.

If a security right is created in collateral to which a Dutch company has not yet obtained title, such collateral will not be subject to such a security interest if that company is declared bankrupt or granted a moratorium of payments prior to obtaining title thereto.

It is not possible to conduct searches in respect of any Dutch law governed security (other than in respect of rights of mortgage, if any), except that any security created over the shares in a Dutch company should be registered in its shareholders' register. However, this does not constitute conclusive evidence of the absence of any pre-existing security.

Under Dutch law, any security or guarantee given or liability accepted by a Dutch company or any of its subsidiaries (including, possibly, any foreign subsidiaries) with a view to (*met het oog op*) the acquisition by any party of shares in the relevant company's share capital (or the refinancing thereof) violates Dutch law and will most likely be void. The relevant Guarantees and Collateral are subject to limitations accordingly.

Kazakhstan

Under Kazakhstan laws, a transaction may be invalidated in the following circumstances:

- it has been executed during the period from the initiation of any liquidation procedure till the recognition the debtor is bankrupt as deemed by a court decision in case it prioritises the demands of a creditor(s) before the others; or
- it was executed within three years prior to the initiation of the liquidation procedure and under which a counterparty had received property without consideration or for a consideration significantly below market value, or the transaction was made without sufficient grounds, and in each case adversely affects the interests of the creditors of the debtor.

In addition, a rehabilitation administrator and liquidator may demand the return of the debtor's property transferred within the three years prior to the initiation of bankruptcy proceedings where such transfer was made to satisfy an obligation prior to its maturity and adversely affected the interests of other creditors.

A rehabilitation administrator may also reject the performance of contracts which have not been fully performed by the parties in one of the following circumstances: where performance would cause losses for the debtor, if a contract contains unusually burdensome provisions or is long term (i.e. more than one year), or where it might adversely affect the interests of other creditors.

Isle of Man

Under Isle of Man insolvency laws, statutory provision is made for the avoidance or setting aside of transactions, including the granting of guarantees, in certain circumstances in the context of insolvency. However, protection is afforded to persons dealing in good faith and for valuable consideration.

There are provisions under Isle of Man insolvency law which deal with "fraudulent preferences". The effect of these provisions is that if a company is placed into liquidation within four months of a transaction

which has been undertaken with a view to giving a creditor preference over others, the transaction will be deemed fraudulent, save that this will not affect the rights of a party who has dealt with the company in good faith and for valuable consideration.

Isle of Man insolvency law also affords protection in relation to bona fide transactions without notice and provides *inter alia* that nothing in the relevant legislation shall invalidate in the case of insolvency:

- any payment by the bankrupt to any of his creditors;
- any payment or deliveries to the bankrupt;
- any conveyance or assignment by the bankrupt for valuable consideration;
- any contract, dealing or transaction by or with the bankrupt for valuable consideration;

provided that both the following conditions are complied with, namely:

- the payment, delivery, conveyance, assignment, contract, dealing or transaction as the case may be takes place before the date of the order of adjudication; and
- the person (other than the debtor) to, by or with whom the payment, delivery, conveyance, assignment, contract, dealing or transaction was made, executed or entered into has not at the time of the payment, delivery, conveyance, assignment, contract, dealing or transaction received notice of any available act of bankruptcy committed by the bankrupt before that time.

Isle of Man insolvency law makes further provision for the avoidance of transactions where insolvency occurs within periods of two and ten years of the date of a relevant transaction. In particular:

“... Any settlement of property, not being a settlement . . . made in favour of a purchaser or encumbrancer in good faith and for valuable consideration . . . shall if the settlor becomes bankrupt within two years after the date of the settlement be void . . . and shall if the settlor becomes bankrupt at any subsequent time within ten years after the date of the settlement be void . . . unless the parties claiming under the settlement can prove that the settlor was at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement and that the interest of the settlor in such a property had passed to the trustee of such settlement on the execution thereof.”

Again, the rights of a person who dealt in good faith and for valuable consideration will not be affected.

Isle of Man law makes further general provision whereby transactions undertaken with fraudulent or improper intentions may be set aside. Under applicable legislation, any fraudulent assignments or transfers of a debtor's goods or effects shall be void and of no effect against his just creditors, any custom or practice to the contrary notwithstanding. Therefore, a transfer which is undertaken fraudulently or with dishonest intent will be void as against creditors when a debtor is in a state of insolvency, or when the effect of the transfer is to leave the debtor without the means of paying his present actual or ascertainable debts.

BVI

In the event of the insolvency of a BVI entity the following insolvency provisions of BVI law may affect the rights of the holders of the Notes to enforce the Guarantees or the security documents.

Under section 245 of the IA a transaction entered into by a BVI company, if it is entered into at a time when the company is insolvent, or it causes the company to become insolvent (an “**insolvency transaction**”), and which has the effect of putting the creditor in a better position than it would have been, will be deemed an unfair preference and void if within six months (or two years in the case of a connected person) a petition is presented to the courts for the winding-up of that company (an “**unfair preference**”). A transaction is not an unfair preference if the transaction took place in the ordinary course of business. This provision applies regardless of whether the payment or transfer is made for value or at an undervalue and that the suspect period is fixed.

Under section 246 of the IA the making of a gift or the entering into of a transaction for no consideration or where the value of the consideration for the transaction, in money or money's worth, is significantly less than the value in money or money's worth, of the consideration provided by the company will (if it is an insolvency transaction) be deemed an undervalue transaction and void if within six months (or two years in the case of a connected person) a petition is presented to the courts for the winding-up of the company. A company does not enter into a transaction at undervalue if it is entered into in good faith and for the

purposes of business and at the time the transaction was entered into, there were reasonable grounds for believing the transaction would benefit the company.

Under section 248 of the IA, an insolvency transaction entered into by a BVI company for, or involving the provision of, credit to the company, may be regarded as an extortionate credit transaction if, having regard to the risk accepted by the person providing the credit, the terms of the transaction are or were such to require grossly exorbitant payments to be made in respect of the provision of the credit, or the transaction otherwise grossly contravenes ordinary principles of fair trading and such transaction takes place within six months (or two years in the case of a connected person) of a petition being presented to the courts for the winding-up of the company.

The value of the Collateral securing the Notes and the Guarantees may not be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes and the Guarantees, respectively, and the Collateral securing the Notes may be reduced or diluted under certain circumstances.

No appraisal of the value of any of the Collateral has been prepared by us or on our behalf in connection with the offering. The book value of the Collateral should not be relied upon as a measure of realisable value for such assets. By their nature, portions of the Collateral, including the pledged capital stock of the Issuer and FvdS, may be illiquid and may have no readily ascertainable or no market value. In particular, it should be noted that FvdS does not own any assets of material value other than intragroup contracts and the Issuer's only asset will be the Proceeds Loan until completion of the Substitution, whereupon such entity will have no assets. In addition, the value of the Proceeds Loan depends on the ability of Zhaikmunai to make payments thereunder which is dependent on the factors mentioned elsewhere in these "Risk Factors". See also "*The Issuer is a special purpose vehicle with no revenue generating operations of its own*".

Under the Indenture, Zhaikmunai L.P. and its subsidiaries will be permitted, subject to certain conditions, to incur additional indebtedness secured by the Collateral on a *pari passu* basis with the Notes (see "*Description of Notes—Certain Covenants—Impairment of Security Interest*" and "*Description of Notes—Certain Covenants—Collateral Sharing Arrangements*"). To the extent that other pre-existing liens, liens permitted under the Indenture, including statutory liens, and other rights encumber any of the Collateral securing the Notes, parties benefiting therefrom may exercise rights and remedies with respect to the Collateral that could adversely affect the value of the Collateral and the ability of the Collateral Agent to realise or foreclose on the Collateral. Any such indebtedness may further limit the recovery from the realisation of the value of such Collateral available to satisfy holders of the Notes.

The Collateral consists of a first-ranking pledge over the shares of the Issuer and its direct holding company FvdS and a first-ranking pledge over the Proceeds Loan. See "*Description of Notes—Collateral*". The Collateral does not include certain categories of assets, including the shares and participatory interests of the Guarantors (other than FvdS), bank accounts, inventory, proceeds from inventory and trade receivables, any of the production facilities or land owned by the Group. In the event that, pursuant to the terms of the Indenture, the Substitution occurs such that Zhaikmunai LLP is substituted for the Issuer as issuer of the Notes, the Proceeds Loan will be assigned or novated to Zhaikmunai LLP and the pledge over the Proceeds Loan shall thereupon be terminated. In this event, the only security for the Notes and the Guarantees will be the first priority pledges over the shares of Zhaikmunai Finance B.V. (which will have no assets) and the shares of FvdS (which is a subsidiary with no operating assets). Therefore, immediately following the Substitution, there will be a significant reduction in the security available for the Notes and the Guarantees.

There may not be sufficient Collateral to repay the obligations under the Notes and/or the Guarantees and any additional indebtedness that would be secured on the same basis as the Notes. Liquidating the Collateral securing the Notes and/or the Guarantees may not result in proceeds sufficient to pay any amounts due under the Notes after also satisfying the obligations to pay any creditors with equal ranking liens.

The ability of the Collateral Agent to foreclose on the secured property may be limited.

Bankruptcy law could prevent the Collateral Agent on behalf of the holders of the Notes from repossessing and disposing of the Collateral upon the occurrence of an event of default if a bankruptcy or other insolvency proceeding is commenced by or against the Issuer or the Guarantors before the Collateral Agent repossesses and disposes of the Collateral. See "*—The insolvency laws of the Netherlands, Kazakhstan, the Isle of Man and the BVI may not be as favourable to you as the U.S. bankruptcy laws and may*

preclude holders of the Notes from recovering payments due on the Notes". It is impossible to predict how long payments under the Notes could be delayed following commencement of a bankruptcy case, whether or when the Collateral Agent could repossess or dispose of the Collateral or whether or to what extent a holder of the Notes would be compensated for any delay in payment or loss of value of the Collateral.

Enforcing your rights as a holder of the Notes or under the Guarantees or the Collateral across multiple jurisdictions may prove difficult.

The Issuer is organised under the laws of the Netherlands and the Guarantors are organised under the laws of the Netherlands, Kazakhstan, the Isle of Man and the BVI. In the event of bankruptcy, insolvency, administration or similar event, proceedings could be initiated in any of these jurisdictions. Your rights under the Notes, the Guarantees and the Collateral are likely to be subject to insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings. In addition, the multijurisdictional nature of foreclosure on the Collateral may limit the realisable value of the Collateral.

The insolvency, administration and other laws of the jurisdiction of organisation of the Issuer and the Guarantors may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post petition interest, duration of proceeding and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affect your ability to enforce your rights under the Guarantees and the security documents in these jurisdictions or limit any amounts that you may receive. See "*—The insolvency laws of the Netherlands, Kazakhstan, the Isle of Man and the BVI may not be as favourable to you as the U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes*".

The security over certain of the Collateral will not be granted directly to the holders of the Notes and the ability of the Collateral Agent to enforce the Collateral may be restricted by local law.

The ability of the Collateral Agent to enforce the security is subject to mandatory provisions of the laws of each jurisdiction in which security over the Collateral is taken. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in a security document will be validly secured.

It is generally assumed that under Dutch law, security interests cannot be validly created in favour of a person who is not the creditor of the claim that the security interests purport to secure. Therefore, it is customary in transactions where security interests governed by Dutch law that these are held by an agent for the benefit of holders of the Notes by using a structure in which (i) the Issuer and each obligor undertake to pay to the agent in its individual capacity (i.e. acting in its own name and not as agent or representative of holders of the Notes) an amount equal to the aggregate of the amounts owed by such obligor to holders of the Notes under the relevant finance documents and (ii) all security interests governed by Dutch law vest in the agent as pledgee under these documents as security for the payment of amounts owed to it as referred to under (i) above. The debt to be separately created and owed by each obligor to the agent under this structure is generally referred to as a "parallel debt" (or sometimes "covenant to pay"). All payments of the underlying debt are deemed to discharge the parallel debt in a like amount. The parallel debt structure will be used for the purpose of ensuring the validity and enforceability of the Dutch law governed security documents.

With respect to any trust purported to be created by a Dutch company, it should be noted that the concept of "trust" under, for example, the laws of the State of New York or English law does not exist under Dutch law. The Netherlands have, however, ratified the Hague Trust Convention and, consequently, it is to be expected that such trust would be recognised by the courts of the Netherlands, provided that (i) it is a trust within the meaning of Article 2 of the Hague Trust Convention, (ii) it is validly created and existing under the laws of the state under which it is created and is evidenced in writing, (iii) the court requested to recognise such trust does not find that the elements thereof have a closer connection with a jurisdiction in which the concept of trust does not exist, and (iv) such elements are also otherwise in accordance with the requirements for recognition of trusts under the Hague Trust Convention.

Our Dutch counsel is of the view that there are strong arguments to conclude that a parallel debt creates a valid claim of the agent which can be validly secured by a security interest governed by Dutch law in favour of the agent. The parallel debt structure is a common arrangement in financing transactions in the

Netherlands. However, it has never been tested in Dutch courts and there can be no assurance that, if tested, it would be upheld and, to the extent that the security interests in the collateral created to secure the “parallel debt” are successfully challenged by other parties, holders of the Notes may not receive any proceeds from an enforcement of the security interests in the Collateral.

You may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and the Guarantors are entities organised outside the United States. All of the Issuer’s and the Guarantors’ directors and executive officers are non-residents of the United States and all of the assets of the Issuer and its Guarantors as well as the assets of our directors and executive officers are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or upon of our and the Guarantors’ directors and executive officers or to enforce against the Issuer or the Guarantors judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States. See “*Enforceability of Judgments*”.

The Notes will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes and future debt may be secured by certain assets that do not secure the Notes.

The Notes will be secured only to the extent of the value of the Collateral, which will consist of a first-priority pledge over the loan by the Issuer to Zhaikmunai (which is the subsidiary that contains all of the operations and most of the assets of Zhaikmunai L.P.) of the proceeds from this offering of Notes and first-priority pledges over the shares of the Issuer and its direct holding company FvdS. See “*Description of Notes—Collateral*”. Not all of our assets secure the Notes, and the Indenture will allow Zhaikmunai L.P. and its restricted subsidiaries to secure certain future debt (including debt that we may seek to incur to finance construction of the second phase of the Gas Treatment Facility (see “*Business—Capital Investments—Gas Treatment Facility*”) the cost of which we estimate to be approximately US\$362 million) permitted to be incurred under the Indenture by property and assets of that do not secure the Notes. The value of such assets and property could be significant. If an event of default occurs and the obligations under the Notes are accelerated, the Notes and the Guarantees may rank junior to such debt and not benefit from the collateral securing such debt and will rank equally with the holders of other unsecured indebtedness of Zhaikmunai L.P. and the restricted subsidiaries with respect to any property or assets that is excluded from the collateral securing the Notes or such debt.

Recent experience has shown that credit ratings do not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Offering Memorandum, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There is no established trading market for the Notes and no assurance that holders of the Notes will be able to sell their Notes.

There is no existing market for the Notes. We have made an application to list the Notes on the Official List of the Luxembourg Stock Exchange and be admitted to trading on the Euro MTF Market in accordance with the rules of that exchange but cannot guarantee the liquidity of any market that may develop for the Notes, your ability to sell the Notes or the price at which you may be able to sell the Notes. Liquidity and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, results of operations and the market for similar securities. The Initial Purchasers of the Notes have informed us that they intend to make a market in the Notes after completing this offering. They are not, however, obligated to do so. Any market-making that is commenced may be halted at any time. In addition, changes in the overall market for high yield securities and changes in our financial performance in the markets in which we operate may adversely affect the liquidity of any trading market in the Notes that does develop and any market price quote for the Notes. As a result, we cannot ensure that an active trading market will actually develop for the Notes.

Historically, the markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in their prices. Any market for the Notes may be subject to similar disruptions. Any disruptions may affect any liquidity and trading of the Notes independently of our financial performance and prospects and may have an adverse effect on the holders of the Notes.

Transfer of the Notes will be subject to certain restrictions.

The Issuer has not agreed to register, and does not intend to register, the Notes under the Securities Act or any U.S. state securities laws. You may not offer or sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities law. The Issuer has not undertaken to register the Notes or to effect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered the Notes under any other country's securities laws. You should read the discussion under the heading "Notice to Investors" and "Transfer Restrictions" for further information about these transfer restrictions. It is your obligation to ensure that your offers and sales of Notes within the United States and other countries comply with any applicable securities law.

The Notes will initially be held in book-entry form and, therefore, you must rely on the procedures of the relevant clearing system to exercise any rights or remedies.

Unless and until definitive Notes are issued in exchange for book-entry interests in the Notes, owners of the book entry interests will not be considered holders of the Notes. Instead, the common depository, or its nominee, will be deemed the sole holder of the Notes.

Book-entry interests in the Notes are subject to the procedures of DTC and its participants and holders of such interests will not have the direct right to act upon solicitations or consent or other actions requested from the holders of the Notes.

Unless and until Notes in definitive registered form, or definitive registered Notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of the Notes. DTC (or its nominee) will be the sole holder of the global Notes representing the Notes. After payment to DTC, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, and if you are not a participant in DTC, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture. See "Book-Entry, Delivery and Form".

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through DTC. We cannot assure you that the procedures to be implemented through DTC will be adequate to ensure the timely exercise of rights under the Notes. See "Book-Entry, Delivery and Form".

The terms of our indebtedness will restrict our operating flexibility.

Among other things, the Indenture restricts the ability of Zhaikmunai L.P. and its subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends, make distributions or redeem or repurchase their securities;
- make investments;
- grant security interests or create liens on their assets;
- enter into transactions with their affiliates other than on an arm's-length basis;
- transfer or sell assets or shares in subsidiaries;
- enter into sale and leaseback transactions;
- guarantee future debt;
- impair the Collateral; or
- engage in mergers or consolidations.

These covenants could limit the ability of the Group to finance their future operations and capital needs and their ability to pursue acquisitions and other business activities that may be in their interest.

If Zhaikmunai L.P. and its subsidiaries fail to comply with any of these covenants, they will be in default under the Indenture, and the Trustee or holders of the Notes could declare the principal and accrued interest on the Notes due and payable, after any applicable cure period. These restrictions could materially adversely affect the ability of Zhaikmunai L.P.'s and its subsidiaries to finance future operations or capital needs or engage in other business activities that may be in their best interest. See “*Description of Notes—Certain Covenants*” and “*Description of Other Indebtedness and Certain Financial Arrangements*”.

You may face foreign exchange risks by investing in the Notes.

The Notes are denominated and payable in dollars. If you measure your investment returns by reference to another currency, an investment in the Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of the dollar relative to your reference currency. Such currency fluctuations could result from economic, political and other factors over which we have no control. Depreciation of the dollar against your reference currency could cause a decrease in your effective yield from the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into your reference currency. There may also be tax consequences for you as a result of any foreign exchange gains or losses resulting from investment in the Notes.

We may not be able to obtain enough funds to repurchase the Notes if a change of control takes place.

Upon a change of control (as defined in the Indenture), we may be required to purchase all or a part of the Notes then outstanding at 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, as applicable, to the date of repurchase. If a change of control were to occur, we cannot assure you that we will have sufficient funds to pay the purchase price of the outstanding Notes, and we expect that third party financing would be required to do so. We cannot assure you that we will be able to obtain financing on favourable terms, if at all. In addition our other indebtedness may contain restrictions on repayment requirements with respect to certain events or transactions that could constitute a change of control under the Indenture. The inability to purchase the tendered Notes would constitute an event of default under the Indenture.

The change of control provisions contained in the Indenture may not protect holders of the Notes in the event of highly leveraged transactions, including reorganisations, restructurings or mergers, because these transactions may not involve a change in voting power or beneficial ownership of the magnitude required to trigger the change of control provisions. See “*Description of Notes—Change of Control*”.

The Notes may be issued with original issue discount for U.S. federal income tax purposes, which may affect the market value of the Notes held by U.S. and Non-U.S. Holders.

The Notes may be issued with original issue discount (“**OID**”) for U.S. federal income tax purposes. If the Notes are issued with more than a statutorily defined de minimis amount of OID, a U.S. holder of a Note will have to include such OID in gross income as it accrues (prior to the receipt of cash attributable thereto), based on a constant yield method and regardless of the U.S. holder’s regular method of accounting for U.S. federal income tax purposes. See “*Taxation—United States Federal Income Tax Considerations*”.

USE OF PROCEEDS

The Issuer intends to use the proceeds from the offering to make a Proceeds Loan to Zhaikmunai, which in turn will be used (i) to repay in full the amounts outstanding under the Syndicated Facility, (ii) to pay costs, fees and expenses in relation to the offering and (iii) if the hedging arrangements required by the Syndicated Facility are novated or terminated, to pay all unwinding/termination costs or similar amounts under such arrangements, with all remaining proceeds to be used for general corporate purposes including for use in subsoil operations. See “*Capitalisation*”. The approximate net proceeds of the offering will be US\$434 million (taking into account estimated transaction costs estimated to amount to not more than 3.5% of the gross proceeds of the issuance).

THE ISSUER

Incorporation and Status

The Issuer is a finance company incorporated on 29 April 2010 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* or *B.V.*) incorporated under the laws of the Netherlands. The Issuer is registered in the Netherlands trade register under number 32171914. The articles of incorporation of the Issuer are available for inspection at the Issuer's registered office located at Zuidsingel 1, 3811 HA Amersfoort.

Prior to this offering, the Issuer had no material assets, liabilities or loan capital outstanding and no contingent liabilities. Upon completion of this offering, the only significant asset of the Issuer will be the Proceeds Loan. The Issuer's material liabilities will be the Notes. The Issuer has no subsidiaries. See "*Risk Factors—The Issuer is a special purpose vehicle with no revenue generating operations of its own*".

Objects

The deed of incorporation of the Issuer provides that the objects of the Issuer are as follows:

- to finance group companies and for such purpose borrow moneys through bond issues, bank financing, or in any other way whatsoever;
- to furnish guarantees, provide security, warrant performance or in any other way assume liability, whether jointly and severally or otherwise, for or in respect of obligations of group companies and third parties; and
- to do anything which is connected with or may be conducive to the attainment of these objects.

Share Capital

The Issuer's stated capital is €90,000 represented by 90,000 shares of €1. €18,000 (one fifth) of the Issuer's registered capital is paid up. The sole shareholder of the Issuer's share capital is Frans Van der Schoot B.V.

Directors

The Issuer has a board of directors, currently consisting of the following two directors (whose business address is at the registered office of the Issuer as set forth above):

- Luc Boelens; and
- Jan-Ru Muller.

CAPITALISATION

The following table sets forth the consolidated capitalisation of the Group as at 30 June 2010 on a historical basis and as adjusted to give effect to the offering as if it had occurred on 30 June 2010. The historical consolidated financial information has been derived from the unaudited condensed consolidated financial statements as at and for the six months ended 30 June 2010 prepared in accordance with IFRS included elsewhere in this Offering Memorandum.

This table should be read in conjunction with “*Use of Proceeds*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Description of Other Indebtedness and Certain Financial Arrangements*” and the unaudited condensed financial statements of Zhaikmunai L.P. and its subsidiaries as at and for the six months ended 30 June 2010, the audited consolidated financial statements as at and for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements and, in each case, the accompanying notes appearing elsewhere in this Offering Memorandum. There have been no material changes to our capitalisation since 30 June 2010.

	As at 30 June 2010		
	Historical	Adjustments (US\$ millions)	As Adjusted
Cash and cash equivalents	74.192	19.078	161.593
Restricted cash under the Syndicated Facility ⁽¹⁾	19.078	(19.078)	—
Proceeds after repayment of Syndicated Facility	—	68.323 ⁽²⁾	—
Existing Debt:			
Syndicated Facility	381.677	(381.677)	—
Capitalised Syndicated Facility transaction costs	(21.860)	21.860	—
Debt to be incurred in connection with the offering of the			
Notes:			
Notes offered hereby	—	450.000	450.000
Total Debt	<u>359.817</u>	<u>90.183</u>	<u>450.000⁽³⁾</u>
Partnership equity and capital reserves	<u>491.220</u>	<u>(21.860)</u>	<u>469.360</u>
Capitalisation	<u>851.037</u>	<u>—</u>	<u>919.360</u>

(1) The restricted cash required under the Syndicated Facility of US\$19.078 million will be released upon the refinancing of the Syndicated Facility. Restricted cash under the Syndicated Facility is equal to the restricted cash of the Group of US\$21.486 million less cash relating to the liquidation fund of US\$2.408 million. The Group had cash and cash equivalents of US\$84.512 at 31 August 2010 (including restricted cash required under the Syndicated Facility of US\$19.084 million and cash relating to the liquidation fund of US\$2.517 million).

(2) The proceeds of US\$450.000 million from the Notes offered hereby will be used to repay debt under the Syndicated Facility of US\$381.677 million. As a result, the cash and cash equivalents will increase by US\$68.323 million, which will be used to pay issuance costs in relation to the Notes, which are estimated to amount to not more than 3.5% of the gross proceeds of such issuance, and any unwinding/termination or other amounts to be paid (if any) to novate or terminate the existing hedging contracts.

(3) This amount does not include the impact under IFRS of issuance costs related to the issuance of the Notes. See footnote 2.

SELECTED HISTORICAL FINANCIAL INFORMATION

The financial statements of the Group included in this Offering Memorandum were prepared in accordance with IFRS. The 2007 Combined Financial Statements included in this Offering Memorandum were prepared in accordance with IFRS except that they were prepared on a combined basis and therefore do not comply with IAS 27, *“Consolidated and Separate Financial Statements”*.

Following the formation of Zhaikmunai L.P. in August 2007 and subsequent reorganisation in March 2008, Zhaikmunai, a limited liability partnership formed under the laws of Kazakhstan and the Group's sole operating subsidiary, became Zhaikmunai L.P.'s indirect wholly owned subsidiary. This Offering Memorandum contains unaudited condensed consolidated financial statements of Zhaikmunai L.P. and its subsidiaries as at and for the six months ended 30 June 2010, the audited consolidated financial statements of Zhaikmunai L.P. and its subsidiaries as at and for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements. Following the reorganisation on 28 March 2008, Claydon and Jubilata became subsidiaries of Zhaikmunai L.P.

The audit report from Ernst & Young LLP with respect to the audited consolidated financial statements as at and for the years ended 31 December 2008 refers to Note 2 of the consolidated financial statements relating to Zhaikmunai's breach of the Syndicated Facility and without qualifying their opinion, Ernst & Young LLP emphasised in this report that Zhaikmunai's dependence on refinancing its debt (being the loan under the Syndicated Facility which was classified as a current liability and exceeded current assets by approximately US\$363 million as of 31 December 2008) indicated the existence of a material uncertainty as to the Group's ability to continue as a going concern. Following the waivers of this breach pursuant to an amendment agreement dated 27 August 2009, the loan was reclassified as a non-current liability in the audited consolidated financial statements as at and for the year ended 31 December 2009. The audit report from Ernst & Young LLP with respect to the audited consolidated financial statements as at and for the year ended 31 December 2009 does not include any emphasis of matter.

Potential investors should read the following selected consolidated financial information in conjunction with *“Use of Proceeds”*, *“Management's Discussion and Analysis of Financial Condition and Results of Operations”*, *“Description of Other Indebtedness and Certain Financial Arrangements”* and the audited consolidated financial statements and the accompanying notes appearing elsewhere in this Offering Memorandum.

Income Statement Data

	Year ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
				(unaudited)	
	(US\$ millions)				
Sales of crude oil	116.033	135.912	108.490	74.654	44.680
Cost of sales	(44.035)	(44.610)	(37.401)	(20.733)	(18.705)
Gross profit	71.998	91.302	71.089	53.921	25.975
General and administrative expenses	(29.726)	(20.299)	(12.542)	(13.671)	(14.184)
Selling and oil transportation expenses	(5.692)	(24.212)	(6.793)	(3.505)	(2.847)
Gain/(loss) on hedging contract . . .	(16.909)	64.780	—	(0.060)	(15.433)
Interest income	0.060	0.604	—	0.058	—
Finance costs	(7.801)	(13.171)	(6.841)	(0.654)	(3.498)
Foreign exchange gain/(loss)	(2.184)	(1.527)	6.247	0.126	(12.624)
Other income/(expense)	(0.906)	1.189	0.820	(0.395)	(0.234)
Profit before income tax	8.840	98.666⁽¹⁾	51.980	35.820	(22.845)
Income tax benefit/(expense)	(27.608)	(35.188)	(15.650)	(16.243)	2.744
Net income/(loss)	(18.768)	63.478	36.330	19.577	(20.101)
Other comprehensive income:					
Exchange difference on translation to presentation currency	—	(0.702)	—	—	—
Total comprehensive income/(loss) for the year	(18.768)	62.776	36.330	19.577	(20.101)

(1) Profit before income tax for 2008 includes a significant hedging gain of US\$64.8 million.

Cash Flow Data

	Year ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
				(unaudited)	
	(US\$ millions)				
Net cash flow from operating activities	45.934	44.223 ⁽¹⁾	48.233	24.672	13.836
Net cash used in investing activities	(200.673)	(195.196)	(173.105)	(71.316)	(24.918)
Net cash provided by/(used in) financing activities	279.418	155.627 ⁽²⁾	129.166	(16.586)	39.391

(1) The total amount of net cash flow from operating activities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$45.819 million (as compared to US\$44.223 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$1.596 million) is due to the reclassification of hedging income of US\$1.596 million from net cash flow generated from operating activities to net cash flow from financing activities.

(2) The total amount of net cash flow by/(used in) financing activities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$175.109 million (as compared to US\$155.627 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$19.482 million) is due to the transfer of the restricted cash of US\$21.078 million less a hedging income of US\$1.596 million from current assets to non-current assets.

Balance Sheet Data

	As at 31 December			As at 30 June
	2009	2008	2007	2010
				(unaudited)
	(US\$ millions)			
ASSETS				
Non-current assets				
Property, plant and equipment	770.953	513.491	289.533	864.952
Hedging contract at fair value	0.098	62.923	—	0.038
Restricted cash	21.358	—	—	21.486
Advances for equipment and construction works	27.399	75.385	70.475	21.259
	819.808	651.799	360.008	907.735
Current assets				
Restricted cash	—	21.078	—	—
Inventories	3.477	3.589	2.496	7.447
Trade receivables	13.878	1.084	9.530	4.133
Prepayments and other current assets	22.663	28.081	14.351	18.009
Income Tax Prepayment	5.599	5.386	—	9.040
Cash and cash equivalents	137.375	11.887	7.360	74.192
	182.992	71.105	33.737	112.821
Total assets	1,002.800	722.904	393.745	1,020.556
EQUITY AND LIABILITIES				
Partnership capital and reserves				
Partnership capital	366.942	92.072	—	366.942
Retained earnings and translation reserve	110.827	129.595	66.819	130.404
	477.769	221.667	66.819	497.346
Non-current liabilities				
Long-term borrowings	356.348	—	203.982	359.817
Derivative financial instrument	—	—	—	—
Share option plan at fair value	7.025	0.516	—	5.992
Abandonment and site restoration liabilities	3.373	3.411	1.299	3.777
Due to Government of Kazakhstan	6.363	6.330	6.317	6.323
Deferred tax liability	76.659	56.940	26.191	87.959
	449.768	67.197⁽¹⁾	237.789	463.868
Current liabilities				
Trade payables	66.381	60.953	36.066	51.219
Current portion of long term borrowings	—	365.439	45.521	—
Current portion of Due to Government of Kazakhstan	1.028	1.031	2.062	1.017
Other current liabilities	7.854	6.617	5.488	7.106
	75.263	434.040⁽²⁾	89.137	59.342
Total equity and liabilities	1,002.800	722.904	393.745	1,020.556

(1) The total amount for non-current liabilities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$66.681 million (as compared to US\$67.197 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$0.516 million) is due to the reclassification in the audited consolidated financial statements for the year ended 31 December 2009 of the share option plan at fair value as a non-current liability from a current liability.

(2) The total amount for current liabilities as at 31 December 2008 in the audited consolidated financial statements for the year ended 31 December 2008 was US\$434.556 million (as compared to US\$434.040 million for that year as set forth in the audited consolidated financial statements for the year ended 31 December 2009). The difference (US\$0.516 million) is due to the reclassification in the audited consolidated financial statements for the year ended 31 December 2009 of the share option plan at fair value as a non-current liability from a current liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the unaudited condensed consolidated financial statements as at and for the six months ended 30 June 2010, the audited consolidated financial statements as at and for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements, including the accompanying notes, included elsewhere in this Offering Memorandum. The consolidated financial statements and the accompanying notes have been prepared in accordance with IFRS.

Some of the information in the discussion and analysis set forth below and elsewhere in this Offering Memorandum includes forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements” and “Risk Factors” for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Offering Memorandum.

Overview

Zhaikmunai L.P. is the indirect holding entity of Zhaikmunai, an independent oil and gas enterprise currently engaging in the exploration, production and sale of crude oil in northwestern Kazakhstan. Zhaikmunai's field and Licence area is the Chinarevskoye Field located in the oil-rich Pre-Caspian Basin.

Since 2004, after new management was appointed at Zhaikmunai, the Group's sales, expenses and profit before income tax has increased over the period as a result of increased crude oil production due to the Group's investments in infrastructure and an accelerated drilling programme. The primary factors affecting the Group's results of operations are (i) crude oil prices and the average realised price received by Zhaikmunai for its crude oil, (ii) the amount of crude oil produced by the Group for a given period, (iii) the costs the Group incurs to produce and transport its crude oil, (iv) finance costs incurred by the Group under its borrowings and (v) amounts payable pursuant to the PSA (see “—Primary Factors Affecting Results of Operations”).

As at the date of this Offering Memorandum, the Group has borrowings of US\$382 million under the Syndicated Facility, which will be repaid in full with the proceeds from this offering. These funds have been used to repay a previous financing, which was primarily used for drilling operations and the Group's capital investment programme, including the construction of its crude oil pipeline, rail loading terminal and the Gas Treatment Facility (see “—Liquidity and Capital Resources—Capital Expenditures” and “Business—Capital Investments”). As a result of lower than anticipated EBITDA at 31 December 2008, the Group was in breach of the Syndicated Facility covenants relating to its EBITDA to interest expense and total indebtedness to EBITDA ratios and such breaches were subsequently waived under an amendment agreement to the Syndicated Facility. See “Description of Other Indebtedness and Certain Financial Arrangements—Syndicated Facility”.

The following table sets forth the Group's sales of crude oil, cost of sales, gross profit, profit before income tax and net income/(loss) for the six months ended 30 June 2010 and 2009 and the years ended 31 December 2009, 2008 and 2007:

	Years ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
	(US\$ millions)			(US\$ millions)	
Sales of crude oil	116.033	135.912	108.490	74.654	44.680
Cost of sales	(44.035)	(44.610)	(37.401)	(20.733)	(18.705)
Gross profit	71.998	91.302	71.089	53.921	25.975
Profit before income tax	8.840	98.666 ⁽¹⁾	51.980	35.820	(22.845)
Net income/(loss)	(18.768)	63.478	36.330	19.577	(20.101)

(1) Profit before income tax in 2008 includes a significant hedging gain of US\$64.8 million.

Primary Factors Affecting Results of Operations

The primary factors affecting the Group's results of operations during the periods under review are the following:

Crude oil prices and Netback

Zhaikmunai's sales of crude oil have accounted for substantially all of its revenues during the periods under review. The revenue Zhaikmunai receives for its crude oil is influenced by: (i) fluctuations in the price of international crude oil (i.e. Brent crude oil); and (ii) the discount to this price which, after such discount, represents the realised price for Zhaikmunai's crude oil, which Zhaikmunai refers to as its Netback.

Most of Zhaikmunai's crude oil was typically delivered on a FCA (free carrier) Uralsk shipment basis and due to the high quality thereof (see "*Business—Strengths*"), the discount to the market price of Brent crude oil is smaller. However, Zhaikmunai recently started to sell its crude oil on the basis of DAF (delivery at frontier) and FOB (free on board) terms in order to reduce its overall transportation costs. The table below sets out the average price for Brent crude oil on which Zhaikmunai has based its sales for the six months ended 30 June 2010 and 2009 and the years ended 31 December 2009, 2008 and 2007:

	Years ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
	(US\$/bbl)			(US\$/bbl)	
Average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	62.02	98.11	72.43	77.85	51.62

During the periods under review, the price of Brent crude oil experienced significant fluctuations. After reaching highs of up to US\$147.0 per barrel in mid-2008, international oil prices fell dramatically in late 2008 with an average closing price in December 2008 of US\$43.10 per barrel. Brent crude oil prices recovered in the first half of 2009, reaching US\$70 per barrel in June 2009, approximately US\$78 per barrel in December 2009 and prices have varied between a low of approximately US\$69 per barrel and a high of approximately US\$87 per barrel in the first half of 2010. The price per barrel was approximately US\$75 as at 30 June 2010.

These fluctuations have affected the Group's revenues directly, as the price Zhaikmunai receives for its crude oil is based on the price of Brent crude oil. However, the Group entered into hedging contracts in March 2010 covering oil export sales of 4,000 barrels per day running from March 2010 through December 2010 (pursuant to which the floor price is fixed at US\$60 per barrel). See "*—Summary of Critical Accounting Policies—Derivative Financial Instruments and Hedging*" and "*Description of Other Indebtedness and Certain Financial Arrangements—Hedging Contracts*". These hedging contracts may be novated or terminated upon repayment of the Syndicated Facility and if such contracts are novated or terminated, Zhaikmunai may have to pay certain unwinding/termination costs or similar amounts under such contracts.

Until recently, crude oil was sold and delivered from Uralsk to Zhaikmunai's customer(s), one or more oil traders, on a FCA (free carrier) Uralsk shipment basis (see "*Business—Sales and Marketing*" for a description of these sales and shipment basis) who then on-sell(s) the crude oil to their ultimate customers. During 2007, 2008 and 2009, the oil trader(s) contracted to purchase the Group's production has/have sold and delivered Zhaikmunai's crude oil to customers located in Finland and the Ukraine. The price Zhaikmunai receives for its crude oil is based on the market price for Brent crude oil, less a discount for the trader's transportation costs of the crude oil from Uralsk to its ultimate destination, including certain quality differentials and the trader's fee. The discount, which is negotiated on an annual basis, is a fixed amount per barrel, comprising rail transportation tariffs in Kazakhstan and Russia and the cost of leasing railcars to transport the crude oil and, to a lesser extent, the discount takes into account quality differentials in the oil and the profit margin retained by the particular trader. In 2007 and 2008 transportation costs rose as rail tariffs increased with increases in the commodity price of crude oil and rail car leasing rates. The Group's sales contract stipulates that any increase in rail tariffs is borne by the Group. Zhaikmunai recently started to sell its crude oil on the basis of DAF (delivery at frontier) and FOB (free on board) terms in order to reduce its overall transportation costs.

In addition, Russian rail tariffs are priced in Swiss francs and Kazakh rail tariffs are priced in Tenge, whereas Zhaikmunai's oil prices are quoted and settled in US Dollars. Consequently, if the US Dollar

depreciates or appreciates against the Swiss franc or the Tenge, Zhaikmunai's Netback is reduced or increased, respectively. Zhaikmunai's discount for crude oil sales generated for the six months ended 30 June 2010 was US\$14.26 per barrel, compared to US\$15.40 per barrel for the six months ended 30 June 2009, and for the year 2009 was US\$15.21 per barrel, compared to US\$15.58 per barrel for the year 2008 and US\$13.72 per barrel for the year 2007. The decrease in discount for the six months ended 30 June 2010 compared to the six months ended 30 June 2009 was a result of a decrease in the amount of discount retained by the trader(s) for oil sold at FCA (free carrier) Uralsk (due to decreased rail tariffs) and the fact that the Group started to sell on DAF (delivery at frontier) and FOB (free on board) terms (which carries much lower traders' transportation costs). The decrease in discount from 2008 to 2009 was a result of lower transportation costs due to decreased rail tariffs and a decrease in rail car lease rates. The increase in discount from 2007 to 2008 was the result of higher transportation costs due to increased rail tariffs and increased rail car lease rates.

The table below sets out Zhaikmunai's average Netback for crude oil sales for the six months ended 30 June 2010 and 2009 and the years ended 31 December 2009, 2008 and 2007.

	Years ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
	(US\$/bbl)			(US\$/bbl)	
Average Netback for crude oil sales	46.81	82.53	58.71	63.59	36.22

Crude oil production

All crude oil produced by Zhaikmunai is sold. As at 30 June 2010, inventory comprised 6.6% of the Group's current assets compared to 4.5% as at 30 June 2009. As at 31 December 2009, inventory comprised less than 0.2% of the Group's current assets compared to 5.0% as at 31 December 2008 and 7.4% as at 31 December 2007. Consequently, the volume of crude oil produced by the Group directly affects its revenues. The table below illustrates Zhaikmunai's production for the six months ended 30 June 2010 and 2009 and the years ended 31 December 2009, 2008 and 2007.

	Years ended 31 December			Six months ended 30 June	
	2009	2008	2007	2010	2009
Total crude oil production (bbl) . . .	2,697,980	1,749,066	1,719,153	1,314,256	1,316,051
Average crude oil production (bpd)	7,442	5,095	5,063	7,261	7,271
Increase (decrease) in production from previous period (bpd)	2,347	32	2,163	(10)	—
Increase (decrease) in production from previous period (%)	46.1	0.6	74	0.1	—

Zhaikmunai's production growth in 2007, 2008 and 2009 has been primarily driven by its growing drilling programme. In 2009, the Group successfully completed two new appraisal wells, two new production wells and three sidetrack wells out of existing wells. One production well and two sidetrack wells out of existing wells were being drilled as at 30 June 2010. Management intends to drill an average of 13 new production wells per year between 2011 and 2014 which it believes will significantly increase crude oil production in the future.

Cost of sales

As crude oil prices are based on quotation pricing, Zhaikmunai's ability to control costs is critical to its profitability. Zhaikmunai's cost of sales comprise various costs including depreciation for oil and gas properties, repair, maintenance and other services, royalties, payroll and related taxes, materials and supplies, management fees, other transportation services, government profit share, environmental levies, well workover costs, rent and operation of oil separation units.

Depreciation costs, during the periods under review, have represented as a percentage of total cost of sales 38.5% and 39.4% for the six months ended 30 June 2010 and 2009, respectively, and 36.8%, 17.7% and 16.4% for the years ended 31 December 2009, 2008 and 2007, respectively. Such costs fluctuate according to the level of Zhaikmunai's proved developed reserves, the volume of crude oil it produces and the net book value of its oil and gas properties (see "—*Summary of Critical Accounting Policies*" below for an explanation of this accounting policy). As the Group continues with its capital investment programme,

management expects depreciation costs to increase (in particular, following completion and commissioning of the Gas Treatment Facility) as the Group's proved developed reserves are expected to remain broadly constant while its production and the value of its oil and gas properties increase. Well workover costs are related to ongoing repair and maintenance of production and exploration wells. These costs, during the periods under review, have represented as a percentage of total cost of sales 5.1% and 0.0% for the six months ended 30 June 2010 and 2009, respectively, and 0.3%, 14.2% and 19.0% for the years ended 31 December 2009, 2008 and 2007, respectively. The increase in well workover costs as a percentage of cost of sales in the first six months of 2010 compared to the first six months of 2009 was a result of starting previously postponed workover activities.

Change in oil stock, during the periods under review, has moved from an increase in the cost of sales in the first six months of 2009 to a decrease in the cost of sales in the first half of 2010 due to an increase in oil stock as a result of the transition from FCA Uralsk marketing to DAF and FOB sales to different locations.

Other cost of sales during the periods under review have included environmental levies, which decreased by 7.9% during the six months ended 30 June 2010 compared to the six months ended 30 June 2009, and by 61.0% during 2009 compared to 2008 due to reduction of flared gas volumes, and increased by 201.4% during 2008 compared to 2007, due to higher levies charged by the Government relating to an increase of flared gas volumes, as well as management costs (which have been paid pursuant to management services agreements with related parties (see "*Related Parties and Related Party Transactions*")), labour costs and rent and operation of oil separation units costs. Management fees increased as a result of increases in remuneration while the increase in labour costs resulted from an increase in the number of personnel contracted and/or employed by Zhaikmunai as well as through increases in salaries. Management expects that labour costs will increase faster than overall growth in Kazakhstan, although any consequent increases in these costs are expected to be partially offset by productivity growth. Costs for repairs and maintenance and material and supplies are expected to fluctuate in line with changes in the market price of oil. Rent and operation of oil separation units costs have significantly dropped in 2009 due to the release of the oil separation units following completion of the oil treatment unit and management does not expect those costs to increase in the near future.

Finance costs

Finance costs in the six months ended 30 June 2010 and 2009 and in the years ended 31 December 2009 and 2008 consisted of interest expenses in relation to the Syndicated Facility, commitment fees on the Syndicated Facility, unwinding at discount on the trade payables to KSS, finance charges on trade payables to KSS, unwinding of discount on amounts due to the Government, loan review fees (only in 2009), unwinding of discount on abandonment and site relocation liability and amortisation of fees incurred on arrangement of the Syndicated Facility (in 2008 and 2009).

Interest expense consisted of interest on Zhaikmunai's Syndicated Facility. In December 2007, the Group entered into the Syndicated Facility under which its previous fixed rate borrowings were refinanced. The amounts available under the Syndicated Facility were drawn down starting from March 2008. As a result of lower than anticipated EBITDA at 31 December 2008, the Group was in breach of the Syndicated Facility covenants relating to its EBITDA to interest expense and total indebtedness to EBITDA ratios and such breaches were subsequently waived under an amendment agreement to the Syndicated Facility. See "*Description of Other Indebtedness and Certain Financial Arrangements—Syndicated Facility*". A portion of the finance costs are capitalised based on the average construction in progress. Capitalised interest (including withholding tax paid by Zhaikmunai) amounted to US\$19.6 million in 2008 and US\$26.4 million in 2009. Non-capitalised interest (including withholding tax paid by Zhaikmunai) amounted to US\$11.5 million in 2008 and US\$6.0 million in 2009. All interest expenses for the six months ended 30 June 2010 have been capitalised compared to the same period in 2009 due to the fact that all interest expenses during that period related to Zhaikmunai's capital expenditure programme.

Royalties, Government Share and Taxes payable pursuant to the PSA

Zhaikmunai operates its production and sales of crude oil pursuant to the PSA. The PSA has, during the periods under review, and will continue to have, an effect, both positive and negative, on Zhaikmunai's results of operations as a result of (i) the beneficial tax rates available to Zhaikmunai, (ii) increasing royalty expenses payable to the State, (iii) the share of profit oil and the share of gas that Zhaikmunai pays to the State and (iv) recovery bonus payable to the State.

Under the PSA, the Kazakh tax regime that was in place in 1997 applies to the Group for the entire term of the PSA and the Licence (as to VAT and social tax, the regime that was in place as of 1 July 2001 applies). As of 1 January 2009, the new Tax Code became effective and introduced a new tax regime and taxes applicable to subsoil users (including oil mineral extraction tax and historical cost). However, the Tax Code did not supersede the previous tax regime applicable to PSAs entered into before 1 January 2009, which continue to be effective under Article 308 of the Tax Code. Despite the stabilisation clauses (providing for general and tax stability) provided for by the PSA, in 2008 and again in 2010 Zhaikmunai was required to pay new crude oil export duties introduced by the Government. Despite Zhaikmunai's efforts to show that the new export duties were not applicable to it under the PSA, the State authorities did not accept this position in 2008 and Zhaikmunai was required to pay the export duties. During January 2009, the Government revised and established the rate of the export duties at US\$ nil per tonne of crude oil, but reimposed a US\$20 per tonne duty in August 2010, which the authorities are now seeking to apply to Zhaikmunai. Zhaikmunai has appealed against application of such duty to it.

For the purposes of corporate income tax from 1 January 2007, the Group considers its revenue from crude oil sales related to the Tournaisian horizon as taxable revenue and its expenses related to the Tournaisian horizon as deductible expenses, except those expenses which are not deductible in accordance with the tax legislation of Kazakhstan. Assets related to the Tournaisian reservoir that were acquired during the exploration phase are then depreciated for tax purposes at a maximum rate of 25.0%. Assets related to the Tournaisian reservoir that were acquired after the commencement of the production phase are subject to the depreciation rate in accordance with the 1997 Kazakh tax regime, expected to be approximately 14.0%. Under the PSA, the exploration phase for the remainder of the Chinarevskoye Field will expire in May 2011. Assets related to the other horizons will depreciate in the same manner as those described above for the Tournaisian reservoir.

Under the PSA, Zhaikmunai is obliged to pay to the State royalties on the volumes of crude oil and gas produced, with the royalty rate increasing as the volume of hydrocarbons produced increases. In addition, Zhaikmunai is required to deliver a share of its monthly production to the State (or make a payment in lieu of such delivery). The share to be delivered to the State also increases as annual production levels increase. See *"Business—Licences and Contracts"* for a description of these amounts. Pursuant to the PSA, the Group is currently able to effectively deduct a significant proportion of production from the sharing arrangement (known as Cost Oil) that it would otherwise have to share with the Government. Cost oil reflects the deductible capital and operating expenditures incurred by the Group in relation to its operations. During the periods under review, royalties and government profit share have represented, as a percentage of total cost of sales, for the six months ended 30 June 2010, 15.7% and 3.7%, respectively compared to 12.3% and 2.4%, respectively, for the six months ended 30 June 2009, for the year ended 31 December 2009, 13.0% and 2.5%, respectively, for the year ended 31 December 2008, 12.8% and 2.5%, respectively and for the year ended 31 December 2007, 14.1% and 2.7%, respectively.

Summary of Critical Accounting Policies

The Group's significant accounting policies are more fully described in note 3 to the audited consolidated financial statements for 2009, 2008 and the 2007 Combined Financial Statements, and note 2 to the unaudited condensed consolidated financial statements for the six months ended 30 June 2010. However, certain of the Group's accounting policies are particularly important to the presentation of the Group's results of operations and require the application of significant judgment by its management.

In applying these policies, the Group's management uses its judgment to determine the appropriate assumption to be used in the determination of certain estimates used in the preparation of the Group's results of operations. These estimates are based on the Group's previous experience, the terms of existing contracts, information available from external sources and other factors, as appropriate.

The Group's management believes that, among others, the following accounting policies that involve management judgments and estimates are the most critical to understanding and evaluating its reported financial results.

Estimations and Assumptions

Oil and gas reserves

Oil and gas reserves are a material factor in Zhaikmunai L.P.'s computation of depreciation, depletion and amortisation (the "DD&A"). Zhaikmunai L.P. estimates its reserves of oil and gas in accordance with the

methodology of the Society of Petroleum Engineers (the “SPE”). In estimating its reserves under SPE methodology, Zhaikmunai L.P. uses long-term planning prices which are also used by management to make investment decisions about development of a field. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year end spot prices. Management believes that long-term planning price assumptions are more consistent with the long-term nature of our business and provide the most appropriate basis for estimating oil and gas reserves. All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability. Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data; availability of new data; or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for DD&A.

Property, Plant and Equipment

Abandonment and site restoration (decommissioning)

Provision for decommissioning is recognised in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long term interest rates for emerging market debt adjusted for risks specific to the Kazakhstan market. The unwinding of the discount related to the obligation is recorded in finance costs. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This asset is subsequently depreciated as part of the capital costs of the oil and gas properties on a unit of production basis.

Changes in the measurement of an existing decommissioning liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or changes to the discount rate:

- (a) are added to, or deducted from, the cost of the related asset in the current period. If deducted from the cost of the asset the amount deducted shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognised immediately in the income statement; and
- (b) if the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

Borrowing Costs

The Group capitalises borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalisation include all assets under construction that are not being depreciated, depleted, or amortised, *provided that* work is in progress at that time. Qualifying assets mostly include wells and other oilfield infrastructure under construction. Capitalised borrowing costs are calculated by applying the capitalisation rate to the expenditures on qualifying assets. The capitalisation rate is the weighted average of the borrowing costs applicable to the Group’s borrowings that are outstanding during the period.

Derivative Financial Instruments and Hedging

The Group uses a hedging contract for oil export sales to cover part of its risks associated with oil price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of financial instruments contracts is determined by reference to market values for similar instruments.

Description of key financial terms

Sales of crude oil during the period under review is affected by the Group's volume of crude oil production, the market price for crude oil and the discount to the market price incurred by the Group for its crude oil. The Group expects to generate further revenue from sales of condensate, gas and LPG following the completion of the Gas Treatment Facility. The unaudited condensed consolidated financial statements as at and for the six months ended 30 June 2010, the audited consolidated financial statements as at and for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements included in this Offering Memorandum present sales of crude oil gross of any portion required to be delivered to the State under the terms of the PSA since, during the periods under review, it has elected to settle its obligations to the State in cash. Consequently, the incurrence of any such obligation is reported as an expense in cost of sales (see "*—Government profit share*" below). If it elects, in the future, to settle such obligation by the delivery of crude oil to the State, its sales of crude oil, and therefore revenue, will be affected. See "*Business—Subsoil Licences and Contracts—State Share*".

Cost of sales comprises various costs including: (i) depreciation of oil and gas properties; (ii) well workover costs for the repair, maintenance and change of well completions; (iii) royalties payable to the Government (see "*Primary Factors Affecting Results of Operations—Royalties, Government Share and Taxes payable pursuant to the PSA*"); (iv) repair, maintenance and other services, (v) payroll and related taxes for field operational staff; (vi) materials and supplies and other related expenses; (vii) the rental and operation of oil separation units (used to separate crude oil and gas condensate); (viii) environmental levies; (ix) management fees related to the provision of geological, geophysical, drilling, scientific, technical and other consultancy services (see "*Related Parties and Related Party Transactions—Services Agreements*") and (x) Government profit share, (see "*—Primary Factors Affecting Results of Operations—Royalties, Government Share and Taxes payable pursuant to the PSA*").

General and administrative expenses consist of professional services relating to geological analyses, legal fees and accounting fees, bank charges and employee training, management fees for consultants and service providers and payroll and related taxes for employees in managerial or administrative roles.

Selling and oil transportation expenses principally comprise the costs incurred in transporting crude oil from the Chinarevskoye Field to the terminal at Uralsk, which is the point of sale at which one or more traders who purchase(s) Zhaikmunai's crude oil become(s) responsible for transportation. In January 2009, the Group completed the construction of an oil pipeline linking the Chinarevskoye Field with the rail terminal in Rostoshi near Uralsk. The Group currently transports all its crude oil to Uralsk along this pipeline rather than the trucks it used prior to completion of the pipeline. Consequently, this has reduced the Group's transportation expenses relating to trucking and road maintenance costs.

Comparison of the six months ended 30 June 2010 and 2009

The table below sets forth the line items of the Group's income statement for the six months ended 30 June 2010 and 2009 in US Dollars and as a percentage of sales of crude oil.

	Six months ended 30 June 2010 (US\$ millions)	% of sales of crude oil	Six months ended 30 June 2009 (US\$ millions)	% of sales of crude oil
Sales of crude oil	74.654	100.0	44.680	100.0
Cost of sales	(20.733)	(27.8)	(18.705)	(41.9)
Gross Profit	53.921	72.2	25.975	58.1
General and administrative expenses	(13.671)	(18.3)	(14.184)	(31.7)
Selling and oil transportation expenses	(3.505)	(4.7)	(2.847)	(6.4)
Gain/(loss) on hedging contract	(0.060)	(0.1)	(15.433)	(34.5)
Interest income	0.058	0.1	—	0.0
Finance costs	(0.654)	(0.9)	(3.498)	(7.8)
Foreign exchange (loss)/gain	0.126	0.2	(12.624)	(28.3)
Other (expenses)/income	(0.395)	(0.5)	(0.234)	(0.5)
Profit/(loss) before income tax	35.820	48.0	(22.845)	51.1
Income tax expense	(16.243)	(21.8)	2.744	6.1
Net Loss/Income	19.577	26.2	(20.101)	(45.0)

Sales of crude oil increased by US\$30.0 million, or 67.1%, to US\$74.7 million in the six months ended 30 June 2010 from US\$44.7 million in the six months ended 30 June 2009 due primarily to a 75.6% increase in average crude oil Netback prices in the six months ended 30 June 2010 because of an increase in the average Brent crude oil price of 50.8% and a decrease in the weighted average transportation discount of 7.4% compared to the six months ended 30 June 2009.

The following table shows the Group's sales of crude oil and sales volumes for the six months ended 30 June 2010 and 2009:

	Six months ended 30 June	
	2010	2009
Sales of crude oil (US\$ millions)	74.654	44.680
Sales volumes (gross of Cost Oil) (bbl)	1,314,256	1,316,051

The table below shows changes in the commodity price of Brent crude oil and changes in the discount and the Netback received by the Group for its crude oil for the periods ended 30 June 2010 and 2009.

	Six months ended 30 June	
	2010	2009
Average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	77.85	51.62
Average discount to Brent (US\$/bbl)	14.26	15.40
Average Netback (US\$/bbl)	63.59	36.22

Cost of sales increased by US\$2.0 million, or 10.8%, to US\$20.7 million in the six months ended 30 June 2010 from US\$18.7 million in the six months ended 30 June 2009 due primarily to an increase in depreciation, royalties and government profit share, as well as increases in material and supply costs and repair and maintenance costs. Royalty costs increased by US\$1.0 million, or 41.6%, to US\$3.3 million in the six months ended 30 June 2010 from US\$2.3 million in the six months ended 30 June 2009 due to an increase in Brent crude prices. Costs for government profit share also increased by US\$0.3 million, or 73.1%, to US\$0.8 million in the six months ended 30 June 2010 from US\$0.4 million in the six months ended 30 June 2009 due to the release of the oil separation units following completion of the first phase of the oil treatment unit during the six months ended 30 June 2009. Depreciation costs increased by US\$0.6 million, or 8.4%, to US\$8.0 million in the six months ended 30 June 2010 from US\$7.4 million in the six months ended 30 June 2009 due, primarily, to the further advancement of Zhaikmunai's drilling

programme over the course of 2009. On a per barrel basis, primarily due to costs calculated based on Brent crude prices, cost of sales increased by US\$1.56, or 11.0%, to US\$15.78 in the six months ended 30 June 2010 from US\$14.21 in the six months ended 30 June 2009 and cost of sales net of depreciation costs increased by US\$1.09, or 12.6%, to US\$9.71 in the six months ended 30 June 2010 from US\$8.62 in the six months ended 30 June 2009.

General and administrative expenses decreased by US\$0.5 million, or 3.6%, to US\$13.7 million in the six months ended 30 June 2010 from US\$14.2 million in the six months ended 30 June 2009 due primarily to the adjustment of the equity option plan and the decrease of professional fee expenses. Management fees increased by US\$0.6 million to US\$4.7 million in the six months ended 30 June 2010 from US\$4.1 million in the six months ended 30 June 2009 due to additional management personnel hired by the Group.

Selling and oil transportation expenses increased by US\$0.7 million, or 23.1%, to US\$3.5 million in the six months ended 30 June 2010 from US\$2.8 million in the six months ended 30 June 2009 due, primarily, to the change of sale terms from FCA (free carrier) Uralsk to DAF (delivery at frontier) and FOB (free on board). The benefit for the Group to sell on DAF/FOB terms is that the transportation discount per barrel is significantly reduced (and therefore the Netback is higher) even though transportation costs for the Group increase as the Group has to pay for transportation costs from the terminal to the point of sale. The Group plans to continue this transition from sales on FCA terms to FOB/DAF terms as management believes the Group will benefit from a net decrease in overall transportation costs.

Finance costs decreased by US\$2.8 million, or 81.3%, to US\$0.7 million in the six months ended 30 June 2010 from US\$3.5 million in the six months ended 30 June 2009 mainly due to the fact that a greater portion of overall interest expense was capitalised in the later period (US\$20.8 million in the first six months ended 30 June 2010 compared to US\$9.3 million in the six months ended 30 June 2009). Cash interest expense on the Syndicated Facility actually increased by US\$6.8 million to US\$15.3 million in the six months ended 30 June 2010 from US\$8.5 million in the six months ended 30 June 2009. The higher interest expense followed the amendment of the Syndicated Facility agreement in September 2009. According to the restated Syndicated Facility agreement, Zhaikmunai paid Libor plus 7% during the six months ended 30 June 2010 on the outstanding balance of US\$381.7 million. Under the original Syndicated Facility agreement, Zhaikmunai paid Libor plus 3% for the first tranche of US\$200 million, Libor plus 4% for the second tranche of US\$200 million and Libor plus 5% for the third tranche of US\$150 million. Effectively, Zhaikmunai paid Libor plus 3.48% during in the six months ended 30 June 2009 on the outstanding balance of US\$381.7 million. Although the interest expense on the Syndicated Facility increased by US\$7.9 million during the six months ended 30 June 2010, finance costs decreased by US\$2.8 million during the same period due to the fact that all interest expenses during the six months ended 30 June 2010 were capitalised and therefore, not included in finance costs.

Loss on derivative financial instruments amounted to US\$0.06 million compared to a loss of US\$15.43 million in the six months ended 30 June 2009. The loss of US\$0.06 million consisted of the fair value of the hedging contracts as at 30 June 2010 (in a positive amount of US\$0.04 million) less the fair value of the hedging contracts as at 31 December 2009 (in a positive amount of US\$0.98 million).

Foreign exchange gain amounted to US\$0.1 million compared to a loss of US\$12.6 million in the six months ended 30 June 2009 due, primarily, to a change in the Group's functional currency to US Dollars.

Profit before income tax amounted to a profit of US\$35.8 million in the six months ended 30 June 2010 compared to a loss of US\$22.8 million in the six months ended 30 June 2009 due primarily to higher Brent crude oil prices.

Income tax expense increased by US\$19.0 million, to US\$16.2 million in the six months ended 30 June 2010 from a benefit of US\$2.7 million in the six months ended 30 June 2009 due to the change in functional currency to US dollars, the difference in income due to higher oil prices and an increase in non-deductible interest expense on borrowings following the margin increase on the Syndicated Facility.

Net income amounted to US\$19.6 million in the six months ended 30 June 2010 compared to a net loss of US\$20.1 million in the six months ended 30 June 2009 as a result of the foregoing.

Comparison of the years ended 31 December 2009 and 2008

The table below sets forth the line items of the Group's income statement for the years ended 31 December 2009 and 2008 in US Dollars and as a percentage of sales of crude oil.

	Year ended 31 December 2009 (US\$ millions)	% of sales of crude oil	Year ended 31 December 2008 (US\$ millions)	% of sales of crude oil
Sales of crude oil	116.033	100.0	135.912	100.0
Cost of sales	(44.035)	38.0	(44.610)	32.8
Gross Profit	71.998	62.0	91.302	67.2
General and administrative expenses	(29.726)	25.6	(20.299)	14.9
Selling and oil transportation expenses	(5.692)	4.9	(24.212)	17.8
Gain/(loss) on hedging contract	(16.909)	14.6	64.780	47.7
Interest income	0.060	0.05	0.604	0.44
Finance costs	(7.801)	6.7	(13.171)	9.7
Foreign exchange (loss)/gain	(2.184)	1.9	(1.527)	1.1
Other (expenses)/income	(0.906)	0.78	1.189	0.9
Profit before income tax	8.840	7.6	98.666	72.6
Income tax expense	(27.608)	23.8	(35.188)	25.9
Net Loss/Income	(18.768)	16.2	63.478	46.7

Sales of crude oil decreased by US\$19.9 million, or 14.6%, to US\$116.0 million in 2009 from US\$135.9 million in 2008 due, primarily, to a 58.2% decrease in Brent crude oil prices in 2009 due to the economic downturn and deteriorating market conditions which was partially offset by a 46% increase in crude oil production in 2009. The lower crude oil prices and lower average discount resulted in a 43% decrease in the average Netback for crude oil export sales to US\$46.81 per barrel in 2009 from US\$82.53 per barrel in 2008.

The following table shows the Group's sales of crude oil and sales volumes for the years ended 31 December 2009 and 2008:

	Years ended 31 December	
	2009	2008
Sales of crude oil (US\$ millions)	116.033	135.912
Sales volumes (gross of Cost Oil) (bbl)	2,675,505	1,673,220

The table below shows changes in the commodity price of Brent crude oil and changes in the discount and the Netback received by the Group for its crude oil for the years ended 31 December 2009 and 2008.

	Years ended 31 December	
	2009	2008
Average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	62.02	98.11
Average discount to Brent (US\$/bbl)	15.21	15.58
Average Netback (US\$/bbl)	46.81	82.53

Cost of sales decreased by US\$0.6 million, or 0.1%, to US\$44.0 million in 2009 from US\$44.6 million in 2008 due, primarily, to a reduction in well workover costs and in the cost for rent and operation of oil separation units which was almost entirely offset by an increase in depreciation and amortisation. Well workover costs decreased by US\$6.2 million, or 97.7% in 2009 to US\$0.1 million in 2009 from US\$6.4 million in 2008 due to a decrease in ongoing repair and maintenance of production and exploration wells as work on the current wells was completed in 2009. Cost for rent and operation of oil separation units decreased by US\$2.8 million, or 95.9% to US\$0.1 million in 2009 from US\$2.9 million in 2008 due to the release of the oil separation units following completion of the first phase of the oil treatment unit in 2008. Depreciation costs increased by US\$8.3 million, or 105.5% in 2009 to US\$16.2 million in 2009 from US\$7.9 million in 2008 due, primarily, to the commissioning of Zhaikmunai's oil pipeline and rail terminal. On a per barrel basis, cost of sales decreased by US\$10.2, or 38% to US\$16.46 in 2009 from US\$26.66 in

2008 and cost of sales net of depreciation costs decreased by US\$8.9 or 24% to US\$27.8 in 2009 from US\$36.7 in 2008.

General and administrative expenses increased by US\$9.4 million, or 46.4%, to US\$29.7 million in 2009 from US\$20.3 million in 2008 due primarily to an increase in expenses relating to the employee share option plan and an increase in management fees (consisting of payment of remuneration of certain senior management employees). Expenses relating to the employee share option plan increased by US\$6.0 million to US\$6.5 million in 2009 from US\$0.5 million in 2008 due to changes to the share option plan according to which the exercise price was lowered from US\$10 to US\$4. Management fees increased by US\$3.2 million to US\$8.6 million in 2009 from US\$5.4 million in 2008 due to additional management hired by the Group.

Selling and oil transportation expenses decreased by US\$18.5 million, or 76.5%, to US\$5.7 million in 2009 from US\$24.2 million in 2008 due, primarily, to (i) a reduction of the oil export duty to 0% in 2009, (ii) a decrease in the cost of transporting oil to the railway loading terminal and (iii) a decrease in oil loading and storage costs. Oil export duty decreased by US\$15.0 million to US\$0 in 2009 from US\$15.0 million in 2008. Costs relating to transporting oil to the railway loading terminal decreased by US\$3.7 million to US\$1.3 million in 2009 from US\$5.0 million in 2008 due to the completion of the construction and commencement of the operation of the oil pipeline and oil loading terminal in 2009. Oil loading and storage costs decreased by US\$2.8 to US\$0.1 million in 2009 from US\$2.9 million in 2008 due to the reduction of oil loading and storage costs to zero. The reduction of oil loading costs to zero was due to the commissioning of the oil pipeline and rail terminal. The reduction of storage costs to zero was due to the fact that in late 2008, the Group increased its crude oil inventory to limit losses on crude oil sales due to the low oil price and the high export duty; with the elimination of the export duty and the increase in the oil price in 2009, the inventory returned to normal levels, reducing storage costs to zero.

Finance costs decreased by US\$5.4 million, or 40.8% to US\$7.8 million in 2009 from US\$13.2 million in 2008 mainly due to an increase in interest capitalisation. Due to the increase in the margin over LIBOR in September 2009, finance costs increased slightly by 4% or US\$1.3 million to US\$32.9 million in 2009 from US\$31.6 million in 2008, which was offset by the increase in capitalised finance costs (by 35% or US\$6.8 million to US\$26.4 million in 2009 from US\$19.6 million in 2008). The increase in interest capitalisation is mainly due to the increase of construction in progress, which increased by 50% or US\$115.0 million to US\$343.4 million in 2009 from US\$228.4 million in 2008.

Loss on hedging contract amounted to US\$16.9 million compared to a gain of US\$64.8 million in 2008. The loss on hedging contract consisted of the fair value of the hedging contract as at 31 December 2008 (in an amount of US\$62.9 million) less the proceeds received from the sale of the hedging contract in March 2009 (in an amount of US\$48.2 million), less a realised hedging gain of US\$5.4 million realised before the sale of the hedging contract, plus an unrealised hedging loss of US\$7.6 million relating to the purchase of the new hedging contract.

Foreign exchange losses amounted to US\$2.2 million compared to US\$1.5 million in 2008 due, primarily, to the reduction of the US Dollar value of a value-added tax receivable denominated in Tenge at the time of the devaluation of the Tenge in March 2009.

Profit before income tax decreased by US\$89.8 million, or 90.1%, to US\$8.8 million in 2009 from US\$98.7 million in 2008 due primarily to a hedging loss of US\$16.9 million compared to a hedging gain of US\$64.8 million in 2008.

Income tax expense decreased by US\$7.6 million, or 21.5%, to US\$27.6 million in 2009 from US\$35.2 million in 2008. The tax expense of US\$27.6 million is largely due to a revaluation (in Tenge) of non-current assets following the devaluation of the Tenge in March 2009. The tax expense of US\$27.6 million includes US\$7.9 million of current income tax expense and US\$19.7 million of deferred tax liability.

Net income decreased by US\$81.6 million in 2009 to a net loss of US\$18.8 million in 2009 from a net income of US\$62.8 million in 2008 as a result of the foregoing.

Comparison of the years ended 31 December 2008 and 2007

The table below sets forth the line items of the Group's income statement for the years ended 31 December 2008 and 2007 in US Dollars and as a percentage of sales of crude oil.

	Year ended 31 December 2008 (US\$ millions)	% of sales of crude oil	Year ended 31 December 2007 (US\$ millions)	% of sales of crude oil
Sales of crude oil	135.912	100.0	108.490	100.0
Cost of sales	(44.610)	32.8	(37.401)	34.5
Gross Profit	91.302	67.2	71.089	65.5
General and administrative expenses	(20.299)	14.9	(12.542)	11.6
Selling and oil transportation expenses	(24.212)	17.8	(6.793)	6.3
Gain in hedging contract	64.780	47.7	—	—
Interest income	0.604	0.44	—	—
Finance costs	(13.171)	9.7	(6.841)	6.3
Foreign exchange (loss)/gain	(1.527)	1.1	6.247	5.8
Other income	1.189	0.9	0.820	0.8
Profit before income tax	98.666	72.6	51.980	47.9
Income tax expense	(35.188)	25.9	(15.650)	14.4
Net Income	63.478	46.7	36.330	33.5

Sales of crude oil increased by US\$27.4 million, or 25.3%, to US\$135.9 million in 2008 from US\$108.5 million in 2007 due, primarily, to increased production of crude oil as a result of the drilling of new production wells and improved maintenance of existing wells. This was, however, partially off-set by a significant fall in Brent crude oil prices during late 2008 due to the economic downturn and deteriorating market conditions (see “Risk Factors—Risks associated with emerging and developing markets generally”). In addition, there was an increase in the discount at which the Group calculates its crude oil prices of US\$1.86 per barrel to US\$15.58 per barrel in 2008 due to increased transportation costs caused by higher rail tariffs and higher rail car lease rates.

The Group increased its sales volumes during test production by 29,913 bbl, or 2.0%, in 2008. During such period the Group added six oil production wells. The following table shows the Group's sales of crude oil and sales volumes for the years ended 31 December 2008 and 2007:

	Years ended 31 December	
	2008	2007
Sales of crude oil (US\$ millions)	135.912	108.490
Sales volumes (gross of Cost Oil) (bbl)	1,749,066	1,719,153

The increase in the sales of crude oil was partly due to an increase in production volumes following the expansion of the Group's infrastructure and production capacity. The table below shows changes in the commodity price of Brent crude oil and changes in the discount and the Netback received by the Group for its crude oil for the years ended 31 December 2008 and 2007. The price for Brent crude oil was subject to significant fluctuations in 2008, dropping to an average closing price in December 2008 of US\$43.10 per barrel. Oil production in the second half of 2008 was lower than expected as Zhaikmunai was forced to reduce its crude oil output (i) during July and August from 6,700 bpd to 2,000 bpd due to a shortage of rail cars for transportation (until long term lease arrangements were put in place and production returned to previous levels), (ii) due to geological problems experienced in the water injection project and (iii) by approximately 50% in November 2008 and to the minimum technically required level in December 2008 as

a result of significant falls in the price of Brent crude oil during late 2008 and the imposition of a significant export duty by the Government which was effectively abolished in January 2009.

	Years ended 31 December	
	2008	2007
Average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	98.11	72.43
Average discount to Brent (US\$/bbl)	15.58	13.72
Average Netback (US\$/bbl)	82.53	58.71

Cost of sales increased by US\$7.2 million or 19.3% to US\$44.6 million in 2008 from US\$37.4 million in 2007 due primarily to (i) an increase in environmental levies, (ii) increases in crude oil production and associated increases in depreciation, (iii) payroll and related taxes and (iv) an increase in materials and supplies. Environmental levies increased by US\$1.8 million, or 201.4% to US\$2.8 million in 2008 from US\$0.9 million in 2007 due to an increase in levy rates by the Government. Depreciation increased by US\$1.8 million, or 28.7%, to US\$7.9 million in 2008 from US\$6.1 million in 2007 due, mainly, to higher average balances of oil and gas production assets and a higher depletion rate. The depletion rate decreased slightly in 2008 to 6.2% from 6.8% in 2007 due to increased proved developed reserves off-setting the increase in oil production during such period. Payroll and related taxes increased by US\$1.6 million, or 52.9% to US\$4.7 million in 2008 from US\$3.0 million in 2007. Payroll expenses increased due to higher salaries and increases in the number of production employees from 301 in 2007 to 366 in 2008. Materials and supplies increased with US\$1.1 million or 37.7%, in 2008 from US\$2.8 million in 2007 due to the increase in the market price of oil in the first half of the year.

General and administrative expenses increased by US\$7.8 million, or 61.9%, to US\$21.0 million in 2008 from US\$12.5 million in 2007. This increase was primarily the result of an increase in (i) professional services fees, (ii) management fees, (iii) payroll and related tax costs and (iv) training costs. Fees paid by the Group for professional services increased by US\$2.6 million or 133.2%, to US\$4.6 million in 2008 from US\$2.0 million as a result of the appointment by the Group of marketing professionals appointed for the sale of gas products. Management fees increased by US\$2.3 million or 74.7%, in 2008 from US\$3.1 million in 2007, primarily as a result of changes in remuneration paid to management. Payroll and related tax costs increased by US\$769,000 or 35.2%, from US\$2.2 million in 2007 to US\$3.0 million in 2008 due to higher salaries and increases in the number of general and administration personnel from 130 in 2007 to 142 in 2008. Training costs (which are determined in accordance with capital investments made by Zhaikmunai) increased by US\$803,000 or 47.3%, from US\$1.7 million in 2007 to US\$2.5 million in 2008.

Selling and oil transportation expenses increased by US\$17.4 million, or 256%, to US\$24.2 million in 2008 from US\$6.8 million in 2007. This increase was primarily due to a one time expense of US\$15.1 million incurred by the Group in 2008 following the introduction by the Government of an export duty on its major oil production companies. In January 2009, this export duty was effectively abolished by the Kazakhstan government due to the significant deterioration in the price of oil and going forward, the Group will not be subject to this export duty. Excluding any export duty, selling and oil transportation expenses increased by 34.3% to US\$9.1 million in 2008 due to increased transportation costs resulting from higher rail tariffs and higher rail car lease rates. In addition, Zhaikmunai suffered temporary rail car shortages in mid-2008 as a result of the Russian government's decision to privatise its rail car operations and the associated market disruption caused.

Gain on hedging contract amounted to US\$64.8 million compared to no gain or loss in 2007. The gain on hedging contract of US\$64.8 million consisted of (i) an unrealised hedging gain of US\$63.2 million (comprised of the fair value of the hedging contract as at 31 December 2008 of US\$62.9 million and a translation difference of US\$0.3 million due to the change of functional currency from Tenge to US Dollar) and (ii) a realised hedging gain of US\$1.6 million (cash received from BNP Paribas, the hedging counterparty, during November and December 2008).

Finance costs increased by US\$6.3 million, or 92.5%, to US\$13.2 million in 2008 from US\$6.8 million in 2007. The increase was due primarily to an increase of US\$3.7 million in 2008 in interest expense on borrowings. This was due to total drawings of US\$382.0 million made by the Group under the Syndicated Facility in 2008 compared to lower drawings in 2007. This amount was outstanding as a short-term liability of the Group as at 31 December 2008 due to its default status. The annual rate of interest payable on outstanding amounts is LIBOR plus mandatory costs plus, in respect of the first US\$200.0 million, a margin of 3.0% and, in respect of the balance up to US\$382.0 million, a margin of 4.0%. Finance costs also

increased as a result of the amortisation of fees incurred on arrangement of the Syndicated Facility in 2008 in the amount of US\$1.3 million (see “*Description of Other Indebtedness and Certain Financial Arrangements—Syndicated Facility*”).

Foreign exchange losses were US\$1.5 million in 2008, while foreign exchange gains were US\$6.2 million in 2007. Foreign exchange gains and losses were due to fluctuations in the value of the US Dollar and the Tenge.

Profit before income tax increased by US\$46.7 million or 89.8%, to US\$98.7 million in 2008 from US\$52.0 million in 2007. This increase was primarily due to an unrealised gain of US\$63.2 million made by the Group in 2008 pursuant to a hedging contract (which the Group was required to put in place under the Syndicated Facility) which came into effect in March 2008. The average closing price for Brent crude oil in December 2008 was US\$43.1 per barrel.

Income tax expenses increased by US\$19.5 million, or 124.8%, to US\$35.2 million in 2008 from US\$15.7 million in 2007 as a result of the foregoing. Of this, only US\$4.2 million was reported as a current income tax expense, with the remaining US\$31.0 million accruing as a deferred tax liability.

Net income increased by US\$27.1 million, or 74.7%, to US\$63.5 million in 2008 from US\$36.3 million in 2007 as a result of the foregoing.

Liquidity and Capital Resources

General

Historically, during the periods under review, Zhaikmunai’s principal sources of funds are cash from operations and amounts raised under the Syndicated Facility, the initial public offering of GDRs in April 2008 and the additional offering of GDRs in September 2009. Its liquidity requirements primarily relate to meeting ongoing debt service obligations (under our Syndicated Facility prior to the offering and under the Notes following the offering) and to funding capital expenditures and working capital requirements.

Cash Flows

The following table sets forth the Group’s cash flow statement data for the six months ended 30 June 2010 and the years ended 31 December 2009, 2008 and 2007.

	Year ended 31 December			Six months ended 30 June
	2009	2008	2007	2010
				(unaudited)
				(US\$ millions)
Net cash flow from operating activities	45.934	44.223	48.233	24.672
Net cash flows in investing activities	(200.673)	(195.196)	(173.105)	(71.316)
Net cash provided by/(used in) financing activities	279.418	155.627	129.166	(16.586)
Cash and cash equivalents at the end of period .	137.375	11.887	7.360	74.192

Net cash flows from operating activities

Net cash flows from operating activities were US\$24.7 million for the six months ended 30 June 2010 and were primarily attributable to:

- a profit before income tax for the period of US\$35.8 million, adjusted by a non-cash charge for depreciation and amortisation of US\$8.2 million and a reversal of share option expenses of US\$1.0 million;
- a US\$17.4 million increase in working capital primarily attributable to (i) a decrease in trade receivables of US\$9.7 million and (ii) a decrease in trade payables of US\$19.9 million; and
- income tax paid of US\$1.8 million.

Net cash flows from operating activities were US\$45.9 million for the year ended 31 December 2009 and were primarily attributable to:

- a profit before income tax of US\$8.8 million adjusted by (i) a non-cash charge for depreciation and amortisation of US\$16.6 million, (ii) finance costs of US\$7.8 million, (iii) accrual of share option expenses of US\$6.5 million relating to changes in the employee stock option plan, and (iv) a loss in hedging contract of US\$16.9 million;
- a US\$3.3 million increase in working capital primarily attributable to (i) increases in trade receivables of US\$12.8 million, in trade payables of US\$3.7 million and in other current liabilities of US\$1.2 million, (ii) a decrease in prepayments made to service providers of US\$5.4 million, and (iii) payments made to the Government of Kazakhstan under the PSA of US\$1.0 million; and
- income tax paid of US\$8.9 million.

Net cash flows from operating activities were US\$44.2 million for the year ended 31 December 2008 and were primarily attributable to:

- a profit before income tax of US\$98.7 million adjusted by (i) a non-cash charge for depreciation and amortisation of US\$8.0 million, (ii) borrowing expenses of US\$11.9 million, (iii) an unrealised gain on hedging contract of US\$63.2 million pursuant to a hedging contract entered into by Zhaikmunai which came into effect during March 2008 and (iv) an unrealised foreign exchange loss—net of US\$3.6 million;
- a US\$5.3 million increase in working capital primarily attributable to (i) an increase in prepayments and other current assets of US\$13.8 million, including VAT prepayments and, to a lesser extent, a number of “long lead” contracts requiring advance payments for drilling materials and supplies, (ii) a decrease in trade receivables of US\$8.4 million and (iii) payments made to the Government of Kazakhstan under the PSA of US\$2.1 million; and
- income tax paid of US\$9.6 million.

Net cash flows from operating activities were US\$48.2 million for the year ended 31 December 2007 and were primarily attributable to

- a profit before income tax of US\$53.4 million, adjusted by (i) a non-cash charge for depreciation and amortisation of US\$6.1 million, (ii) interest expense on borrowings of US\$6.5 million and (iii) an unrealised foreign gain—net of US\$6.6 million;
- a US\$5.9 million increase in working capital primarily attributable to (i) an increase in trade payables of US\$3.6 million, (ii) an increase in trade payables of US\$3.0 million and (iii) an increase in prepayments and other current assets of US\$8.7 million; and
- income tax paid of US\$6.4 million.

Net cash flows in investing activities

Net cash used in investing activities was US\$71.3 million in the six months ended 30 June 2010 due primarily to investments in the Gas Treatment Facility (US\$35.4 million), in the drilling of new wells (US\$32.3 million) and in the water injection programme (US\$3.3 million).

Net cash used in investing activities was US\$200.7 million in 2009 primarily due to investments in the Gas Treatment Facility (US\$163.8 million), in drilling of new wells, workover and flowlines (US\$59.0 million), in the oil pipeline and rail terminal (US\$25.3 million), in the gas pipeline for US\$5.1 million and in the oil treatment unit (US\$3.5 million).

Net cash used in investing activities was US\$195.2 million in 2008 primarily due to investments in the Group's oil and gas properties, including the drilling of new production wells.

Net cash used in investing activities was US\$173.1 million in 2007 primarily due to the drilling of new wells (US\$79.2 million), the construction of facilities and new infrastructure (US\$46.0 million) and scheduled prepayments of long lead items (US\$25.0 million).

Net cash provided by financing activities

Net cash used in financing activities was US\$16.6 million in the six months ended 30 June 2010, primarily due to interest paid of US\$16.5 million.

Net cash provided by financing activities was US\$279.4 million in the year ended 31 December 2009 and was primarily due to (i) the settlement of the Group's commodity hedging positions in March 2009, (ii) the proceeds from the issue of 75,000,000 GDRs, and (iii) the fees paid on the arrangement of the Syndicated Facility.

Net cash provided by financing activities was US\$155.6 million in the year ended 31 December 2008, and was primarily due to drawdowns under the Syndicated Facility and the proceeds of its debut offer of global depositary receipts in April 2008, which were listed on the main market of the London Stock Exchange. These funds were used mainly to repay certain existing facilities (owed to BTA and Blavin) and to fund the Group's capital expenditure programme.

Net cash provided by financing activities was US\$129.2 million in the year ended 31 December 2007, which was funded principally by a drawdown under Group's then existing facility with BTA to fund the Group's capital expenditure programme.

Indebtedness

See "Description of Other Indebtedness and Certain Financial Arrangements".

Commitments

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise. The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2009 based on contractual undiscounted payments:

Year ended 31 December 2009	On demand	Less than 3 months	3–12 months	1–5 years	More than 5 years	Total
			(US\$ millions)			
Other borrowings	—	7.666	23.000	415.750	—	446.416
Trade payables	50.242	—	17.593	—	—	67.835
Employee share option plan	—	—	—	7.025	—	7.025
Other current liabilities . .	7.854	—	—	—	—	7.854
Due to Government of Kazakhstan	—	0.258	0.773	4.124	16.753	21.908
Total	58.096	7.924	41.366	426.899	16.753	551.038

The Group had contractual capital commitments of US\$25.8 million as of 30 June 2010. This amount includes US\$13.5 million to be paid to KSS primarily for construction of the Gas Treatment Facility.

Capital Expenditures

In the years ended 2009 and 2008, Zhaikmunai's capital expenditures were approximately US\$210.6 million and US\$218.0 million respectively, reflecting primarily drilling costs and infrastructure and development costs for items such as the crude oil pipeline, the gas pipeline, the oil treatment unit and the Gas Treatment Facility. This represented 182% and 160% of revenue respectively. The Group has implemented a capital expenditure programme budgeted to approximately US\$356 million between 2010 and 2018 (excluding the effects of inflation) as set out in the table below. Zhaikmunai's capital expenditure during the first half of 2010 was US\$71.3 million compared to US\$24.9 million during the first half of 2009. Zhaikmunai plans to fund its existing capital expenditure plan entirely from the revenues generated from sales of its oil and gas products.

Management expects, based on the development of proved reserves, that the capital expenditures of the Group on a cash-based accounting basis will be as set out in the table below.

Item:	Capital Expenditures					%
	2008	2009	2010	2011–2018	Total	
	(US\$ millions)					
Drilling Costs	86.3	34.1	52.2	86.2	258.8	32.9
Oil & Gas Pipelines	17.8	30.4	5.4	0.0	53.6	6.8
Oil Treatment Unit	16.7	3.5	8.0	0.0	28.2	3.6
Gas Treatment Facility ⁽¹⁾ .	19.9	91.3	51.5	22.7	185.4	23.6
Water and Gas Injection .	1.0	5.7	8.1	1.8	16.6	2.1
Power Generation	0.9	0.0	0.2	1.9	3.0	0.4
Infrastructure	6.0	3.3	2.5	15.3	27.1	3.4
LPG Terminal & Trucks .	0.9	1.1	0.9	0.0	2.9	0.4
Workover and Flowlines .	2.7	16.3	0.8	4.5	24.3	3.1
Commissioning	0.0	0.8	0.0	1.0	1.8	0.2
Exploration	5.4	3.0	5.0	11.5	24.9	3.2
Other ⁽²⁾	60.4	21.1	22.7	55.5	159.7	20.3
Total	218.0	210.6	157.3	200.4	786.3	100.0

(1) First phase of the Gas Treatment Facility.

(2) Includes contingency capital expenditures (excluding the Gas Treatment Facility), camp costs and other equipments, reservoirs and engineering.

The foregoing table does not include capital expenditure with respect to construction of the second phase of the Gas Treatment Facility.

Following the successful implementation of the first phase of the Gas Treatment Facility, Zhaikmunai is expected to build a third unit which is the second phase of the Gas Treatment Facility. This will depend on a number of factors such as the ability of Zhaikmunai to convert probable reserves into proved reserves, the oil price environment and the cash flow being generated from phase one. Management estimates that the construction of the second phase will cost approximately US\$362 million. Currently, Zhaikmunai is purely focused on implementing the first phase of the Gas Treatment Facility.

Zhaikmunai plans to fund future capital expenses with the revenues generated from sales of its oil and gas products.

Drilling Expenditures

Based on historical contracts, Zhaikmunai has budgeted a cost per well of approximately US\$11.0 million for production/appraisal wells to be drilled to the Devonian reservoirs (and an additional US\$3.0 million per well for horizontal wells). The cost per well for production wells to the Tournaisian reservoir is budgeted at approximately US\$8.0 million.

Gas Treatment Facility

On 10 August 2007, Zhaikmunai entered into an agreement with KSS for the construction of the Gas Treatment Facility that is expected to process associated gas and gas condensate. Construction of the first phase of the Gas Treatment involved the construction of two gas treatment units. Payments made to KSS in relation to the construction of the Gas Treatment Facility amounted to US\$17.6 million in 2008 and US\$100.1 million in 2009. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when the Working Commission issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission which is expected to occur no later than 31 December 2010. As of 30 June 2010, the outstanding amounts due to KSS for construction of the Gas Treatment Facility were US\$27.6 million, which includes US\$6.9 million to be paid to KSS on completion of

construction and US\$20.7 million rising to a payment of US\$22.7 million by completion) to be paid to KSS after the State Acceptance Act is granted by the State Acceptance Commission.

See “*Risk Factors—Risk Factors Relating to the Group’s Business—The Group’s future hydrocarbon production profile is based on the Gas Treatment Facility operating at full or near-full capacity. If the Gas Treatment Facility is not operating at full or near-full capacity, this may result in a reduction or suspension of the Group’s production of hydrocarbons.*”, “*Business—Operations—Gas Treatment Facility*” and “*Business—Contracts Material to Our Business—Gas Treatment Facility Agreement*”.

Oil treatment units

Currently Zhaikmunai operates a first crude oil treatment unit, which was built and commissioned at the beginning of 2006. The Group expects to complete a second oil treatment unit in 2011 in order to double its oil treatment capacity. Total capital expenditure for the oil treatment unit is expected to be approximately US\$20 million.

Oil Pipeline and rail loading terminal

In 2009, the construction of a 120km oil pipeline from the Chinarevskoye Field to a rail terminal in Rostoshi near the city of Uralsk was successfully completed. Zhaikmunai’s oil pipeline construction contains three parts: the main pump station at the field site; a 120 km long, 324mm diameter crude oil pipeline; rail loading terminal, including a receiving station, an automation system and a vapour recovery unit, as well as increased storage capacity. The cost for the entire project amounted to US\$97.0 million. As a result, Zhaikmunai no longer transports crude oil via road from the field to the oil loading rail terminal in Rostoshi near Uralsk. This is expected to lead to a decrease in transportation costs of approximately US\$25.0 per tonne.

Disclosure about Market Risk

The Group is exposed to a variety of market risks with respect to the market price of crude oil and condensate, foreign currency exchange rates, interest rates and the creditworthiness of the counterparties with whom Zhaikmunai expects payments under normal commercial conditions.

Commodity price risk

Commodity price risk is the risk that the Group’s current or future earnings will be adversely impacted by changes in the market price of crude oil. Commodity price risk is extremely significant to the Group’s results of operations given that all sales of crude oil are based on the commodity price. Crude oil prices are influenced by factors such as OPEC actions, political events and supply and demand fundamentals. Although the Group entered into hedging contracts in March 2010 covering oil export sales of 4,000 barrels per day running from March 2010 through December 2010 (pursuant to which the floor price for Brent crude oil price is fixed at US\$60 per barrel), these only partially protect the Group against decreases in oil prices from their current levels and these hedging contracts may be terminated upon repayment of the Syndicated Facility. These hedging contracts may be novated or terminated upon repayment of the Syndicated Facility and if such contracts are novated or terminated, Zhaikmunai may have to pay certain unwinding/termination costs or similar amounts under or in connection with such contracts. See “*Description of Other Indebtedness and Certain Financial Arrangements—Hedging Contracts*”. The Group intends to keep the same hedging policy going forward which is driven by capital expenditure and debt service requirements.

Foreign currency exchange rate risk

The Group is exposed to foreign currency risk associated with transactions entered into, and assets and liabilities denominated, in currencies other than the functional currency of its operating entities, being the US dollar since 1 January 2009. This exposure is primarily associated with transactions, contracts and borrowings denominated in Tenge. Most of the Group’s cash inflows as well as its accounts receivable are denominated in US Dollars, and most of the Group’s expenses are primarily denominated in US Dollars, with approximately 20% denominated in Tenge. There is no significant forward market for the Tenge and the Group does not use other foreign exchange or forward contracts to manage this exposure. With respect to foreign exchange, the Group incurred a loss of US\$0.060 million in the six months ended 30 June 2010 (compared to a loss of US\$15.4 million in the six months ended 30 June 2009), a loss of US\$2.2 million in the year ended 2009, a loss of US\$1.5 million for the year ended 31 December 2008 and a gain of

US\$6.2 million for the year ended 31 December 2007. The Group does not hedge against this risk. As at the date of this Offering Memorandum, all of the Group's financing is in US Dollars and in the future the Group's capital expenditures are expected to be primarily denominated in US Dollars.

Interest rate risk

The Group's interest rate risk principally relates to interest receivable and payable on its cash deposits and borrowings. During the periods under review, the Group's existing borrowings have borne interest at (i) a fixed margin as stated in the Syndicated Facility and (ii) a variable rate credit facility linked to the London Interbank Offered Rate. The Group does not propose to hedge against the fluctuation in this rate.

Credit risk

Although Zhaikmunai sells all of its crude oil pursuant to contracts with one or more oil trader(s) who purchase(s) its production, Zhaikmunai mitigates the payment risk by requiring all purchases to be secured by a letter of credit from an international bank.

Off-Balance Sheet Arrangements

The Group does not currently utilise any off-balance sheet financing arrangements.

Recent Developments

Production

Production volumes during July and August 2010 were 573,748 bbls, an increase of 30.6% from production of 439,400 bbls in the same period in the previous year. Gas production during July and August 2010 was approximately 1,108.9 million standard cubic feet (compared with 677.2 million standard cubic feet for the same period in 2009). Average daily crude oil production during July and August 2010 was 9,254 bpd (compared with 7,087 bpd for the same period in 2009).

Capital expenditure and construction and engineering projects

The focus of the Group's construction activity in the first half of 2010 was on the Gas Treatment Facility. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when the Working Commission issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission which is expected to occur no later than 31 December 2010. See "*Business—Gas Treatment Facility*" for full details regarding the status of the Gas Treatment Facility.

Gas Treatment Facility Operation and Maintenance Agreement

Zhaikmunai LLP has been in discussions with an international oil and gas services company to enter into an operation and maintenance agreement for the Gas Treatment Facility under which such company will be responsible for the operations and maintenance of all plant and associated equipment at the Gas Treatment Facility for a term of 36 months following the operations commencement date. See "*Business—Contracts Material to our Business—Gas Treatment Facility Operation and Maintenance Agreement*". Final terms for this contract are yet to be agreed.

Delivery to new destination

In June and July this year, the Group made its first deliveries of crude oil through the Black Sea port of Feodosia (Ukraine). A total of 233,444 bbl was transported by rail FOB (free on board) Feodosia, Ukraine where it was loaded on a tanker. As such, the Group has successfully tested a new destination that it can use for its future crude and condensate production.

Gas Flaring Permits

Zhaikmunai holds two gas flaring permits to flare associated gas which were due to expire on 30 September 2010 and which the Competent Authority has agreed to extend until 31 December 2010.

Other Key Developments

On 9 September 2010, following approval from the competition authorities, Claremont sold 50,000,000 GDRs, representing approximately 27% of the issued Common Units, to KazStroyService Global B.V. (“**KSS Global**”), an Affiliate of KSS, the company which has constructed Zhaikmunai’s Gas Treatment Facility in the Chinarevskoye Field in Kazakhstan. Each GDR represents one Common Unit. Following completion of the transfer, KSS Global held these GDRs as part of the free float. Claremont has agreed in connection with its sale of 50 million GDRs to KSS Global that it will take reasonable steps, including voting as a limited partner in any general meeting of the limited partners, to procure that an individual nominated by KSS Global (or two individuals if the size of the Board of the General Partner is increased to nine directors) is appointed to the Board of the General Partner. Of the 55 million GDRs held by Claremont, 23,809,524 are subject to transfer to Dehus Dolmen Nominees, an Affiliate of Baring Vostok Capital Partners, in the event that the transfer rights agreed between Claremont and Dehus Dolmen Nominees are exercised. Claremont currently owns 20 million Common Units and 55 million GDRs representing approximately 40.54% of Zhaikmunai L.P.’s issued Common Units (directly or in the form of GDRs) and in the event that the transfer rights agreed between the parties are exercised and if the transfer of 23,809,524 GDRs to Dehus Dolmen Nominees takes place, Claremont will own 27.7%, of the Common Units of Zhaikmunai L.P. (either directly or in the form of GDRs). See also “*Significant Holders of Limited Partnership Interests and Common Units*”.

REGIONAL OVERVIEW OF THE OIL AND GAS INDUSTRY

The information contained in this section is intended to give an overview of the upstream oil and gas industry in Kazakhstan and the Caspian region. This information has, unless otherwise stated, been extracted from documents, websites and other publications released by the President of Kazakhstan, the Statistics Agency of Kazakhstan, the Ministry of Finance of Kazakhstan, the Competent Authority, the NBK and other public sources, including the NBK's Annual Report for 2007 and 2008 and the NBK Statistical Bulletins dated June 2009, January 2009 and December 2008.

Some of the market and competitive position data has been obtained from US government publications and other third-party sources, including publicly available data from the World Bank, the Economist Intelligence Unit, the annual BP Statistical Review of World Energy for 2010, as well as from Kazakh press reports and publications, and edicts and resolutions of the Government. In the case of statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source.

Certain sources are only updated periodically. This means that certain data for current periods cannot be obtained and we cannot assure you that such data has not been revised or will not be subsequently amended.

Overview

The Caspian region includes those parts of the countries (including Russia and Iran) that are adjacent to the Caspian Sea. A part of Uzbekistan is also considered to be part of the Caspian region due to its proximity to the Caspian Sea. To date, the two significant crude oil producing countries in the Caspian region have been Kazakhstan and Azerbaijan. It is expected that these countries will continue to lead the region in crude oil production in the near future, driven by production growth from existing fields and the development of recently discovered fields. Turkmenistan and Uzbekistan are the predominant gas producers in the Caspian region but do not produce significant crude oil volumes relative to Kazakhstan and Azerbaijan. In addition, the areas of Russia and Iran near the Caspian Sea are not a source of substantial crude oil production for these countries. Russia, however, plays an important role in the region by providing a transportation corridor between the Caspian Sea and the Black Sea.

Kazakhstan's Oil and Gas Industry

Investment in Kazakhstan's Oil and Gas Industry

Since 2000, Kazakhstan has experienced significant economic growth. Two of the main catalysts for this growth have been economic reform and foreign investment, much of which has been concentrated in the energy sector. Exports of crude oil have grown significantly since 2000 and most of the oil from Kazakhstan is currently delivered to international markets by pipelines through Russia to shipping points on the Black Sea. The opening of the CPC pipeline in 2001 substantially increased the crude oil export capacity of Kazakhstan.

International investment in the oil and gas sector in Kazakhstan has taken the form of joint ventures, including with the national oil company of Kazakhstan, NC KazMunaiGas ("NC KMG"), the state oil and gas company, as well as production-sharing agreements and exploration/field concessions. Major projects in Kazakhstan include the Tengiz, Karachaganak and Kashagan fields. Tengizchevroil LLP ("TCO"), a joint venture between ChevronTexaco, ExxonMobil, Lukarco and NC KMG, is developing the Tengiz and Korolevskoye oil fields pursuant to a production licence granted in 1993. This production licence was initially granted for 10 years, but can be extended by TCO for up to a total of 40 years; it was extended by TCO in 2003 until 2013. Karachaganak Petroleum Operations ("KPO"), which is developing the Karachaganak field, operates under a 40 year final production sharing agreement entered into with the Government in 1997. The Kashagan consortium, which is developing the Kashagan field, was also established in 1997 under a 40 year production-sharing agreement with the Government, covering oil structures in Kashagan, Kalamkas, Aktoty and Kairan. More detail on these and other significant oil and gas developments in Kazakhstan is provided below.

In May 2003, President Nazarbayev approved a new Caspian Sea development programme for the period to 2015, which called for new offshore blocks (or potential oil fields) to be auctioned by the State (represented by the Competent Authority) between 2003 and 2010. Under Kazakhstan law, the Government is authorised to approve the specific list of blocks to be auctioned and the Competent

Authority is responsible for conducting the auctions. NC KMG has a mandatory share of at least 50% in all projects related to the new offshore blocks.

In December 2004, certain amendments to the Old Subsoil Law were adopted. The amendments provide that the state has a priority right, in the case of a proposed transfer of an interest under both existing and new contracts for subsoil use, to purchase such interest on terms no worse than those agreed by the parties to the proposed transfer. Such an interest can be direct or indirect, for example, through the sale of shares in an entity holding such contract for subsoil use.

In August 2007, the Government announced its disapproval of the delayed production of the Kashagan consortium. The Government claimed the consortium had breached certain provisions of its licence and environmental regulations, and consequently suspended the operator's licence in the Kashagan field. A settlement reached in January 2008 resulted in the terms of the production sharing agreement being revised in favour of NC KMG such that the share interest of NC KMG doubled and the share interests of the other members of the consortium decreased. The settlement also required the other members of the consortium to pay US\$5 billion to NC KMG until the end of the concession in 2041. See *"Risk Factors—Risks Relating to Kazakhstan—The Group is exposed to the risk of adverse sovereign action by the Government"*. On 3 November 2007 additional amendments to the Old Subsoil Law were adopted. These amendments provide the Government with the right to initiate reviews of subsurface use contract terms and to unilaterally terminate subsurface use contracts in respect of deposits of "strategic importance". See *"Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan—Regulation of subsoil use rights"*. The Old Subsoil Law has been replaced by the New Subsoil Law which was adopted on 24 June 2010. See *"Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan—New Subsoil Law"*.

Oil Supply and Demand

As at 31 December 2009, Kazakhstan ranked ninth in the world by oil reserves and eleventh in the world by oil and gas reserves. Kazakhstan is the second largest oil producer (after Russia) among the former Soviet Republics and has the Caspian region's largest recoverable crude oil reserves. Kazakhstan's proved oil and gas reserves were 39.8 billion barrels (representing 3.0% of the world's proved oil reserves) and 64.4 trillion cubic feet (representing 1.0% of the world's proved oil reserves), respectively, as at 31 December 2009.

Between 1999 and 2008, Kazakhstan's oil production grew at a compounded annual growth rate of approximately 10.5%. Kazakhstan produced approximately, 66.1 million tonnes of oil and gas condensate in 2006, 68.4 million tonnes in 2007, 72.0 million tonnes in 2008 and 78.0 million tonnes for 2009, an increase of 8.5% from 2008. During the first quarter of 2009 the industrial output of crude oil and natural gas increased by 2.4% compared to a 7.7% increase during the same period in 2008. The Kazakh Government has stated that it expects oil and gas production to increase to 80 million tonnes per year and 47 billion cubic metres per year in 2010 and 130 million tonnes per year and 50 billion cubic metres per year by 2015 respectively. Most of this growth is expected to come from the Tengiz, Karachaganak and Kashagan fields.

The Asia Pacific region was the world's largest geographical region for oil consumption in 2009 accounting for approximately 31.1% of world consumption. The United States was the largest consumer of oil by country accounting for 21.7% of world consumption of oil. Europe together with the former Soviet Republics represented the world's largest geographical region for the consumption of natural gas in 2009 accounting for 35.9% of world consumption. The United States was the largest consumer of natural gas by country accounting for 22.2% of world consumption in 2009.

Kazakhstan has three major oil refineries supplying the northern region (at Pavlodar), the western region (at Atyrau) and the southern region (at Shymkent), with an estimated total refining capacity of 21.0 million tonnes per year (approximately 427,000 bpd). Crude oil is also processed at mini-refineries (private small refineries).

In 2008, all refineries together produced a combined average of approximately 13.5 million tonnes of crude oil (approximately 4.1 million tonnes (82,000 bpd) at Pavlodar, 3.9 million tonnes (78,000 bpd) at Atyrau, 4.3 million tonnes (86,000 bpd) at Shymkent and 1.2 million tonnes (24,000 bpd) at mini-refineries).

The refinery at Pavlodar is supplied mainly by crude oil from western Siberia; the Atyrau refinery runs solely on domestic crude from the western region of Kazakhstan; and the Shymkent refinery generally uses oil from the southern region of Kazakhstan. The Atyrau refinery is undergoing modernisation to provide some additional capacity and to allow the refinery to meet current European fuel standards.

Gas Supply and Demand

Kazakhstan is a net exporter of gas. Increases in its own gas production are expected to come primarily from associated gas at the Tengiz, Karachaganak and Kashagan fields. Most of Kazakhstan's gas reserves are located in the west of the country near the Caspian Sea, with roughly 25% of proved reserves located in the Karachaganak field. Another important gas field, Amangeldy, is situated in the south of the country and is being developed by KazTransGas, a subsidiary of NC KMG.

Gas production in Kazakhstan has increased significantly since 1999 when the Government passed a law requiring subsoil users (primarily oil companies) to include gas utilisation projects in their development plans. As a result, gas production in 2000 doubled compared to 1999, reaching 367 billion cubic feet, the highest level since independence in 1991. Gas production increased from 1.05 trillion cubic feet in 2008 to 1.14 trillion cubic feet in 2009, an increase of 8.6%.

According to the projections of the Competent Authority, Kazakhstan expects to increase its gas production to 1.5 trillion cubic feet per year by 2010, and to 2.0 trillion cubic feet per year by 2015.

The following table sets forth gas consumption levels in Kazakhstan for the years indicated:

Gas Consumption						
2003	2004	2005	2006	2007	2008	2009
(billion cubic feet per year)						
455.6	526.2	663.9	716.9	688.6	709.8	692.2

Kazakhstan has two separate domestic natural gas distribution networks, one in the west, which services the country's producing natural gas fields, and one in the south, which mainly delivers imported natural gas to the southern consuming regions. The lack of internal pipelines connecting Kazakhstan's natural gas-producing areas to the country's industrial belt (between Almaty and Shymkent) has hampered the development of domestic natural gas resources. Southern Kazakhstan receives much of its natural gas supplies from Uzbekistan via the Tashkent-Bishkek-Almaty pipeline.

Transportation

An important aspect of increasing hydrocarbon production in Kazakhstan has been the development of transportation infrastructure, as this in turn has raised Kazakhstan's export capacity.

Crude Oil

Historically, the lack of pipeline capacity providing access to international markets has impeded Kazakhstan's ability to exploit its oil reserves. In 2007 Kazakhstan had 16,264 kilometres of pipeline of which 10,138 was used for the transportation of gas (which is mostly transit gas from neighbouring countries such as Turkmenistan) and 6,126 was used for the transportation of oil. Kazakhstan transported by pipelines approximately 192.5 million tonnes of products in 2007 and 196.4 million tonnes of products in 2008. Since Kazakhstan is essentially landlocked, the pipelines have to transit through neighbouring countries to reach international markets. The exploitation of Kazakhstan's hydrocarbon resources has been assisted by the development of the hydrocarbon transportation infrastructure in the region:

- In 2006, approximately 31.1 million tonnes of crude oil was shipped through the CPC pipeline.
- In 2007, approximately 32.6 million tonnes of crude oil was shipped through the CPC pipeline.
- In 2008, approximately 31.5 million tonnes of crude oil was shipped through the CPC pipeline.
- In 2009, approximately 34.6 million tonnes of crude oil was shipped through the CPC pipeline, an increase of 9.8% compared to 2008.

The CPC pipeline, which has been operational since 2001, represents a major export route. It extends 1,570 kilometres, originating in the Tengiz field, running through Russia and terminating at the CPC marine terminal on the Black Sea near the Russian port of Novorossiysk. The CPC pipeline is the first major pipeline in Russian territory not owned by the Russian pipeline operator Transneft.

The UAS pipeline transports oil from fields in the Atyrau and Mangistau regions to Russia. The pipeline system runs for approximately 1,500 kilometres, from Uzen in southwest Kazakhstan to Atyrau, before crossing into Russia and linking with Russia's Transneft system at Samara. In June 2002, Kazakhstan signed a 15-year oil transit agreement with Russia. Under this agreement, Kazakhstan will export at least

17.5 million tonnes per year of crude oil using the Russian pipeline system. The line was recently upgraded by the addition of pumping and heating stations and has a capacity of approximately 600,000 bpd. Before completion of the CPC pipeline, Kazakhstan exported almost all of its oil through this system.

The 1,767-kilometre Baku-Tbilisi-Ceyhan pipeline delivers crude oil from Baku in Azerbaijan to a new marine terminal in the Turkish port of Ceyhan on the Mediterranean Sea and is the first direct pipeline link between the Caspian Sea and the Mediterranean Sea. Construction of the pipeline was completed in May 2005 and it began operating in July 2006, costing approximately US\$4 billion. It has a capacity of 1 million bpd. The pipeline is largely dedicated to production from the Azeri-Chirag-Gunashli fields in the Azerbaijan sector of the Caspian Sea, however since October 2008, the Baku-Tbilisi-Ceyhan pipeline has been used to transport Kazakhstan crude oil shipped across the Caspian Sea to Baku by tanker. The volume of Kazakh oil transported via the Baku-Tbilisi-Ceyhan pipeline has been steadily increasing since October 2008 when Kazakhstan began to use the Baku-Tbilisi-Ceyhan route. According to the Azeri State Statistics Committee, the volume increased from 17,400 tonnes in October 2008 to 240,200 tonnes in February 2009. In 2009, the Baku-Tbilisi-Ceyhan pipeline transported 1.9 million tonnes of Kazakh crude oil, according to the State Statistical Committee of Azerbaijan.

On 28 May 2008, Kazakhstan ratified the Treaty between Kazakhstan and the Azerbaijan Republic dated 16 June 2006 on the support and facilitation of petroleum transportation from Kazakhstan through the Caspian Sea and the territory of the Azerbaijan Republic to international markets via the Baku-Tbilisi-Ceyhan system. In order to facilitate exports of oil from the Kashagan oil field during the next decade, Kazakhstan is currently developing the Kazakhstan Caspian Transportation System (“KCTS”), which includes the construction of a 454-mile, 500,000 bpd capacity onshore pipeline from Eskene in western Kazakhstan to Kuryk on the Caspian near Aqtau, where a new 760,000 bpd oil terminal is to be built. The system also includes the creation of a new fleet of tankers and new port facilities in Baku, Azerbaijan. On 14 November 2008, the State Oil Company of Azerbaijan and NC KMG signed an agreement on key principles of the KCTS. While still preliminary, it is the first practical move to create a system with defined conditions of supplies, tariffs and other matters, guiding the trans-Caspian oil transportation.

In December 2005, China and Kazakhstan put into operation the 614-mile Atasu-Alashankou pipeline, forming part of the Atasu-Dushantsty pipeline. The initial capacity of the Atasu-Alashankou pipeline is approximately 10 million tonnes (200 thousand bpd) per year, with a projected increase up to 20 million tonnes per year. In 2006, 2.2 million tonnes of oil were pumped through the pipeline. The second project stage, i.e. the construction of the Kenkiyak-Kumkol-Atasu pipeline, is expected to be completed in the year 2011.

Other pipeline routes from Kazakhstan are being considered, such as routes through the Caucasus region to Turkey and routes through Iran and Afghanistan.

Rail transportation was the primary export route for Kazakhstan crude production before the development of the UAS and CPC pipelines. The rail infrastructure remains an alternative transportation option.

Major Oil and Gas Projects in Kazakhstan

TCO

The TCO joint venture was created in 1993 with the aim of developing the Tengiz and Korolev fields. The participants in the joint venture are Chevron Overseas Company, ExxonMobil, NC KMG and LukArco.

The Tengiz field is located in the south-eastern part of the Pre-Caspian Basin on the north-eastern edge of the Caspian Sea. It was discovered in 1979 in the Atyrau region. The Tengiz field has estimated recoverable reserves of between 750 million tonnes (5.5 billion barrels) and 1,125 million tonnes (8.3 billion barrels) of oil. In 2004, 13.7 million tonnes (276,000 bpd) of oil were produced at the Tengiz field, as compared to 13.6 million tonnes (274,000 bpd) in 2005, and 20.0 million tonnes (403,000 bpd) in 2006. In late 2007, TCO was producing approximately 300,000 bpd of oil and 11.2 million cubic metres of gas per day. In 2008, TCO's production reportedly reached 17.3 million tonnes of crude. In October 2008, when the Sour Gas Injection and Second Generation Plant expansion was completed, daily production reached 540,000-620,000 bpd. Capacity is increasing and production is expected to peak at between 750,000 and 1 million bpd in 2012. The output of the Tengiz field is shipped through the CPC pipeline. Shipments are also being shipped through the Baku—Tbilisi—Ceyhan pipeline.

Karachaganak Project

The Karachaganak field is a large gas-oil-condensate field located in north-western Kazakhstan, with an area of about 280 square kilometres. The field was discovered in 1979 and the consortium developing it are party to a 40-year production sharing agreement with the Government. The field is operated by KPO and the consortium includes affiliates of ENI SpA, BG Group, Chevron and LUKOIL Overseas. BG Group and ENI SpA are the project operators.

The field holds an estimated 1.2 billion tonnes of liquid hydrocarbons and 1.3 trillion cubic metres of gas. In 2006, Karachaganak's total production was approximately 24.4 million tonnes (approximately 492,000 bpd) oil and condensate and 10.4 million cubic metres per day of gas. In 2007, the field produced over 250,000 bpd of natural gas concentrate. According to KPO, the field holds reserves of around 8 to 9 billion barrels of oil and gas concentrate and 45 trillion cubic feet of natural gas.

In previous years, almost all of Karachaganak's crude oil production was processed at Russian facilities associated with the Orenburg field located just across the border. In April 2003, a pipeline spur southward to Atyrau was completed that connects the Karachaganak field to Kazakhstan's primary export pipeline, the CPC pipeline. The new connection has enabled increased exports from Karachaganak, and has reduced the consortium members' dependence on Russian buyers.

More recently, the Kazakh Government has made various allegations in respect of the Karachaganak Project including criminal allegations and allegations of tax evasion.

North Caspian Project

The Kashagan field is located off the northern shore of the Caspian Sea, near the city of Atyrau. In 1997, a consortium of companies signed a 40-year production sharing agreement covering five structures, namely Kashagan, Kalamkas, Aktoty, Kairan and Kashagan SW. The structures consist of 11 offshore blocks and cover an area of 6,000 square kilometres. In June 2000, as a result of drilling and testing of wells in East Kashagan-1, the discovery was announced of one of the largest oil and gas fields to be discovered for the past 30 years. The field is currently in development and its output is expected to be shipped through the CPC pipeline. The project is owned by a consortium that includes ENI SpA, ExxonMobil Corporation, Shell, Total S.A., ConocoPhillips Company, INPEX Corporation and NC KMG. ENI SpA is the operator. In August 2007, the licence granted to the consortium was suspended by the Government for alleged breaches of Kazakh environmental regulations. A settlement reached in January 2008 resulted in the terms of the production sharing agreement being revised in favour of NC KMG such that the share interest of NC KMG doubled and the share interests of the other members of the consortium decreased. The settlement also required the other members of the consortium to pay US\$5.0 billion to KazMunaiGas until the end of the concession in 2041. See *"Risk Factors—Risk Factors Related to Crude Oil and Gas Industry—The Group is obliged to comply with environmental regulations and cannot guarantee that it will be able to comply with these regulations"*.

State Pre-Emptive Rights

The New Subsoil Law contains pre-emptive rights for the State in connection with any transfer of subsoil use rights and/or any transfer of the shares, participation interests, securities confirming title to shares or securities convertible into shares of a legal entity directly or indirectly controlling another entity with subsoil use rights. In practice this means an integral State role on the entrance and exit of operators into or from the Kazakhstan oil and gas industry. See *"Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan—Regulation of subsoil use rights"*.

BUSINESS

OVERVIEW

Zhaikmunai L.P. is the indirect holding entity of Zhaikmunai, an independent oil and gas enterprise currently engaging in the exploration, production and sale of crude oil and gas condensate in northwestern Kazakhstan. Zhaikmunai's field and Licence area is the Chinarevskoye Field located in the northern part of the oil-rich Pre-Caspian Basin, one of the largest oil-producing regions in central Asia.

The Chinarevskoye Field, approximately 274 square kilometres in size, is located in the West-Kazakhstan oblast, near the border between Kazakhstan and Russia, and close to the main international railway lines as well as to several major oil and gas pipelines. The Chinarevskoye Field is Zhaikmunai's sole source of production and production growth. According to management estimates based on data included in the 2009 Ryder Scott Report, as at 1 July 2009, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 527 million boe, of which 212 million bbl was crude oil and condensate, 79 million bbl was LPG and 235 million boe was sales gas. Management has also estimated, based on the 2009 Ryder Scott Report, that the Chinarevskoye Field contains approximately 556.3 million boe of possible hydrocarbon reserves.

In September 2004, Thyler Holding Limited, a company indirectly controlled by Frank Monstrey, acquired Zhaikmunai L.P., following which a new management team was appointed at Zhaikmunai to develop and implement a new strategy initially focused on increasing oil production through accelerating investment in drilling and field infrastructure, as well as transferring reserves into higher reserves categories. One aspect of Zhaikmunai's strategy is to increase the production, transportation and marketing of liquid products (crude oil, condensate and LPG). The production and marketing of dry gas is also important for Zhaikmunai. However, due to the fact that marketing and especially transportation of gas is more regulated, Zhaikmunai expects the production and sales of liquid products to represent a significantly larger portion of future revenues and EBITDA compared to the production and sales of dry gas.

As a result, Zhaikmunai built in 2008 its own crude oil and condensate pipeline as well as its own railway terminal to fully control the transportation and marketing of crude oil and condensate from the field site to the export sales point (the pipeline runs from the Chinarevskoye Field to the rail terminal in Rostoshi near Uralsk).

In addition to developing its own transportation infrastructure, the second aspect of Zhaikmunai's liquids strategy is the construction of its own Gas Treatment Facility which will enable Zhaikmunai to produce marketable liquid condensate (a product lighter than Brent crude oil sold at a premium to Brent crude) from the gas condensate stream. The Gas Treatment Facility, once operating at full capacity, will enable Zhaikmunai to increase its daily production of crude oil, stabilised condensate and LPG from approximately 7,261 boe (which was the approximate average daily oil production during the first half of 2010) to a maximum of 28,000 boe. It will also enable Zhaikmunai to produce a maximum annual volume of 1.3 bcm of dry gas. In total, Zhaikmunai expects to increase its daily production of crude oil, condensate, LPG and dry gas from the level of approximately 7,261 boe (which was the approximate average daily oil production during the first half of 2010) to a peak of approximately 48,000 boe during the first quarter of 2011.

From September 2004 to 30 June 2010, the Group invested approximately US\$1.0 billion in drilling and field infrastructure. Total capital expenditure (on a cash basis) for the six months ended 30 June 2010 amounted to US\$92.7 million, an increase of 186% from US\$24.9 million for the six months ended 30 June 2009. Total capital expenditure (on a cash basis) for the full year ended 31 December 2009 amounted to US\$210.6 million, a decrease of 3.8% from US\$218.0 million for the full year ended 31 December 2008 which itself was a 26% increase from US\$173.1 million as at 31 December 2007. Zhaikmunai increased its crude oil production from approximately 826,800 bbl for the year ended 31 December 2005 to approximately 2,690,000 bbl for the year ended 31 December 2009 and, according to management estimates based on reserve reports prepared by Ryder Scott, increased its estimated gross proved plus probable hydrocarbon reserves from 215 million boe in 2004 to 527 million boe in 2009. Zhaikmunai produced 1,314,256 bbl of crude oil during the first half of 2010 compared to 1,316,051 bbl during the first half of 2009, approximately 2,690,000 bbl of crude oil in 2009, approximately 1,860,000 bbl of crude oil in 2008 and approximately 1,848,000 bbl of crude oil in 2007.

Zhaikmunai's operational facilities are located in the Chinarevskoye Field and, as at 30 June 2010, consisted of an oil processing facility capable of processing 400,000 tonnes per year of crude oil, multiple oil gathering and transportation lines including an oil pipeline from the field to its oil loading rail terminal

in Rostoshi near Uralsk, a 17 kilometre gas pipeline from the field to the Orenburg-Novopskov pipeline, a gas powered electricity generation system, warehouse facilities and an employee field camp. As of 30 June 2010, Zhaikmunai had 36 exploration, appraisal and production wells, of which 12 wells were producing, three wells were under test operations, two wells were installed as a water injector and three wells were under drilling and workover operations. In addition, six wells were suspended, four wells were temporarily abandoned awaiting completion of the Gas Treatment Facility or workover operations and a further six exploration wells were plugged and abandoned.

In May 1997, Zhaikmunai was granted exploration and production licences with respect to the Chinarevskoye Field, which initially covered the entire Chinarevskoye Field. In December 2008, Zhaikmunai received an extension of its production licence. The new production licence is valid until 2033 for all horizons (other than the Northeastern Tournaisian reservoir for which the production licence is valid until 2031) and oil or gas-condensate bearing reservoirs and covers 185 square kilometres of the Licence area. The production licence covers almost all proved, probable and possible reserves reported by Ryder Scott as at 1 July 2009. In addition, its exploration licence was extended for an additional three years until 26 May 2011.

During October 1997, Zhaikmunai entered into the PSA with the Government which has been subsequently amended eight times, see “*Business—Subsoil Licences and Contracts—The Licence and The PSA*”. The PSA sets forth parameters for the exploration and development of the Chinarevskoye Field and the fees, oil profit sharing and tax liabilities payable to the Government. To date, Zhaikmunai has met all of its capital investment obligations under the PSA.

Zhaikmunai began its first test crude oil production in October 2000 and began commercial production on 1 January 2007. Gas sales are expected to begin in November 2010. See “*Business—Operations—Capital Investments—Gas Treatment Facility*”. Zhaikmunai currently sells 85% of its crude oil in the export market and 15% of its crude oil in the domestic market. Zhaikmunai’s crude oil has typically been sold to one or more oil traders on the basis of FCA (free carrier) Uralsk. However, Zhaikmunai recently started to sell its crude oil on the basis of DAF (delivery at frontier) and FOB (free on board) terms in order to reduce its overall transportation costs. In each case, Zhaikmunai directly transports all its crude oil through its newly completed oil pipeline to its rail loading terminal in Rostoshi near Uralsk, located approximately 120 km from the Chinarevskoye Field. The crude oil is subsequently transported by rail to oil refineries located in Finland and the Ukraine.

To date, all of Zhaikmunai’s revenues have been generated by its crude oil sales. Zhaikmunai had revenues of US\$74.7 million and EBITDA of US\$43.4 million for the six months ended 30 June 2010, compared to revenues of US\$44.7 million and EBITDA of US\$17.3 million for the six months ended 30 June 2009 and revenues of US\$116.0 million and EBITDA of US\$58.9 million in 2009, revenues of US\$135.9 million and EBITDA of US\$57.1 million in 2008 and revenues of US\$108.5 million and EBITDA of US\$58.7 million in 2007.

In addition, the Group has built the Gas Treatment Facility with two gas treatment units for full utilisation of the associated gas produced by the Group, which is essential for its continued crude oil production, and the treatment of gas condensate to produce dry gas for sale following completion and commissioning of the Gas Treatment Facility. The Gas Treatment Facility has been built by JSC OGCC KazStroyService (“KSS”). Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when a working commission composed of representatives from Zhaikmunai, KSS, general project designer NipiNeftiGaz and seven governmental authorities of the Republic of Kazakhstan (the “**Working Commission**”) issued its formal decision declaring that the construction of Zhaikmunai’s Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Black Start or “gas in” is the moment the plant is filled with natural gas from the gas pipeline to which, after commissioning, treated gas will be delivered by the Gas Treatment Facility. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission (the competent body authorised to confirm that permanent operations can commence) which is expected to occur no later than 31 December 2010. As of 30 June 2010, the outstanding amounts due to KSS for construction of the Gas Treatment Facility were US\$27.6 million, which includes US\$6.9 million to be paid to KSS on completion of construction and US\$20.7 million (rising to a payment of US\$22.7 million by completion) to be paid to KSS after the State Acceptance Act is granted by the State Acceptance

Commission. Other ongoing projects include the construction of a reservoir pressure maintenance system (which is expected to commence at the end of 2010). Zhaikmunai plans to finance all of its capital expenditures in relation to monetising its existing proved reserves from internal cash flow. Should the first phase of the Gas Treatment Facility be successfully implemented along with further successful results in converting probable reserves into proved reserves, Zhaikmunai may consider building a third gas treatment unit which is the second phase of the project. However, Zhaikmunai is currently only focused on completing the first phase of the Gas Treatment Facility.

On 2 April 2008, Zhaikmunai L.P. sold limited partnership interests comprising 10,000,000 Common Units in Zhaikmunai L.P. in the form of GDRs in a global offer. On or around the same day, 30,000,000 Common Units in Zhaikmunai L.P. were converted into GDRs as part of an internal reorganisation, and together with the 10,000,000 GDRs in the global offer, 40,000,000 GDRs were admitted to listing and trading on 3 April 2008. On 15 September 2009, Zhaikmunai L.P. issued 75,000,000 new Common Units in the form of Common Units and GDRs in connection with the Placing and Claremont Subscription.

STRENGTHS

We believe that the key strengths of the Group are as follows:

- *Strong reserve base*

According to management estimates based on the 2009 Ryder Scott Report, as at 1 July 2009, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 527 million boe. These estimated reserves comprise proved crude oil and gas condensate reserves of 58.5 million bbl and 153.5 million bbl of probable crude oil and gas condensate reserves, together with 59.5 million boe of proved gas reserves and probable gas reserves of 176 million boe and 21 million bbl of proved LPG reserves and probable LPG reserves of 58.1 million bbl.

- *Upside potential of existing possible reserves*

Management estimates, based on the 2009 Ryder Scott Report, that the Chinarevskoye Field has possible hydrocarbon reserves of approximately 559 million boe. According to management estimates based on data included in reserves reports prepared by Ryder Scott, since 1 January 2004, Zhaikmunai has increased its proved hydrocarbon reserves from 28 million boe to 139 million boe, as at 1 July 2009. Based on its track record to date and Zhaikmunai's drilling expertise, management believes that Zhaikmunai is well positioned to continue converting possible reserves into probable reserves and probable reserves into proved reserves. In addition, Zhaikmunai is permitted under the terms of the PSA to undertake further exploration of the Chinarevskoye Field until May 2011 which may lead to the discovery of further possible reserves.

- *Strong track record within the Chinarevskoye Field*

Zhaikmunai has a strong track record of successful exploration and production within the Licence area. Constructive analysis by Zhaikmunai personnel of 3-D seismic surveys covering the entire Chinarevskoye Field has allowed Zhaikmunai to position wells effectively. Every production well drilled since Zhaikmunai entered into the PSA has yielded commercially viable amounts of hydrocarbons, with no dry wells drilled to date. Since 2004, management has introduced Western-standard drilling rigs and competition among drilling contractors to further improve drilling efficiency. Further, crude oil production increased from an average of 2,210 bpd in 2004 to an average of 7,261 bpd in the first half of 2010. For the full year ended 31 December 2009, the average daily oil production amounted to 7,442 bpd compared to 5,095 bpd for the full year ended 31 December 2008. For the six months ended 30 June 2010, the average daily oil production amounted to 7,261 bpd, virtually unchanged compared to 7,271 bpd for the six months ended 30 June 2009.

- *High quality crude oil*

The crude oil produced by Zhaikmunai is a high quality "sweet" crude oil with an average API gravity of 40-41.5° and a low sulphur content of approximately 0.4%. The high quality of its crude oil allows Zhaikmunai to sell its crude oil at a smaller discount to Brent crude than other oil producers in the region.

- *Advantageous location*

Zhaikmunai's facilities are located in western Kazakhstan approximately 60 kilometres from the Russian border, which reduces overall transportation distances from the Group's production

operations to ultimate purchasers of its oil in European markets. In addition, Zhaikmunai's operations are located close to various transportation routes, being 17 kilometres from the Orenburg-Novopskov gas pipeline (which has been constructed and is awaiting commissioning) and less than 100 kilometres from rail links and the Atyrau-Samara oil pipeline. The completion of the oil pipeline from Zhaikmunai's facilities to its rail terminal in Rostoshi near Uralsk gives Zhaikmunai direct access to the rail terminal and an option for a direct connection to the export pipeline to Samara which is crossed by the Zhaikmunai pipeline. Zhaikmunai's location provides reduced transportation distances and access to flexible transportation links, each of which allows it to benefit from reduced transportation costs.

- *Beneficial terms under the PSA*

Zhaikmunai currently benefits from a relatively low tax and royalty payment burden under the PSA as the terms of the PSA have been "grandfathered" from its signing in 1997. As such, the terms of the PSA allow Zhaikmunai to predict the Government's share of production revenue with reasonable certainty (although such "grandfathering" may be revised by the Government—see "*Risk Factors—Risk Factors Relating to Kazakhstan—The Group is exposed to adverse sovereign action by the Government*"). Royalty taxes on production range from 3% to 7% on crude oil and between 4% and 9% on gas depending on the level of production. Government share of production ranges from 10% to 40%, depending on the level of production. However, such share is applied to that proportion of production referred to as "profit oil", being that amount of oil produced in excess of allowable expenditure (limited to 90% of its hydrocarbon production or an equivalent amount in monetary terms) thereby allowing for recovery of capital expenditures incurred by the Group in relation to its petroleum operations.

- *Strong management team*

The Group benefits from management with significant experience in the oil and gas sector in general, and Kazakhstan in particular. Our Chief Executive Officer has more than 25 years of experience in the oil and gas industry, including approximately 11 years experience working in emerging markets for the Gaz de France group. In addition, Zhaikmunai has introduced experienced senior managers in key departments, including geology, drilling, production and engineering, with an average experience of 20 years in the oil and gas industry.

STRATEGY

The Group intends to maintain Zhaikmunai as an exploration and production oil and gas company focused on the Chinarevskoye Field. The Group's goals are to maximise the conversion of its existing probable reserves into proved reserves and its possible reserves into probable reserves and to increase long-term production potential. To achieve these goals, the Group is pursuing the following strategies:

- *Expand existing reserve base*

Increases in drilling and improvements in oil recovery techniques are expected to improve the Group's ability to convert probable and possible reserves into proved and probable reserves. Using the existing 3-D seismic mapping of the Chinarevskoye Field and its understanding of the geological features of the Licence area, Zhaikmunai plans to continue positioning wells effectively to improve the probability of converting possible reserves into probable reserves and probable reserves into proved reserves. In addition, significant exploration potential exists in the reservoirs located in the Chinarevskoye Field, which the Group plans to explore to increase its reserve base. In May 2008, Zhaikmunai declared commercial prospects for six discoveries in the Chinarevskoye Field.

- *Further increase production of liquids*

The Group intends to increase Zhaikmunai's annual crude oil and condensate production, which, according to Ryder Scott, is expected to peak in 2015 at an average of approximately 62,000 bpd as compared to an average of 7,261 bpd produced in the first half of 2010. This increase is expected to be achieved by increasing the number of wells drilled per year and enhancing oil recovery methods, as well as extending the hydrocarbon production areas of the Chinarevskoye Field following completion of exploration activities. For example, Zhaikmunai drilled two production wells, two appraisal wells and three sidetrack wells in 2009 and plans to drill an average of 13 wells per year between 2011 and 2014. At 30 June 2010, there were 14 producing wells.

- *Monetise gas reserves*

A substantial portion of the Group's reserves comprise gas. To monetise these reserves, the Group has built the first phase of the Gas Treatment Facility and associated projects; the first phase of the construction of the Gas Treatment Facility will cost approximately US\$227.0 million. The facility is expected to process both associated gas and wet gas from gas condensate reservoirs. The processing of associated gas is expected to enable the Group to cease flaring crude oil gas production, while the capability to treat wet gas is expected to allow the Group to start the development of the Licence area's gas condensate fields. The Gas Treatment Facility will also include a gas-fired power plant with an output of 15 megawatts that is expected to provide the field site with all required electricity. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when the Working Commission issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission which is expected to occur no later than 31 December 2010. Management estimates, based on the production profile of both proven and probable reserves reported in the 2009 Ryder Scott Report, that annual raw gas and LPG productions are expected to peak in 2017 at 4.0 billion cubic metres and 0.9 billion cubic metres, respectively.

- *Increase the number of products and customers*

The Group has significantly improved its transportation infrastructure for crude oil, thereby reducing transportation risks and costs. In 2008, the Group successfully completed the construction of its own crude oil pipeline that connects the Chinarevskoye Field with its rail loading terminal in Rostoshi near Uralsk. Management believes the pipeline offers a more secure delivery method which will improve efficiency, reduce the risks of oil spills and result in lower costs through economies of scale. The costs of constructing the crude oil pipeline and rail loading terminal amounted to approximately US\$97 million. To date, management estimates savings in transportation costs associated with the pipeline amount to approximately US\$25 per tonne. In addition, Zhaikmunai's 17 kilometre gas pipeline linking it to the Orenburg-Novopskov gas pipeline has been successfully constructed and is awaiting commissioning, which will occur at the same time as the commissioning of the Gas Treatment Facility. As a result of the improved infrastructure, the Company will be able to produce three new products in the second half of 2010 and will continue to explore the most economically efficient transport routes for each of these products.

HISTORY

Zhaikmunai L.P. was formed in August 2007 as an Isle of Man limited partnership. Zhaikmunai was registered on 20 March 1997 as a Kazakh limited liability partnership and obtained the Licence from AO Condensate which was granted the Licence in January 1996. Zhaikmunai entered into the PSA in October 1997.

In September 2004, Thyler acquired 100% of Scoulton, which in turn indirectly held 100% of the partnership interests in Zhaikmunai. In connection with the admission of the GDRs to the official list of the FSA in 2008, Scoulton undertook an intra-group reorganisation in March 2008, which resulted in Zhaikmunai L.P. indirectly holding all of the partnership interests in Zhaikmunai. In addition, ZGL became the General Partner of Zhaikmunai L.P. A description of ZGL as the General Partner is set out in "*Management and Corporate Governance*". For further details about the intra-group reorganisation, see "*Related Parties and Related Party Transactions—Partnership Agreement*".

CORPORATE STRUCTURE

Zhaikmunai L.P. is a limited partnership whose ownership interests consist of the Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in Zhaikmunai L.P. and the general partner interest held by ZGL. The holders of the Common Units are the limited partners of Zhaikmunai L.P. which comprise of (i) Claremont which holds 40.54% of all Common Units and GDRs in the form of 55 million GDRs and 20 million Common Units, (ii) The Bank of New York Mellon which holds 89.19% of all Common Units in the form of 165 million Common Units in its capacity as depository

but has no beneficial interest in such Common Units (such interests include those GDRs held as part of the free float and by Claremont) and (iii) the other GDR holders (or free float) which hold 66.67% of the outstanding GDRs in the form of 110 million GDRs. See “*Significant Holders of Limited Partnership Interests and Common Units—Ownership of Zhaikmunai L.P.*”. The management of Zhaikmunai L.P. is exercised by the general partner, ZGL which is wholly owned by Thyler, indirectly controlled by Frank Monstrey, the Chairman of the board of directors of ZGL.

OPERATIONS

Zhaikmunai conducts its operations in the Chinarevskoye Field. The Group does not hold, nor does it currently have plans to acquire, any other rights to extract crude oil or hydrocarbons elsewhere in Kazakhstan or abroad. See “*Risk Factors—Risk Factors Relating to the Group’s Business—The Group only has rights to explore and extract oil and gas within the Chinarevskoye Field.*”.

The following map sets forth the location of the Chinarevskoye Field:



Chinarevskoye Field

History of Operations

Oil and gas operations in the Chinarevskoye Field began during the Soviet era with the drilling of nine wells. Hydrocarbons were discovered in the Biski-Afoninski reservoirs in 1991. The discovery of the Tournaisian reservoir was made in 1992. In 1997, Zhaikmunai was granted the Licence and entered into the PSA and commenced exploration activities in the Chinarevskoye Field. Three of the wells that were drilled during Soviet times were reactivated between 2000 and 2002. In 2003, Zhaikmunai discovered the Givetian accumulation and in 2004 the Lower Permian reservoir was successfully tested. An oil treatment facility was completed in July 2006. In 2007, crude oil was discovered in the Bashkirian formation. In May 2008, commercial prospects were declared for the Mullinsky oil and gas condensate pool, the Ardatovsky gas condensate pool, the Famenian oil and gas condensate pool and the Biski-Afoninski oil and gas condensate pool. New commercial discoveries were also made in the south and west regions of the Tournaisian reservoir.

In 2004, new senior management was appointed at Zhaikmunai which instituted a strategy of increasing drilling and improving infrastructure, as well as focusing on improving the level of reserves. In the same

year, Zhaikmunai commissioned Ryder Scott to conduct an independent engineer's reserves assessment for the Licence area according to PRMS standards. According to management estimates based on data included in the Ryder Scott reserves report of 2004, Zhaikmunai had approximately 28 million boe of proved reserves. Zhaikmunai's primary exploration effort from 2004 to 2006 was dedicated to the Tournaisian horizon. Zhaikmunai commissioned further independent engineer's reserves reports from Ryder Scott in 2006 and 2008. As a result of increased drilling and improved geological data, management estimated that, as at 1 July 2009, based on Ryder Scott Reports, Zhaikmunai had increased its proved reserves by 400% to 139 million boe and its probable reserves by 129% to 388 million boe (each as compared to 2004). Crude oil production increased from an average of 2,210 bpd in 2004 to an average of 7,261 bpd in the first half of 2010, virtually unchanged compared to 7,271 bpd in the first half of 2009. According to the 2009 Ryder Scott Report, as at 1 July 2009, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 527 million boe.

Following successful test production from the Tournaisian reservoir during the exploration phase of the Licence, Zhaikmunai commenced commercial crude oil production from the Tournaisian reservoir on 1 January 2007. Zhaikmunai has obtained a Production Permit for the Mullinsky, Ardatovsky, Famenian and Biski-Afoninski reservoirs, and will begin production once the Gas Treatment Facility becomes operational. Zhaikmunai expects to continue exploration activities in the North Biski-Afoninski, Lower Permian and North Tournaisian reservoirs and the Givetian accumulations until the expiry of the exploration period under the PSA in May 2011.

Oil and Gas Reserves

The following table sets forth Zhaikmunai's gross proved, probable and possible hydrocarbon reserves at the Chinarevskoye Field based on data included in the Ryder Scott Reports:

	As at 1 July 2009	As at 1 July 2008	As at 1 July 2007
Gross Reserves			
<i>Proved</i>			
Crude oil and condensate (mmbbl)	58.5	54.4	56.3
<i>Developed</i>	30.2	17.0	16.1
<i>Undeveloped</i>	28.3	37.4	40.3
Plant products (mmbbl)	21.1	20.2	20.5
<i>Developed</i>	10.0	5.6	3.3
<i>Undeveloped</i>	11.1	14.6	17.2
Gas (mmboe) ⁽¹⁾	59.5	58.8	59.9
<i>Developed</i>	28.2	16.8	8.6
<i>Undeveloped</i>	31.3	42.0	51.3
Total (mmboe)⁽¹⁾	139.1	133.4	136.7
<i>Probable</i>			
Crude oil and condensate (mmbbl)	153.5	162.7	104.8
Plant products (mmbbl)	58.1	59.0	36.9
Gas (mmboe) ⁽¹⁾	176.0	179.5	118.8
Total (mmboe)⁽¹⁾	387.6	401.2	260.5
<i>Possible</i>			
Crude oil and condensate (mmbbl)	275.9	275.9	149.5
Plant products (mmbbl)	74.5	74.5	53.2
Gas (mmboe) ⁽¹⁾	205.9	206.0	156.0
Total (mmboe)⁽¹⁾	556.3	556.4	358.7

(1) Management has converted the dry gas reserves data from cubic feet to boe of dry gas and excluded the gas flared in 2008 and 2009. See "Presentation of Financial, Reserves and Other Information—Presentation in this Offering Memorandum".

The table below illustrates Zhaikmunai's hydrocarbon gross reserves by individual reservoir and percentage of total reserves as estimated by management, based on the data presented in the 2009 Ryder Scott Report.

Gross Reserves (mmboe)	Proved	(% of 1P)	Probable	(% of Probable)	Possible	(% of Possible)	Total
North Tournaisian	48.2	34.7	54.2	14.0	224.3	40.3	326.7
South Tournaisian	13.1	9.4	31.8	8.2	49.2	8.8	94.1
Biski-Afoninski	54.7	39.3	241.2	62.2	252.9	45.5	548.8
Givetian Ardatovski	9.9	7.1	18.4	4.7	—	—	28.3
Givetian Mulinski	12.8	9.2	42.0	10.8	28.8	5.2	54.8
Famennian	—	—	—	—	1.1	0.2	1.1
Total	139.1	100	387.6	100	556.3	100	1053.8

The amount of possible reserves is calculated as a best estimate for each individual accumulation. In accordance with SPE reserves classifications, Ryder Scott assigned the volumes of crude oil that can be recovered from accumulation through water-flooding in the Tournaisian reservoir to the categories of probable and possible reserves. See *“Risk Factors—Risk Factors Relating to the Crude Oil and Gas Industry—The level of the Group's crude oil and gas reserves, their quality and production volumes may be lower than estimated or expected”*. The added potential resulting from enhanced oil recovery has therefore not been used to estimate the amount of proved reserves. Studies prepared by the research institute KaspimunaiGaz in 2006 and PM Lucas in 2007 and 2008 confirmed the possibility of significant improvement of oil recovery through water-flooding in the north-eastern part of the Tournaisian reservoir. The Group began water injection testing at the end of 2008 and implemented the use of water-injection for improved oil recovery in 2009.

Management believes that there is potential for the Group to exceed the reserves estimates included in the 2009 Ryder Scott Report. A new oil discovery was made in the Bashkirian horizon and the Vorobyovski reservoir in 2008, which was not included in Ryder Scott's reserve estimation. In addition, management considers the recovery factors used to calculate the Group's hydrocarbon reserves to be conservative, and that the recovery rates stated by Ryder Scott of 32.2% of crude oil for the Tournaisian reservoir and 16% of crude oil for the Mulinski reservoir may potentially be exceeded by higher recovery ratios achieved by water injection techniques that could maintain reservoir pressure.

Geological Information

The Chinarevskoye Field is a multi-formation structure. It has tested hydrocarbons at significant rates from (i) the Lower Permian horizons at depths of 2,700m to 2,900m, represented by limestone and dolomitic limestone; (ii) limestone of the Lower Carboniferous Tournaisian formation at a depth of approximately 4,200m with a gross thickness of about 200m; (iii) the middle Devonian Givetian horizons at a depth of approximately 5,000m, represented by sandstone with carbonate cement; and (iv) the middle Devonian Biski-Afoninski formations at a depth of approximately 5,000m with a gross thickness of 200m and represented by limestone and dolomitic limestone. Oil has been found in the Lower Permian, Tournaisian and Givetian Mulinski reservoirs, while gas condensate has been found in the Tournaisian, Biski-Afoninski, Givetian, Ardatovski, Famennian and Vorobyovski reservoirs.

Appraisal and Exploration

In addition to the estimated reserves calculated by Ryder Scott, management believes that there is additional exploration potential in the Licence area due to Zhaikmunai's successful drilling record in the Chinarevskoye Field. This belief is based on the new oil discovery made in the Bashkirian horizon and the discovery of gas condensate accumulations in the Middle Devonian Famennian horizon and the Middle Devonian Vorobyovski horizon which were not included in the 2009 Ryder Scott Report. To date, all of the production wells drilled by Zhaikmunai have resulted in commercially viable amounts of hydrocarbons being tested, with no dry wells encountered. The Group is continuing to explore parts of the Chinarevskoye Field under the terms of the Licence and the PSA. Using information obtained from 3-D seismic surveys and geological analysis, management (and consultants) review all available data and undertake individual drilling programmes.

The Group has mapped several new prospects in the Licence area, including the Biski-Afononski (gas condensate), Tournaisian (oil and gas condensate), Lower Permian (oil) and South Tournaisian (gas

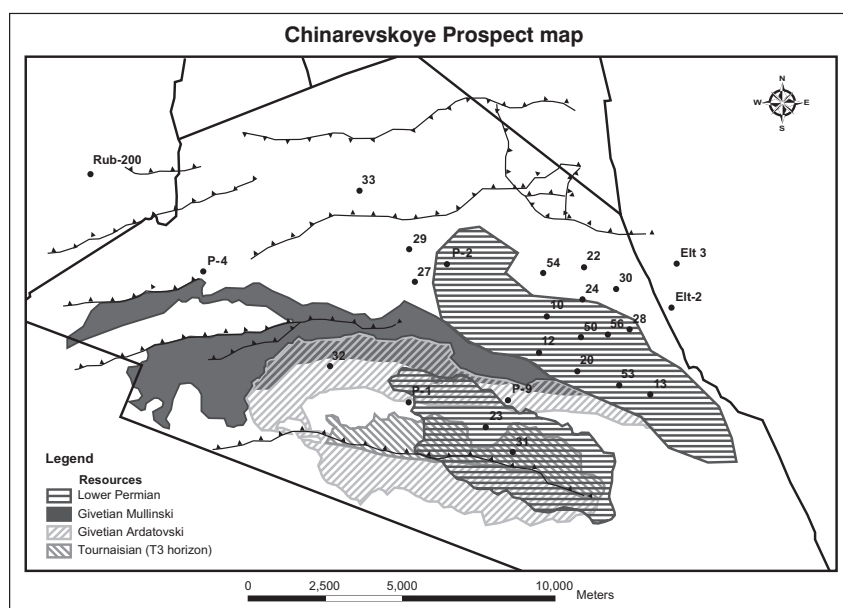
condensate) reservoirs. In addition to the reported reserves as of 1 July 2009, Ryder Scott has estimated the remaining resources identified, but not yet drilled in the Chinarevskoye Field. The 2008 Ryder Scott Report estimates that the overall exploration potential of such resources through a summation of best estimates is approximately 122 million boe of prospective resources.

Zhaikmunai drilled four exploration wells in 2007, three exploration wells in 2008 and two appraisal wells in 2009, which have resulted in an increase of proved plus probable reserves as well as proved plus probable plus possible reserves. As at 30 June 2010 Zhaikmunai was drilling one production well and two sidetrack wells which are expected to enable Zhaikmunai to evaluate the potential of its unexploited reservoirs. All of these wells have been located so as to additionally target one or two of the remaining exploration prospects.

A significant portion of the Group's reserves are classified as possible reserves, and a work programme has been prepared to further appraise these accumulations. Management believes that a portion of these possible reserves, estimated by Ryder Scott to be up to 556 million boe as at 1 July 2009, could be transferred into higher reserves categories as a result of the scheduled appraisal activities, which will be performed simultaneously with the development of the existing proved and probable reserves.

To further increase its probable reserves, Zhaikmunai has started water injection tests in the Tournaisian reservoir to determine the effect on production levels. Water injection is solely required for the recovery of the probable oil reserves presented in the 2009 Ryder Scott Report. Ryder Scott analysed reservoir simulations prepared by independent third parties to understand the effect of the water injection on ultimate recovery of oil from the reservoirs. Zhaikmunai has trialled water injection in one of the wells (well 53) for approximately a year. The reservoir pressure in the area around this well had dropped to approximately 200 bar and has since been increased to approximately 400 bar. The increase in well pressure has been achieved by injecting 400 cm of water per day through one water injection well. Improved recovery is expected once all water injection wells are in operation, the water treatment facilities will be ready at the end of 2010. For the first phase of water injection Zhaikmunai believes it will require four wells to inject water directly into the reservoir, and three of these water injection wells are expected to be operational by end of year 2010. Once the first four water injection wells and water injection facilities are operational, Zhaikmunai will look to inject around 1500 cm a day. The second phase of the water injection project envisages to add four additional wells to inject additionally 2000 cm of water a day. At the moment, Zhaikmunai has drilled six water producers which, combined, are able to produce approximately 1500 cm per day; for the second phase of water injection, Zhaikmunai will need to receive additional Water Use Permits, which Zhaikmunai will apply for in a timely manner. See *"Risk Factors—Risk Factors Relating to the Group's Business—The Group requires significant water supplies in order to conduct its business and failure to obtain such water may adversely affect its business"* and *"Risk Factors—Risk Factors Relating to the Crude Oil and Gas Industry—The level of the Group's crude oil and gas reserves, their quality and production volumes may be lower than estimated or expected"*.

The map below shows the location of the prospects within the Chinarevskoye Licence area.



Production and Facilities

Oil Production

As at 30 June 2010, 14 wells were producing from the Tournaisian reservoir. Between the time of Thyler's acquisition of Scoulton when new management was appointed at Zhaikmunai in September 2004 and 30 June 2010, a total of 9,680,947 bbl of crude oil was produced from this area. During the six months ended 30 June 2010, a total of 1,314,256 bbl was produced, with an average of 7,261 bpd, virtually unchanged compared to the six months ended 30 June 2009 during which a total of 1,316,051 bbl of crude oil was produced, with an average daily output of 7,271 bpd. In 2009, a total of 2,697,980 bbl was produced, with an average of 7,442 bpd compared to 2008, during which a total of 1,859,732 bbl of crude oil was produced, with an average daily output of 5,095 bpd and 2007 during which a total of 1,848,022 bbl of crude oil was produced, with an average crude oil output of 5,063 bpd.

The following table sets forth certain data regarding crude oil production for the periods specified for the Chinarevskoye Field, together with management's targets for wells to be drilled and crude oil production to be achieved by 2011:

Year ended	2004*	2005*	2006*	2007*	2008*	2009*	2010†	2011†
Production wells	0	0	1	8	18	14 ⁽¹⁾	26	38
Average crude oil and condensate production (bpd)	2,429	2,265	2,918	4,823	5,095	7,442	10,490 ⁽²⁾	21,160 ⁽²⁾
Total production (mboe) (crude oil/condensate, gas, LPG)	887	827	1,065	1,848	3,034 ⁽³⁾	4,831 ⁽³⁾	4,920 ⁽²⁾	15,582 ⁽²⁾

* In these years all associated gas produced was flared.

† Estimated.

(1) The reduction in 2009 was due to wells being converted to gas condensate and wells being plugged awaiting completion of the Gas Treatment Facility.

(2) These figures are lower than estimated in the 2009 Ryder Scott Report due to the delay in construction of the Gas Treatment Facility which the 2009 Ryder Scott Report assumes would have been operational by 1 January 2010, see “—*Gas Treatment Facility*”.

(3) This amount reflects the delay in construction of the Gas Treatment Facility.

The crude oil extracted from the Chinarevskoye Field has an average API gravity of 40-41.5° and sulphur content of approximately 0.4%. Primary benchmark crude oils produced in Kazakhstan include Urals Blend (approximately 33° API with 1.25% sulphur), CPC Blend (approximately 42-43° API with 0.5%-0.6% sulphur) and Brent (approximately 38° API and with 0.4% sulphur). The quality of the crude oil extracted allows Zhaikmunai to sell its crude oil at a smaller discount to Brent crude than other oil producers in the region.

Gas, Propane and Butane Production

The Chinarevskoye Field contains significant gas reserves. The Group plans to monetise these gas reserves by building the Gas Treatment Facility and by implementing a gas utilisation concept prepared by NIPPI Neftegaz Institute. For more information regarding the Gas Treatment Facility, see “—*Capital Investments—Gas Treatment Facility*”.

Gas processed by the Group's treatment units will be used to produce dry gas, LPG and condensate for sale in addition to providing feed stock for power generation to cover Zhaikmunai's power requirements. Assuming timely completion of the Gas Treatment Facility, management estimates based on the 2009 Ryder Scott Report that Zhaikmunai's annual raw gas and LPG production will peak in 2017 at 4.0 billion cubic metres and 0.9 billion cubic metres and annual condensate production will peak in 2016 at 16.9 million cubic metres, respectively.

Zhaikmunai currently does not produce gas for commercial purposes, but produces a small amount of gas condensate during production tests. Gas produced in association with Zhaikmunai's oil production is currently flared at the location of the oil processing facility station as permitted by the relevant Gas Flaring Permits. Following commissioning of the Gas Treatment Facility, Zhaikmunai will produce gas for commercial purposes and gas sales are expected to begin in November this year.

Crude Oil Facilities

Zhaikmunai's oil facilities consist of an oil processing facility capable of processing 400,000 tonnes per year of crude oil, as well as multiple oil gathering and transportation lines within the Licence area. Zhaikmunai's field on-site storage facilities currently allow storage of 5,000 cubic metres and 10,000 cubic metres at rail terminal. Additional storage capacity for approximately 25,000 cubic metres of crude oil (15,000 cubic metres of field on-site storage facilities and 10,000 cubic metres at rail terminal) is under construction and is set for completion at the same time as the Gas Treatment Facility. The Group plans to construct an additional oil treatment unit with a capacity of up to 400,000 tonnes per year, to be completed by 2013. In addition, Zhaikmunai has completed its 120km oil pipeline through which it pumps crude oil from the field site to the rail loading terminal in Rostoshi near Uralsk. Water injection requires further processing capacity that the Group is currently building. See "*—Contracts Material to Our Business—Reservoir Pressure Maintenance System Agreement*".

Drilling Facilities

The Group contracts with third parties who perform drilling operations in the Chinarevskoye Field. As of 30 June 2010, Saipem and UNGG provided drilling services to the Group and three drilling rigs were being operated by these contractors. In addition, a Kazburgaz rig was employed for workover operations. The average time required to drill new vertical wells is approximately three months in the Tournaisian reservoir and four months in the Devonian, Biski-Afoninski reservoirs. Exploration wells cost an average of US\$10.8 million each to drill, while the cost of production wells range from an average of US\$8.2 million to drill in the Tournaisian reservoir to US\$12.5 million to drill in the Biski-Afoninski reservoirs.

During 2009, Zhaikmunai completed drilling of horizontal wells for production wells in the Devonian reservoirs. The costs for such horizontal wells have been estimated to be approximately 30% higher than those for similar vertical wells. In 2009, three Tournaisian production wells were completed, two appraisal wells in the Biski-Afoninski were drilled, and one sidetrack well of a Middle Devonian production well was completed. Zhaikmunai employed, as of 30 June 2010, three drilling rigs and two workover rigs and plans to complete a total of two Middle Devonian Biski-Afoninski horizontal production wells, to deepen three existing wells to the Middle Devonian, two of which are planned to be a Mullinski production well and the other is a Ardatovski appraisal well. In addition, after completion of the Gas Treatment Facility, Zhaikmunai plans to drill two exploration wells in the Northern and Western area of the Chinarevskoye Field to upgrade reserves from category probable to proved.

As of 30 June 2010, Zhaikmuani had 36 exploration, appraisal and production wells, of which 12 wells were producing, three wells were under test operations, two wells were installed as a water injector and three wells were under drilling and workover operations. In addition, six wells were suspended, four wells were temporarily abandoned awaiting completion of the Gas Treatment Facility or workover operations and a further six exploration wells were plugged and abandoned.

The following table sets out the actual number of wells drilled since September 2004 (when new management was appointed at Zhaikmunai and prior to which there were five wells), together with the number of wells management anticipates will be drilled through 2011:

	2004	2005	2006	2007	2008	2009	2010	2011
Number of new exploration wells drilled	1	1	2	4	3	2	0	1
Number of new production wells drilled	0	0	1	5	6	5	4	3
Total wells	1	1	3	9	9	7	4	4

Capital Investments

Gas Treatment Facility

On 10 August 2007, Zhaikmunai entered into an agreement with KSS for the construction of the Gas Treatment Facility that is expected to process associated gas and gas condensate. For this purpose, KSS has entered into a consortium with Exterran, which provides engineering and manufacturing of main equipment for the Gas Treatment Facility, while KSS provides project management and construction services.

Construction of the Gas Treatment Facility involves two phases.

The first phase involves the construction of two gas treatment units and is expected to cost US\$227.0 million. The gas treatment units will each have the capacity to treat approximately 850 million cubic metres of associated gas and gas condensate. Both units will be equipped with sweetening and sulphur recovery units to improve the quality of the gas. The Gas Treatment Facility will also include an associated gas-fired power plant with an output of 15 megawatts that is expected to provide the field site with all required electricity. The power plant is expected to be constructed as part of the first phase of the Gas Treatment Facility. Zhaikmunai has agreed with KSS to install a condensate stabilisation unit for the Gas Treatment Facility as part of the first phase, which will be able to stabilise 800,000 tonnes of condensate each year, and which has increased the total cost for the first phase of the Gas Treatment Facility from approximately US\$182.0 million to approximately US\$227.0 million. As of 30 June 2010, the outstanding amounts due to KSS for construction of the Gas Treatment Facility were US\$27.6 million, which includes US\$6.9 million to be paid to KSS on completion of construction and US\$20.7 million (rising to a payment of US\$22.7 million by completion) to be paid to KSS after the State Acceptance Act is granted by the State Acceptance Commission.

Pre-commissioning works for the completion of the Gas Treatment Facility started in June 2010. Mechanical completion of the first phase of the Gas Treatment Facility occurred on 29 September 2010 when the Working Commission issued its formal decision declaring that the construction of Zhaikmunai's Gas Treatment Facility has been completed generally in accordance with Kazakh standards. Black Start is expected to occur in October 2010. Black Start or "gas in" is the moment the plant is filled with natural gas from the gas pipeline to which, after commissioning, treated gas will be delivered by the Gas Treatment Facility. Following Black Start, commissioning activities will continue while test production will be ongoing. The first gas sales are expected to occur during November 2010. At the end of the test production period, the Gas Treatment Facility is expected to achieve its designed operating capacity, resulting in full commissioning of the facility. This will be followed by a meeting with the State Acceptance Commission (the competent body authorised to confirm that permanent operations can commence) which is expected to occur no later than 31 December 2010.

Zhaikmunai is considering entering into contracts to construct one additional gas treatment unit with a capacity to treat 2.5 billion cubic metres of gas per year and an additional power plant. Assuming completion of each of the three gas treatment units, the Group would have capacity to treat up to 4.2 billion cubic metres of gas per year. Management estimates that the second phase of construction will cost approximately US\$362 million. Ryder Scott estimates that Zhaikmunai's annual raw gas production will peak at 4.0 billion cubic metres per year in 2017.

See *"Risk Factors—Risk Factors Relating to the Group's Business—The Group's future hydrocarbon production profile is based on the Gas Treatment Facility operating at full or near-full capacity. If the Gas Treatment Facility is not operating at full or near-full capacity, this may result in a reduction or suspension of the Group's production of hydrocarbons"*.

Oil Pipeline and Rail Loading Terminal

On 5 June 2006, Zhaikmunai entered into an agreement with KSS for the construction of an oil pipeline and railway loading terminal. The pipeline and loading terminal was successfully completed in 2008 and has been fully operational since January 2009. The pipeline links the Chinarevskoye Field directly to the Group's railway loading terminal at a rail connection located at Rostoshi, near Uralsk. The oil pipeline has a maximum annual throughput capacity of 3.0 million tonnes. The rail loading terminal receives all crude oil and condensate produced by Zhaikmunai and has a capacity of 3.0 to 4.0 million tonnes of crude oil and gas condensate per year.

The combined cost of the oil pipeline and rail loading terminal amounted to approximately US\$97.0 million and management estimates that the oil pipeline has reduced the cost of transporting crude oil from the Chinarevskoye Field to the Rostoshi rail terminal by approximately US\$25.0 per tonne.

Gas Pipeline

Zhaikmunai's 17-kilometre gas pipeline linking it to the Orenburg-Novopskov gas pipeline has been constructed and is awaiting commissioning which will occur at the same time as the commissioning of the Gas Treatment Facility. The estimated cost of this pipeline is US\$22.0 million, including costs for

construction of the pipeline and metering stations at field and pipeline connection sites. Maximum annual throughput of this gas pipeline is expected to be 5.0 billion cubic metres.

SUBSOIL LICENCES AND CONTRACTS

Zhaikmunai's authorisation to conduct operations in the Chinarevskoye Field was granted pursuant to the Licence issued by the Government on 26 May 1997 which is part of an associated PSA entered into with the Competent Authority (on behalf of Kazakhstan) on 31 October 1997. The Licence and the PSA were granted under Kazakhstan's pre-1999 "licence and contract" regime described in *"Regulation in Kazakhstan"*. Under the PSA, Zhaikmunai is able to undertake both exploration and production activities, subject to obtaining relevant permits. A dual-track system is available to obtain a production permit. See *"—Development Plan"* and *"—Production Permits"* below.

The Licence is separated into two phases consisting of an exploration phase and a production phase. The exploration phase consists of two periods. The first exploration period lasted four years, from October 1997 to October 2001; the second exploration period, which commenced on 26 May 2001 was initially agreed to run for three years, but has since been extended three times, most recently by an exploration permit issued in December 2008 for an additional three years until 26 May 2011.

Further to Zhaikmunai's exploration activities in the northeastern Tournaisian reservoir, approval to commence commercial production in this area was initially granted by the award of a production permit for the northeastern Tournaisian reservoir in March 2007. When Zhaikmunai subsequently made six new commercial discoveries (in the West Tournaisian (oil), South Tournaisian (oil and gas condensate), Biski-Afoninski (gas condensate), Givetian Ardatovski (gas condensate), Givetian Mulinski (oil and gas condensate) and Famennian (gas condensate) reservoirs), it entered into discussions with the Competent Authority to extend the Exploration Permit to appraise these discoveries. Zhaikmunai received a new exploration permit valid until 26 May 2011 and must continue to appraise all newly made discoveries. Once Zhaikmunai believed that all new discoveries were sufficiently appraised in order to start production, it applied for approval of the reserves for the entire licence area (as required by the terms of the PSA) and once the approval of Zhaikmunai's reserve estimation by the State Committee of Reserves was received in December 2008, Zhaikmunai was issued with an extended Production Permit which now covers 185 square kilometres (including the area under the previous production permit as well as the six new commercial discoveries made by Zhaikmunai).

In addition, Zhaikmunai was required to submit separate development plans ("**Development Plans**") to the State Committee for Field Development ("**SCFD**") for oil and gas condensate deposits in accordance with the Production Permit. Both such Development Plans were approved by the SCFD in March 2009.

Zhaikmunai's initial Development Plan for the northeastern Tournaisian reservoir, which was approved on 17 November 2006, has now been incorporated into the new Development Plan for oil deposits as an integral part thereof. In addition to the ongoing commercial production of oil, Zhaikmunai's current Production Permit allows it to begin the commercial production of its gas reservoirs once the Gas Treatment Facility is operational. Zhaikmunai has also continued its exploration activities in those parts of the Licence area that are not covered by the Production Permit, pursuant to its Exploration Permit which was recently extended and now expires on 26 May 2011.

The Production Permit and the Exploration Permit were included as an integral part of the PSA under the eighth amendment thereof dated 27 April 2010.

Zhaikmunai holds two gas flaring permits to flare associated gas which were due to expire on 30 September 2010 and which the Competent Authority has agreed to extend until 31 December 2010.

The Licence and the PSA

The Licence and the PSA are currently valid until 2031-2033, depending on the geographical and geological area in question. To date, Zhaikmunai has met all of its capital investment obligations under the PSA.

The duration of the production phase for all reservoirs is 25 years. Zhaikmunai must comply with the terms of the Exploration Permit and the Production Permit and the Development Plans during this period. The content of the Development Plans and the terms of the Exploration Permit and the Production Permit are set out in greater detail below.

As part of its obligations under the previous exploration permit, Zhaikmunai was required to drill four wells as part of the first exploration phase and a further nine wells were required to be drilled during the second exploration phase which expired in May 2008. Each such well was successfully drilled. Under the current terms of the Development Plans, Zhaikmunai is required to drill 12 exploration wells before 26 May 2011 and is required to spend US\$118.8 million. Today there are still three wells to be drilled which are part of Zhaikmunai's 2010 drilling programme. As at 30 June 2010, Zhaikmunai has already completed the drilling of nine additional exploration wells, with three more wells to be completed in 2010.

Amendments to the PSA

The PSA includes eight amendments. The first amendment, implemented in 2000, restated certain environmental commitments and amended the provision in the PSA regarding the share of and royalty payments to Kazakhstan, in addition to specifying the manner in which Zhaikmunai was to reimburse Kazakhstan for any costs it incurred in establishing the field and the manner in which it was to contribute to an abandonment fund when it ceased its operations. The second amendment, dated 21 October 2001, extended the first exploration period for a further two years to four years and set out the requirements during the exploration phase. The third amendment, dated 29 June 2002, amended the provisions relating to tax and royalty payments. This amendment also provided that 15% of the Licence area was to be relinquished following the first phase of the exploration period as it was not considered to be commercially significant (previously the PSA provided that Zhaikmunai was to relinquish 25% of the Licence area). The fourth amendment, dated 12 January 2004, extended the exploration phase to 26 May 2006 with the term of the PSA set to expire on 26 May 2031.

The fifth amendment extended the exploration period by one year until 26 May 2008. Prior to the expiry of the exploration phase on 26 May 2008 (as per the provisions of the fifth amendment of the PSA), Zhaikmunai declared six new commercial discoveries, pursuant to which it applied to the Competent Authority for a further extension of the exploration period to evaluate these commercial discoveries in accordance with its proposed work programme for further appraisal. As a result, the Competent Authority agreed to extend the exploration period until 26 May 2011, its current expiry date, to allow Zhaikmunai to fully appraise the newly declared discoveries. This agreement is set out in the seventh amendment to the PSA as referred to below.

On 5 June 2008 a sixth amendment was made to the PSA, this time determining the Licence area and clarifying the payment and certain other obligations of Zhaikmunai to Kazakhstan. In addition, it established the production period on the North-East Tournaisian reservoir as commencing on 1 January 2007.

The seventh amendment to the PSA was made in November 2008. This clarified the Licence area, further extended the exploration period until 26 May 2011 and determined the requirements of Zhaikmunai under the extended exploration period, which, as at the date of this Offering Memorandum, includes the drilling of 12 exploration wells of which nine had been completed by the end of 2009. In addition, in the seventh amendment, Zhaikmunai agreed to provide at least 15% of its crude oil production to domestic buyers in Kazakhstan at domestic market prices.

The eighth amendment to the PSA dated 27 April 2010 formally incorporates the terms of the current Production Permit and the Exploration Permit as part of the PSA.

In January 2009, Zhaikmunai commenced negotiations with the Competent Authority (formerly, MEMR) of the terms and conditions of a ninth amendment to the PSA in order to clarify Zhaikmunai's obligations under the PSA related to social funds payments and expenses for training of Kazakhstan specialists. Among other terms and conditions of the ninth amendment to the PSA, Zhaikmunai requested to increase its Cost Oil-recoverable social obligations under the PSA due to increased costs in relation to the relocation of the Rozhkovo village population and the repair and reconstruction of the local state roads infrastructure. Due to delays in approvals and execution of the eighth amendment to the PSA, the re-organisation of the Competent Authority and recent changes in Kazakhstan subsoil laws (including, *inter alia*, adoption of the New Subsoil Law), the ninth amendment to the PSA is as yet not formally agreed with the Competent Authority.

While the ninth amendment to the PSA is currently under discussions with the Competent Authority and due to remaining uncertainty relating to certain provisions of the PSA related to social and training obligations, the Competent Authority has, from time to time, sent warning notices to Zhaikmunai relating to purported violations of Zhaikmunai's contractual obligations under the PSA and threatening to

terminate the PSA due to such violations, including, *inter alia*, violations of social, training and local content (procurement) obligations. Zhaikmunai has responded to all such notices and requests on a timely basis and has provided the requested information, that Zhaikmunai believes demonstrates its compliance with the terms of the PSA, to the relevant authorities. To date such authorities have not taken any further action in relation to such notices following receipt of such information from Zhaikmunai. See—“*Risk Factors—“The Group may be unable to comply with its obligations under the PSA and the Licence”*”.

Exploration Permit

Zhaikmunai’s commitments during the exploration phase must be completed by 26 May 2011. Thereafter, Zhaikmunai may relinquish the area covered by the Exploration Permit and/or request a production permit in respect of any new commercially viable reserves that are declared.

Development Plan

Following the appraisal and/or discovery of reserves, the PSA requires Zhaikmunai to submit a development plan for the particular reserves discovered to the SCFD. Following the appraisal and exploration of additional oil and gas condensate reserves at the end of May 2008, Zhaikmunai received approval for the two Development Plans from the SCFD in March 2009, one regarding oil deposits (which relate to the Tournaisian and Mulinski reservoirs) and the other regarding gas condensate deposits (which relate to the Biski-Afoninski and Ardatovski reservoirs).

The Development Plan related to oil deposits requires (i) the drilling of nine additional production and water injection wells and (ii) the start of water injection in 2009 to support reservoir pressure and to achieve final oil recovery of at least 32.2% from the Tournaisian reservoir. The Development Plan related to gas condensate deposits will allow Zhaikmunai to begin commercial production of such deposits upon (i) the construction and commissioning of the Gas Treatment Facility and (ii) the construction and commissioning of a 17km gas pipeline.

Production Permits

Zhaikmunai’s first production permit was approved by the Competent Authority in March 2007. A new Production Permit was issued in December 2008 which includes all horizons and oil or gas-condensate bearing reservoirs, covers 185 square kilometres of the Licence area and is valid until expiration of the PSA (that is between 2031-2033, depending on the geographical and geological area in question). The current Production Permit was issued to Zhaikmunai in December 2008 and was formally incorporated under the PSA pursuant to the eighth amendment thereto.

Gas Flaring Permit

Zhaikmunai’s programme for burning and utilising associated gas and gas condensate at the Chinarevskoye Field to the Competent Authority was initially approved in December 2007. Zhaikmunai was granted five gas flaring permits. Of these permits, only two remain in place. The Gas Flaring permits were due to expire on 30 September 2010, however the Competent Authority has agreed to extend these until 31 December 2010. The permit to flare associated gas which is to be extended to expire on 31 December 2010 provides for limits for associated gas flaring of 110 million cubic metres to 31 December 2010. The permit to flare gas condensate from test production at exploration wells which is to be extended to expire on 31 December 2010 provides for limits for gas condensate flaring of 80 million cubic meters to 31 December 2010. The Group is awaiting receipt of the final permits and each permit is conditional upon quarterly reports in relation to the programme being presented to the regional environmental agency.

The following summarises the other principal terms of the PSA:

Royalty Payments

The rate of monthly royalty payments to be made by Zhaikmunai to the State depends on the volume of hydrocarbons extracted, calculated according to the realised value for each class of hydrocarbon sales at its final destination less the cost of transportation to its final destination and any discounts incurred due to the quality of hydrocarbons produced, as compared to a benchmarked quality. See “*Risk Factors—Risk Factors Relating to the Group’s Business—The proportion of crude oil and gas production that must be shared with the*”.

State, as well as the Group's royalty payments to the State, may increase". Historically, the weighted average rate of royalty payments was 4.9% for 2007, 4.2% for 2008 and 4.9% for 2009.

<u>Crude Oil Production levels (tonnes)</u>	<u>Royalty Rate applicable to crude oil at a level of</u>
From 0 to 100,000	3%
From 100,000 to 300,000	4%
From 300,000 to 600,000	5%
From 600,000 to 1,000,000	6%
Over 1,000,000	7%

<u>Gas Production levels (1,000m³)</u>	<u>Royalty Rate applicable to gas at a level of</u>
From 0 to 1,000,000	4%
From 1,000,000 to 2,000,000	4.5%
From 2,000,000 to 3,000,000	5%
From 3,000,000 to 4,000,000	6%
From 4,000,000 to 6,000,000	7%
Over 6,000,000	9%

State Share

Pursuant to the PSA, the State receives a monthly share of Zhaikmunai's hydrocarbon production. The share that the State receives is calculated, first, by notionally separating production into "Cost Oil" and "Profit Oil". Cost Oil denotes an amount of crude oil produced in respect of which the market value is equal to Zhaikmunai's monthly expenses that may be deducted pursuant to the PSA. Deductible expenses for the purposes of Cost Oil include all operating costs, exploration costs and development costs up to an annual maximum of 90% of the annual gross realised value of hydrocarbon production. Any unused expenses may be carried forward indefinitely in the calculation of Cost Oil. Profit Oil, being the difference between Cost Oil and the total amount of crude oil produced each month, is shared between the State and Zhaikmunai. Consequently, increases in Zhaikmunai's monthly expenditures result in lower amounts of Profit Oil being transferred to the State (due to the higher notional value of Cost Oil).

The State's share of Profit Oil must be physically delivered to the State or, alternatively, the State can elect to receive an amount equal to the value of the Profit Oil on a monthly basis. To date, the State has always elected to receive a monetary payment. Any such amounts delivered or paid are based on actual monthly production volumes. The share to be allocated to the State is calculated based on the following "tranche" method for crude oil and gas sales. Historically, the state share of Profit Oil was 10% in 2007, 2008 and 2009.

The following table sets out the State Share of Profit Oil and Profit Gas based on annual levels of production.

<u>Annual Crude Oil Production levels (tonnes)</u>	<u>State Share of Profit Oil applicable to crude oil at a level of</u>
From 0 to 2,000,000	10%
From 2,000,000 to 2,500,000	20%
From 2,500,000 to 3,000,000	30%
Over 3,000,000	40%

<u>Annual Gas Production levels (1,000m³)</u>	<u>State Share of Profit Gas applicable to Gas at a level of</u>
From 0 to 2,000,000	10%
From 2,000,000 to 2,500,000	20%
From 2,500,000 to 3,000,000	30%
Over 3,000,000	40%

Upon expiration of the License and the PSA (which will occur between 2031-2033 depending on the geographical and geological area in question), Zhaikmunai is obliged to transfer to the State all assets acquired, built or installed as per the work programme and the approved budget.

If Zhaikmunai pays cash in lieu of delivery of the required hydrocarbon amount to the State, the price (in US Dollars) is determined to be that which Zhaikmunai would have received for a similar volume of hydrocarbons at connection to a trunk pipeline, on the basis of an arm's length transaction, less transportation costs to the trunk pipeline. To date, Zhaikmunai has paid approximately US\$31.1 million to the State pursuant to its obligations under the PSA (including US\$9.8 million in respect of commercial discovery bonuses, Profit Oil and royalties in 2008 and US\$6.9 million in respect of commercial discovery bonuses, Profit Oil and royalties in 2009).

Tax—General

Corporate Income Tax

Zhaikmunai makes monthly payments of corporate income tax at a fixed rate of 30.0% of Zhaikmunai's taxable income from contract activity for each year of commercial production during the term of the PSA. Any taxable income from non-contract activity (such as income from hedging) is taxable at the corporate income tax rate applicable for the year the income is realised.

Discovery Payments

Under the PSA, Zhaikmunai must declare each new discovery of a crude oil horizon that leads to commercial production and pay US\$500,000 to the State in respect of each of such discoveries. In 2008, Zhaikmunai paid US\$3.0 million to the State in respect of six commercial discoveries which were declared in May 2008. There were no discovery payments due to the State in 2009.

Recovery Bonus

Zhaikmunai must pay to the State a US\$1 million recovery bonus for each 10 million metric tonnes of cumulative recovery of crude oil and natural gas.

Reimbursement of Historic Expenses

Zhaikmunai is required to reimburse the State for a total of US\$25.0 million for historic costs (its costs for exploratory work done prior to the grant of the Licence) in equal quarterly instalments during the production phase of the PSA starting from the production phase. Zhaikmunai began making such payments on 1 January 2007. Zhaikmunai repaid historic expenses in the amount of US\$2.1 million in 2008 and US\$1.0 million in 2009.

Required Expenditures

Zhaikmunai is obliged to spend no less than 1.0% of annual capital expenditure towards training personnel. If this amount exceeds what is actually required for the training of personnel, Zhaikmunai must use the balance towards financing secondary education in Kazakhstan. Zhaikmunai expensed US\$2.8 million to train personnel in 2009 and spent US\$1.2 million to train personnel in the first half of 2010. In addition, Zhaikmunai makes accruals for the abandonment of facilities. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term interest rates for emerging market debt adjusted for risks specific to the Kazakhstan market.

Liquidation Fund

The PSA requires Zhaikmunai to establish a liquidation fund in the amount of US\$12.0 million by making annual contributions to the fund of US\$100,000 per year during the exploration phase and US\$452,000 per year during the production phase. The liquidation fund will provide funds for the removal of Zhaikmunai's property and equipment at the end of the PSA's term. Management is making provisions in its accounts for the amounts required for the liquidation fund and believes that such provisions satisfy its obligations to make annual contributions to the fund.

Environmental Permit

On 13 June 2008, the MEP granted to Zhaikmunai an environmental permit ("EP") valid until 31 December 2010, renewable on an annual basis, subject to Zhaikmunai's compliance with its terms and conditions and applicable environmental laws. According to the EP, Zhaikmunai is allowed to: (i) conduct emissions of pollutants in the amount not exceeding: 4,198.31 tonnes in 2008, 12,240.21 tonnes in 2009, and 12,071.77 tonnes in 2010; and (ii) to store industrial and other wastes in the amount not exceeding: 6,472.42 tonnes in 2008; 11,647.46 tonnes in 2009, and 13,765.18 tonnes in 2010. For risks related to Zhaikmunai's breach of terms and conditions of the EP, see "*Risk Factors—Risk Factors Relating to the Group's Business—The Group is obliged to comply with environmental regulations and cannot guarantee that it will be able to comply with these regulations*".

CONTRACTS MATERIAL TO OUR BUSINESS

Gas Treatment Facility Agreement

Zhaikmunai entered into an agreement with KSS on 10 August 2007 for KSS to engineer, design and construct the Gas Treatment Facility, being the construction of an associated gas treatment unit and a condensate gas treatment unit. Construction of the Gas Treatment Facility has been delayed as compared to its initial estimated completion date. For information on the status of completion of the Gas Treatment Facility, see "*Business—Capital Investments—Gas Treatment Facility*". The total cost of the construction of the first phase of the Gas Treatment Facility will be approximately US\$227.0 million. Zhaikmunai agreed to pay KSS an advance payment of 30% of the contract price on receipt of, amongst other things, a bank guarantee for returning such advance payment and a bank guarantee of performance of the agreement. Both parties have standard indemnification obligations and may terminate the agreement in the event of, amongst other things, force majeure or the other party's insolvency or failure to perform. As of 30 June 2010, the outstanding amounts due to KSS for construction of the Gas Treatment Facility were US\$27.6 million, which includes US\$6.9 million to be paid to KSS on completion of construction and US\$20.7 million (which will rise to a payment of US\$22.7 million by completion) to be paid to KSS after the State Acceptance Act is granted by the State Acceptance Commission.

Reservoir Pressure Maintenance System Agreement

Zhaikmunai entered into an agreement with PM Lucas Kazakhstan LLP ("**Lucas**") on 14 December 2009 for Lucas to engineer, design and construct the first phase of a reservoir pressure maintenance system in the Chinarevskoye Field (the "**RPMS**"). Such works and payments due by Lucas under this agreement are guaranteed by Lucas' parent, Metropolix Holdings Limited ("**Metropolix**") under a deed of assignment dated the same date. The total cost of the RPMS under the agreement is US\$9.8 million (excluding VAT). Under the contract, Zhaikmunai agreed to pay Lucas an advance payment of 30% of the gross contract price, secured by both a warranty bond (of the value of the KZT equivalent of US\$465,775) and a guarantee by Metropolix. The remainder of the contract price is to be paid by Zhaikmunai to Lucas in instalments in accordance with a detailed payment schedule. The contract may be terminated in certain circumstances by Zhaikmunai giving 14 working days' notice and, in more limited circumstances, Lucas giving 30 days' notice. Either party may terminate the contract without notice on the other party's insolvency. The completion date for the RPMS is end of 2012.

Saipem Drilling Rig Hire Contract

In September 2006, Zhaikmunai entered into an agreement with Saipem under which Saipem supplies and operate a land drilling rig to drill ten wells in the Chinarevskoye Field. Consideration consists of a one-off mobilisation payment of US\$2.5 million plus daily operating rates of approximately US\$29,200, food and accommodation for employees plus lump sum transportation payments ranging between US\$400,000 and US\$520,000 depending on the distance to the camp. Zhaikmunai may also be required to pay a

demobilisation payment of US\$327,800 if, following certain termination events, Saipem cannot operate the rig with another oil company, or an early termination fee based on the number of wells drilled and operating rate. Zhaikmunai's payment obligations are secured by a US\$2.0 million guarantee from BTA. The contract will be in force for the period of time required to mobilise, move, rig drill, complete or plug and abandon ten wells, unless earlier terminated. Each party has the right to terminate the contract in the event of the other party's insolvency or liquidation, while Zhaikmunai has additional termination rights if Saipem is unable to perform its obligations. The parties are subject to indemnification obligations. This contract has been extended and two wells are still being drilled under it. A new long term contract is being negotiated with Saipem.

Gas Treatment Facility Operation and Maintenance Agreement

Zhaikmunai LLP has been in discussions with an international oil and gas services company to enter into an operation and maintenance agreement for the Gas Treatment Facility. Pursuant to the final contract terms (to be finally agreed), such company will be responsible for the operations and maintenance of all plant and associated equipment at the Gas Treatment Facility for a term of 36 months following the operations commencement date. A term sheet has been signed, and the final contract is currently being negotiated.

TRANSPORTATION

Overview

Since the completion of the Group's 120km oil pipeline from the Chinarevskoye Field to Rostoshi near Uralsk in January 2009, the crude oil produced by Zhaikmunai is transported through this pipeline to its export rail terminal in Rostoshi near Uralsk. Prior to 2009, the delivery of crude oil to Uralsk was made exclusively through infrastructure owned and operated by third parties. As a result of the oil pipeline, transportation of the Group's crude oil has become safer, less costly and more efficient.

Transportation routes for the export of hydrocarbons by Zhaikmunai and other oil and gas producers in Kazakhstan are important because of the country's land-locked position. In particular, Kazakhstan depends heavily on Russia's transportation infrastructure for export routes. Crude oil is exported from Kazakhstan through pipelines and railways across the Caspian Sea and through Russia to the Black Sea ports or by pipeline to China. Any restrictions or termination of access to the existing pipelines or railways caused by any serious malfunctions, political events or other circumstances could require the suspension of Zhaikmunai's crude oil deliveries and cause severe disruption to the production process. See *"Risk Factors—The Group relies on transportation systems owned and operated by third parties which may become unavailable. The Group may be unable to access these or alternative transportation systems"*.

Transportation of Crude Oil and Condensate

The principal transportation options for the export of the Group's crude oil and condensate are rail car and pipeline. Since the beginning of 2009, crude oil is pumped through the Group's oil pipeline from the Chinarevskoye Field to Rostoshi near Uralsk and from there, delivered onwards by Zhaikmunai's appointed trader. The following summarises the available options for such onward delivery:

Rail

Zhaikmunai currently transports crude oil via its pipeline from the Chinarevskoye Field to the nearby city of Rostoshi near Uralsk, where it is loaded at its oil loading terminal onto rail cars provided by third parties. The Group's crude oil is currently transported by rail to refineries in Finland and the Ukraine. By transporting its production by rail, Zhaikmunai does not encounter any dilution of the quality of its crude oil as it would if it was transported by pipeline, and is therefore able to obtain a higher price for its production in the export market. Once condensate production begins following commissioning of the Gas Treatment Facility, the same transportation arrangements will be used for condensate.

Pipeline

As mentioned above, the Group currently transports its crude oil through its own oil pipeline. There is currently no quality bank adjustment mechanism for exports carried by the trunk pipelines that are accessible to Zhaikmunai and operated by third parties. In the absence of appropriate agreement as to the

quality of the Group's crude oil, Zhaikmunai could therefore receive a lower price for its production than the quality of its oil would otherwise demand. See "*Sales and Marketing*".

Transportation of Dry Gas, Butane and Propane

The Group currently flares all associated gas produced during oil production in accordance with the Gas Flaring Permits, and does not currently sell any gas products. The Group's future gas production is expected to be transported by its 17-kilometre gas pipeline linking the Chinarevskoye Field to the Orenburg-Novopskov gas pipeline. The connection of the gas pipeline has been made but commissioning of the pipeline will occur at the time of the commissioning of the Gas Treatment Facility. The gas pipeline is expected to have a maximum annual throughput of 5.0 billion cubic metres and the cost of both the pipeline and associated metering stations at field and pipeline connection sites is included within the budget for the Gas Treatment Facility. Negotiations for the sale of the Group's annual dry gas output have been initiated with a number of potential offtakers, including KazRosGaz, a joint venture between KazMunaiGaz and Gazprom. As the gas will be sold at the point of entry to the pipeline, the Group will not be liable for any additional transportation tariffs.

In addition, the Group is engaging third-party contractors to transport its LPG products by truck to the rail loading terminals operated by third parties near to Uralsk. LPG will then be delivered by rail car to its ultimate purchaser.

SALES AND MARKETING

Pursuant to the PSA, Zhaikmunai exports 85% of its crude oil production and sells 15% on the domestic market. Until Zhaikmunai completes its Gas Treatment Facility, it will only sell crude oil and condensate. The Group intends to sell crude oil, gas condensate, dry gas, propane and butane commencing following completion of the Gas Treatment Facility and intends to continue to sell its hydrocarbon products primarily in the export market.

Due to the Chinarevskoye Field's close proximity to the Russian border (approximately 60 kilometres from Uralsk) and other export sale destinations in Europe, combined with a reduction in Zhaikmunai's costs due to its transportation of oil via its pipeline from the Chinarevskoye Field to the Rostoshi export terminal near Uralsk, management believes that the Group is able to achieve a relatively higher Netback for its export production as compared to other producers in Kazakhstan. See "*Risk Factors—Risk Factors Relating to the Crude Oil and Gas Industry—The Government has the ability to require the Group to make deliveries of crude oil to domestic refineries and these may be at prices that are materially below international market prices*".

During 2007, 2008 and 2009, the Group has delivered most of its exported crude oil on the basis of FCA (free carrier) Uralsk, the price being based on the market price for Brent crude oil less an average discount of US\$15.21 per barrel of crude oil in 2009, US\$15.58 per barrel of crude oil in 2008 and US\$13.72 per barrel of crude oil in 2007 for rail fees, transportation costs, quality differentials and trader's fees incurred in order to deliver the crude oil from Uralsk to its ultimate destination at refineries in Finland and the Ukraine. During the first half of 2010, the Group started selling its crude oil based on DAF (delivery at frontier) and FOB (free on board) terms. The benefit of selling on DAF and FOB terms is that the transportation discount is significantly reduced, although this benefit is partially offset by an increase in transportation costs for the Group as it must pay for transportation costs from the terminal to the point of sale. The Group plans to continue this transition to sale on DAF and FOB basis as management believes the Group will benefit from a net decrease in overall transportation costs.

The Group enters into contracts with one or more traders. The trader(s) then contract(s) with the ultimate purchasers for the provision of the Group's crude oil products. The Group does not enter into contracts for crude oil products with its ultimate customers.

The Group expects to sell processed gas in November 2010. Deliveries of the gas would be made to the offtaker(s) at the Group's connection to the Orenberg-Novopskov. Prices for the Group's gas products are expected to be negotiated annually with the offtaker(s). Propane and butane are expected to be sold through a trader in a similar manner to crude oil sales.

The transportation costs of Zhaikmunai's crude oil during 2009 and during the six months ended 30 June 2010 are summarised in the table below:

Illustrative Netback Calculation	US\$/bbl/ tonne	Rail	
		Year ended 31 December 2009	Six months ended 30 June 2010
Brent Price*	US\$/bbl	60.00	60.00
Zhaikmunai crude discount to Brent FOB**	US\$/bbl	15.21	14.26
Net Price	US\$/bbl	44.79	45.74
Conversion factor	T/bbl	7.7	7.75
Net Price	US\$/T	343.97	354.49

Note: In the above table, transport costs are incurred at Zhaikmunai crude conversion factor of 7.68x.

* Illustrative example based on US\$60/bbl pricing for Brent crude oil.

** Actual 2009 Zhaikmunai discount .In the six months ended 30 June 2010, different destinations were used as delivery points including a mix of FCA, DAF and FOB sales terms. The 2010 discount represents an effective blended rate.

ENVIRONMENTAL MATTERS

One of the Group's key strategic priorities is for Zhaikmunai to comply with applicable local and international standards for environmental protection. Zhaikmunai prepares and submits to authorities a yearly action plan in accordance with Kazakh environmental regulations. In addition, Zhaikmunai has started to implement World Bank environmental standards for its operations and expects to achieve compliance with these standards in the next five to ten years.

According to AMEC environmental, health and safety due diligence report "Exploration & Production Facility Expansion—Chinarevskoye Field, Kazakhstan" dated 15 June 2009, Zhaikmunai is for the most part in compliance with Kazakhstan and international environmental standards and regulations, which comprise of World Bank international requirements and standards and European IPPC Bureau reference documents on best practice.

Zhaikmunai's environmental protection policies include the following key objectives: (i) cease gas flaring following completion of the Gas Treatment Facility; (ii) remediate or recultivate areas impacted by petroleum hydrocarbons, particularly abandoned wells and mud pits; (iii) provide training to employees and contractors to understand its environmental policies and minimise environmental damage; (iv) monitor the impact of Zhaikmunai's operations on the environment; (v) put in place emergency procedures to deal with the environmental impact of any spillage; and (vi) utilise associated production gas to produce low cost power as part of its Gas Treatment Facility.

The village of Rozhkovo, with a population of approximately 300 residents, was formerly situated within the exploration zone of the Chinarevskoye Field. In order for the Group to successfully pursue its drilling and exploration activities in the Licence area and to carry out activities in compliance with environmental law, the Group needed to relocate the residents of the village of Rozhkovo to new housing. After a series of consultations with the residents of Rozhkovo in 2006, the residents of the village unanimously approved the terms of the relocation programme (the "**Resettlement Action Plan**"). Zhaikmunai also obtained permission from the administrative body of western Kazakhstan in December 2006 regarding the relocation and demolition programme. In addition to complying with all applicable legislation, the Group obtained additional expert advice so as to conduct the resettlement according to standards for such activities established by the European Bank for Reconstruction and Development ("**EBRD**"). As of the date of this Offering Memorandum, village residents have now all relocated, and most now reside in apartments built by Zhaikmunai in Uralsk. Demolition of the village is ongoing. Zhaikmunai's relocation committee continues to assist residents with post-relocation needs on an individual basis.

The cost of the resettlement programme, including post resettlement monitoring, is expected to amount to US\$6.2 million. As at 30 June 2010, total costs of US\$6.1 million had been incurred with respect to the programme.

In 2009, Zhaikmunai was approached by the EBRD to potentially sell Emission Reduction Units ("**ERUs**") to the EBRD/EIB Multilateral Carbon Credit Fund (the "**MCCF**"), which is a carbon fund dedicated specifically to countries from Central Europe to Central Asia. As at the date hereof,

Zhaikmunai does not have any carbon credits assigned to it. However, since the Gas Treatment Facility can significantly reduce the flaring of natural gas once it has been completed. Zhaikmunai is going through the process required for it to be eligible to receive carbon credits under the 'Joint Implementation' mechanism in respect of the Gas Treatment Facility once Annex B status under the Kyoto Protocol is obtained by Kazakhstan.

For details regarding Zhaikmunai's compliance with applicable environment requirements see "*Regulation in Kazakhstan—Environmental Compliance*".

EMPLOYEES, HEALTH AND SAFETY

Employees

The table below sets out the average number of people (full-time equivalents) employed by the Group over the periods indicated below:

Location	2009	2008	2007
Chinarevskoye Field	439	396	329
Uralsk	177	142	130
Total	616	538	459

The average number of people (full-time equivalents) employed by the Group did not substantially change during the first half of 2010.

Zhaikmunai has not experienced any work stoppages, strikes or similar actions in the past and considers its relations with its employees to be good.

Zhaikmunai is required to spend at least 1.0% of its annual capital expenditure towards personnel training. If this amount exceeds what is actually required for the training of personnel, Zhaikmunai uses the balance towards the financing of secondary education.

For details regarding Zhaikmunai's compliance with applicable health and safety law, see "*Regulation in Kazakhstan—Health and Safety Compliance*".

LITIGATION

Except as described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware), during the period covering the 12 months prior to the date of this Offering Memorandum, which may have or have had in the previous 12 months significant effects on the Group's financial position or profitability.

On 8 July 2010 a criminal proceeding was commenced by the Uralsk Transport Prosecutor against Zhaikmunai and its General Director for allegedly operating oil trunk pipelines and oil storage and loading/unloading racks during the period from 5 January 2009 through 18 February 2009 without the necessary license for carrying on such activities. In response Zhaikmunai demonstrated to the authorities that it did in fact possess the necessary licence and the Transport Prosecutor agreed with Zhaikmunai and dismissed the proceeding on 3 August 2010.

In October 2007, the owner of a portion of the land across which the oil pipeline has been laid was awarded approximately US\$120,000 by the district court of western Kazakhstan. The court held that Zhaikmunai's activities in the relevant portion of land violated the terms of its lease with the owner, and that these activities caused damage to the claimant for which the claimant was entitled to compensation. Zhaikmunai appealed the decision, and on 15 November 2007, the relevant court of appeal overturned the decision of the court of first instance and returned the case for a rehearing. This claim has now been settled with the claimant. While management does not consider the damages originally awarded to be material to the Group, it is possible that other lessors whose land the pipeline crosses may submit similar claims of their own and seek damages although no such claims have been received to date. The cumulative effect of such claims could potentially have a material effect on our financial position or profitability.

INSURANCE

The types of coverage structure, limits and quality of our insurance programme are comparable with other Kazakh oil companies of a similar size to us.

The Group insures some of its risks under the following insurance contracts with Eurasia Insurance Company JSC (“**Eurasia**”):

- general third-party liability insurance;
- employer’s liability insurance; and
- environmental insurance.

Under current Kazakh law, since 1 July 2005 all employers are obliged to insure against their liability for damage to the health and life of employees when carrying out their work duties. Zhaikmunai maintains insurance provided by Eurasia which insures against Zhaikmunai’s liability for damage to the health and life of employees caused by on-the-job accidents occurring during the terms of the insurance policy. Under the current policy, the limit of liability is KZT1,163,964,460 (US\$7.8 million) in aggregate for the life of the policy.

Pursuant to the Kazakhstan Law “On Mandatory Environmental Insurance” dated December 2005, Zhaikmunai maintains insurance for its environmentally hazardous activities. Under the current contract with Eurasia, the limit of liability for each insurance event is KZT127,980,000 (US\$853,200).

As required by the Kazakhstan Law “On Mandatory Insurance of Civil Liability of Owners of Units Associated with Danger of Damage to Third Parties” dated July 2004, Zhaikmunai also insures its civil liability as the owner of units associated with danger of damage to third parties (wells). Under the current contract with Eurasia, the limit of liability for each insurance event is KZT127,980,000 (US\$853,200).

In addition, as required by Kazakhstan laws, Zhaikmunai insures its civil liability as the owner of vehicles on a yearly basis. This policy is currently held with JSC Insurance Company London-Almaty (“**London-Almaty**”).

As at the date of this Offering Memorandum, the Group maintains and is in compliance with all mandatory insurances required by Kazakh law. In addition, the Group maintains the following voluntary insurance contracts:

- cargo insurance;
- oil operations voluntary insurance contract; and
- property voluntary insurance contract.

The cargo insurance policy is held with London-Almaty. Under the current contract with London-Almaty, the limit of liability is KZT225,000,000 (US\$1,500,000) per shipment, plus KZT2,745,000,000 (US\$18,300,000) for goods stored at the terminal in the Ukraine.

The oil operations voluntary insurance contract is held with Insurance Company Alatau JSC (“**Alatau**”). Under the current contract with Alatau, the aggregate limit of liability is KZT8,026,682,811 (US\$53,511,218.74). This policy covers expenses resulting from insured wells going out of control.

The property voluntary insurance contract is also held with Alatau. Under the current contract with Alatau, the aggregate limit of liability is KZT36,571,827,796 (US\$243,812,185.31). This policy covers damage, destruction or loss of the insured property.

The Group is currently in discussions with insurance providers to insure the Gas Treatment Facility. The insurance contract is expected to be in place in time for full commissioning of the Gas Treatment Facility, following which there will be a meeting with the State Acceptance Commission to obtain the State Acceptance Act. Following receipt of the State Acceptance Act, Zhaikmunai has the right to seek registration of its title to the Gas Treatment Facility. We believe that the structure, limits and quality of the insurance coverage for the Gas Treatment Facility will be comparable with other facilities of a similar nature located in Kazakhstan.

The General Partner has also arranged directors’ and officers’ liability insurance through a third-party insurer.

The Group does not maintain business interruption, key-man, terrorism or sabotage insurance because the Group believes that the chance of any such event occurring is small. See “*Risk Factors—Risk Factors Relating to the Group’s Business—The Group’s insurance coverage may not be adequate for covering losses arising from potential operational hazards and unforeseen interruptions*”.

COMPETITION

Since independence in 1991, major Western oil companies have dominated the oil and gas sector of Kazakhstan, with BG Group, Chevron, ENI, Exxon, Shell, Total, Mobil, LUKOIL and Texaco acquiring stakes in the world-scale TCO, North Caspian and Karachaganak projects. Investment from Asian oil and gas companies began in the late 1990s led by Indonesia's Central Asia Petroleum (which acquired a share in Mangistaumunaigas in 1997) and CNPC International (which acquired shares in Aktobemunaigas in 1997 and PetroKazakhstan in 2005). CNPC International has continued to invest heavily in the country and has been joined by, among others, Inpex, Sinopec and KNOC. LUKOIL and Rosneft have led the investment of Russian oil and gas companies in Kazakhstan with a focus on offshore Caspian Sea projects. The following table lists the names of foreign investors in various Kazakhstan oil and gas companies by production.

Oil and condensate production for 2009

Company Production	Foreign Investors	('000 tonnes)
1. TCO (Tengizchevroil)	Chevron Texaco, ExxonMobil, NC KMG, LukArco	24,530
2. KPO (Karachaganak)	Eni, BG, ChevronTexaco, LUKOIL	12,608
3. KazMunaiGas EP	Listed on the LSE	10,455
4. CNPC-Aktobemunaigas	CNPC	6,280
5. Mangistaumunaigas	CNPC, KazMuaniGas	5,691
6. Turgai Petroleum	CNPCI (through PKZ), LUKOIL, KazMunaiGas	3,316
7. PKZ Kumkol	CNPCI (acquired PKZ)	3,287
8. KazGerMunai	CNPCI (through PKZ), KazMunaiGas	2,698
9. Embamunaygas	KazMunaiGas EP	1,815
10. Karazhanbasmunai	Citic Group, KazMunaiGas	1,717

Note: The table does not include Kashagan, which is still under development. Barrels of oil converted into tonnes using a conversion factor of 7.44.

Gas sales for 2009

Company Production	Foreign Investors	('000'000 cubic metres)
1. TCO (Tengizchevroil)	Chevron Texaco, NC KMG, ExxonMobil, LukArco	6,721
2. KPO (Karachaganak)	Eni, BG, ChevronTexaco, LUKOIL	9,099
3. KazMunaiGas EP	Listed on the LSE	13
4. CNPC-Aktobemunaigas	CNPC	2,678
5. Mangistaumunaigas	CNPC, KazMuaniGas	—
6. Turgai Petroleum	CNPCI (through PKZ), LUKOIL, KazMunaiGas	—
7. PKZ Kumkol	CNPCI (acquired PKZ)	—
8. KazGerMunai	CNPCI (through PKZ), KazMunaiGas	124
9. Embamunaygas	KazMunaiGas EP	—
10. Karazhanbasmunai	Citic Group, KazMunaiGas	—

Note: Cubic feet of gas converted into cubic metres using a conversion factor of 35.3.

See also “*Regional Overview of the Oil and Gas Industry—State Pre-Emptive Rights*”.

REGULATION IN KAZAKHSTAN

Regulation of Zhaikmunai can be divided into three broad areas:

- regulation in relation to mineral rights;
- regulation in relation to environmental, health and safety matters; and
- antimonopoly regulation.

Regulation of mineral rights in Kazakhstan

General

In Kazakhstan, the subsoil and minerals contained therein are owned by the State in accordance with the Constitution of the Republic of Kazakhstan. The State shall ensure access to the subsoil on the terms, conditions and within the limits as provided for by the New Subsoil Law (as defined and described below). Unless otherwise stipulated by Kazakhstan laws and subsoil use contracts, mineral raw materials shall be owned by the subsoil user under a right of ownership (or in the case of a State-owned enterprise—under a right of economic or day-to-day management). The Competent Authority on behalf of the State grants exploration and production rights. Subsoil use rights are granted for a determinable period but may be extended before the expiration of the applicable contract and licence (if permitted) subject to certain limitations and conditions. Subsoil use rights may be terminated by the Competent Authority if, among other things, subsoil users do not satisfy their contractual obligations, which may include periodic payment of royalties and taxes to the Government and the satisfaction of mining, environmental, and health and safety requirements.

Prior to August 1999, subsoil use rights for hydrocarbons and mining sector operations were established by the grant of a licence and the execution of a subsoil use contract. In August 1999, the Government, in an attempt to simplify the procedure, abolished this two-tier process. Subsoil use rights are now established only by means of a subsoil use contract, and no licence is required. Zhaikmunai holds its subsoil use rights on the basis of the pre-August 1999 “licence and contract” regime. See “*Business—Subsoil Licences and Contracts*”.

Regulation of subsoil use rights

There have been four main phases of subsoil use regulation in Kazakhstan:

- from Kazakhstan’s independence in 1991 to August 1994;
- the licensing-contractual regime from August 1994 to August 1999, which has two sub-phases: (i) August 1994 to January 1996, and (ii) January 1996 to August 1999; and
- the contractual regime, which commenced in August 1999 and was regulated by the Old Subsoil Law (as defined and described in more detail below), as amended from time to time; and
- the present regulation of activities in the oil and gas sector by the New Subsoil Law, recently adopted in June 2010.

The Old Subsoil Law and the 1999 Amendments

The legal framework that formerly regulated Zhaikmunai’s subsoil activities under the PSA was established with the adoption of the Kazakhstan Law No 2828 “On Subsoil and Subsoil Use” on 27 January 1996 (the “**Old Subsoil Law**”). In August 1999, the Old Subsoil Law was amended by Law No. 467-1 “Concerning the Introduction of Amendments and Additions to Several Legislative Acts on the Subsoil and Petroleum Operations in the Republic of Kazakhstan” (the “**1999 Amendments**”). The 1999 Amendments simplified the process of obtaining subsoil use rights by allowing the Competent Authority to grant these rights contractually, without first having to issue a licence (which was required under the previous regulatory framework).

The 2004-2005 Amendments to the Old Subsoil Law

The Old Subsoil Law was further amended by the Law No. 2-III on “Introduction of Amendments and Additions to Certain Legal Acts on Subsoil Use and Petroleum Operations” dated 1 December 2004 and Law No. 79-3 on “Introduction of Amendments and Additions to Certain Legal Acts on Subsoil Use and Performance of Petroleum Operations in Kazakhstan” dated 14 October 2005 (the “**2004-2005**

Amendments”). The 2004-2005 Amendments provided a pre-emptive right to the State in connection with any transfer of subsoil use and/or shares or participation interests in subsoil users and/or any transfer of the shares or participation interests in a legal entity which can, directly or indirectly, affect or determine decisions of another legal entity with subsoil use rights, if the core business of the controlling entity is related to subsoil use in Kazakhstan (the “**State’s Pre-Emptive Right**”). This gave the State a right of first refusal in respect of any such transfers on terms “no worse than those offered by other prospective purchasers”.

The 2004-2005 Amendments also created a regulatory regime to enable subsoil users to pledge their subsoil use rights.

The 2007 Amendments to the Old Subsoil Law

In October 2007, Kazakhstan adopted new legislation amending the Old Subsoil Law (the “**2007 Amendments**”). The 2007 Amendments came into force on 3 November 2007. The 2007 Amendments introduced a concept of so-called “strategic deposits” the list of which was approved by the Competent Authority on 13 August 2009. The revisions provided the Government with the right to initiate reviews of subsoil use contract terms and to demand (a) amendments and/or additions to subsoil use contracts in circumstances where the activities of the subsoil user in “strategic deposits” lead to material changes in the economic interests of the state which jeopardise national security and (b) termination of subsoil use contracts if the parties fail to execute the respective amendments and/or additions to a subsoil use contract within six months from the date when an agreement was reached with the Competent Authority to amend the contract to restore the economic interests of the State (the “**Strategic Deposit Right**”).

Abolition of the PSA Law

Kazakhstan Law No. 68-III “On Production Sharing Agreements for Conducting Offshore Petroleum Operations”, dated 8 July 2005, (the “**PSA Law**”), which, together with other subsoil legislation, was the applicable law for production sharing agreements in Kazakhstan, was abolished by the introduction of the new Tax Code on 10 December 2008. The PSA Law ceased to have effect from 1 January 2009. The New Subsoil Law (as defined below) does not permit the State to enter into new production sharing agreements with contractors.

New Subsoil Law

The new Republic of Kazakhstan Law “On Subsoil and Subsoil Use” (No. 291-IV, dated 24 June 2010) (the “**New Subsoil Law**”) replaced two major laws governing relations of the State and subsoil users in the oil and gas sector—the Old Subsoil Law and the Republic of Kazakhstan Law “On Oil” (No. 2350, dated 28 June 1995, as amended) (the latter replicating most of the provisions of the Old Subsoil Law). Adoption of the New Subsoil Law was aimed at, *inter alia*: (i) consolidation of the existing overlapping laws and regulations related to subsoil and subsoil use, including those in the sphere of oil and gas; (ii) clarifying areas of uncertainty by adding more procedures (specifically related to obtaining various consents/approvals/waivers from the Competent Authority); and (iii) essentially eliminating stabilisation of subsoil use contracts on a going forward basis.

Under the New Subsoil Law, the subsoil use rights may be permanent or temporary, alienable or inalienable, payable or free of charge. Most types of subsoil operations shall be carried out on the basis of temporary and payable subsoil use (except for production of commonly occurring minerals for the subsoil user’s own needs in the land plots which are held under the right of ownership or use, which shall be carried out under the right of permanent and free of charge subsoil use). Subsoil use rights shall be granted following a tender process with a number of exceptions.

Subsoil use rights may be held by Kazakh and foreign individuals and legal entities. A subsoil user shall be guaranteed protection of its rights in accordance with Kazakhstan legislation. Any amendments and additions to legislation that worsen the results of a subsoil user’s business activities under subsoil use contracts shall not apply to subsoil use contracts that were concluded prior to such amendments and additions. Such guarantees shall not apply to changes in Kazakhstan legislation in the areas of national security, defence capabilities, environmental protection, health, taxation and customs regulation.

The following important State's rights were transferred from the Old Subsoil Law to the New Subsoil Law:

Pre-emptive Right to Acquire Minerals

The State shall have a priority right over other parties to acquire a subsoil user's minerals at prices not exceeding those applied by the subsoil user in transactions related to the relevant minerals which prevail on the date of any relevant transaction minus transportation and selling costs.

Right to Requisition Minerals

In the event of martial law or a state of emergency, the Government may requisition some or all of the minerals owned by a subsoil user. Requisition may be in any amount necessary to cover the needs of the State during the entire period of martial law or the state of emergency. Minerals may be requisitioned from any subsoil user regardless of the form of ownership. The State shall guarantee compensation for requisitioned minerals either by payment in kind or by paying their monetary value to a foreign subsoil user in freely convertible currency and to a domestic subsoil user in the national currency at prices not exceeding those applied by subsoil users in transactions related to the relevant minerals which prevail on the date of requisition minus transportation and selling costs.

The State's Pre-Emptive Right

The New Subsoil Law differentiates between subsoil use rights and the objects related to the subsoil use rights ("**Objects**"), which are participatory interests (shares, securities confirming title to shares, securities convertible into shares) in a legal entity holding the subsoil use right, as well as a legal entity which may directly and/or indirectly determine and/or influence decisions adopted by a subsoil user (the "**Controlling Legal Entity**"), if the principal activity of such Controlling Legal Entity is related to subsoil use in the Republic of Kazakhstan. The concept of the State's Pre-Emptive Right was transferred from the Old Subsoil Law to Article 12 of the New Subsoil Law in respect of both the subsoil use rights and the Objects. The State's Pre-Emptive Right applies retroactively to all existing contracts, as well as prospectively to future contracts.

With certain limited exemptions discussed in "*—The Right to Grant Consents for Transfer of Subsoil Use Rights and Objects Related to Subsoil Use Rights*", the State's waiver of the State's Pre-Emptive Rights would need to be obtained for any transfer of the subsoil use rights or the Objects.

The State's Pre-Emptive Rights should also be applicable to any initial public offering of shares on an organised securities market or other securities confirming title to shares or securities convertible into shares in a subsoil user legal entity or a Controlling Legal Entity, including the initial public offering of additionally issued securities in such legal entities on an organised securities market. In addition, except for certain circumstances which are described below, such public offerings require the permission of the Competent Authority which shall be granted in accordance with the provisions of the New Subsoil Law.

The Right to Grant Consents for Transfer of Subsoil Use Rights and Object, Related to Subsoil Use Rights

The subsoil use right (or part thereof) and the Objects can only be transferred, including in cases of foreclosure (including pledge), with the permission of the Competent Authority in accordance with the procedure established by Article 37 of the New Subsoil Law.

A credit facility secured by pledge of the subsoil use right shall only be used for the purposes of subsoil use or for reorganisations or relocation of a subsoil user in a contract territory as provided by the relevant subsoil use contract, by the subsoil user itself or by its wholly-owned subsidiary.

The initial public offering of shares on an organised securities market or other securities confirming title to shares or securities convertible into shares in a subsoil user legal entity or a Controlling Legal Entity, including the placement of additionally issued securities in such legal entities on an organised securities market, requires the permission of the Competent Authority. The Competent Authority's consent shall not, however, be required in the following instances:

- transactions for alienation of shares or other securities confirming title to shares, or securities convertible into shares which are traded on an organised securities market and are issued by a subsoil user legal entity or a Controlling Legal Entity;

- the transfer, in full or in part, of the subsoil use right and/or an Object:
 - to a subsidiary in which at least a 99% participatory interest (shareholding) is held directly or indirectly by the subsoil user, provided that such subsidiary is not registered in a jurisdiction with preferential tax treatment (the so-called “black-listed offshore jurisdictions”);
 - between legal entities in which at least a 99% participatory interest (shareholding) is held directly or indirectly by one and the same person, provided that the acquirer of all or part of the subsoil use right and/or the Objects is not registered in a jurisdiction with preferential tax treatment; and
- the transfer of shares (participatory interests) in a subsoil user legal entity if, as the result of such a transfer, an entity acquires the right to directly or indirectly control less than 0.1% of the participatory interests (shareholdings) in the charter capital of the subsoil user.

In these instances, the State’s waiver of the State’s Pre-Emptive Rights shall also not be required.

Though the New Subsoil Law somewhat clarifies the procedures relating to obtaining the State’s waiver of the State’s Pre-Emptive Rights and the consent (and registration, where applicable) of the Competent Authority, such procedures remain unclear in many instances, and the New Subsoil Law remains untested in this respect. It is also not clear how much time it would take to obtain the State’s waiver of the State’s Pre-Emptive Rights and the consent of the Competent Authority, but, it appears that the obtaining of the necessary authorizations may be a lengthy procedure (e.g. several months).

If the State makes a decision to exercise its Pre-Emptive Right to acquire the subsoil use right or the Objects, then such subsoil use right or the Objects should be acquired within no more than six months from the date of such State’s decision.

Consents for Establishment of Pledges over Subsoil Use Rights and the Objects

The New Subsoil Law explicitly requires that subsoil use rights and the Objects may be pledged only with the permission of the Competent Authority. The pledgor of subsoil use rights or an Object is responsible for obtaining the Competent Authority’s consent, which consent should be obtained in the manner and order and according to the procedures provided by the New Subsoil Law for the Competent Authority’s consent for the transfer of the subsoil use right and/or the Objects. Any transactions or other related actions effected without such Competent Authority’s consent for the pledge will be deemed invalid as of the date of their conclusion or undertaking.

Termination of Subsoil Use Contracts

According to Article 72.3 of the New Subsoil Law, the Competent Authority may prematurely terminate a subsoil use contract on a unilateral basis:

- (1) if the subsoil user fails to timely eliminate more than two violations of obligations under its subsoil use contract or project documents within the time set in the Competent Authority’s notice; and
- (2) in the event of a transfer of a subsoil use right by the subsoil user and/or of the Objects without the Competent Authority’s permission when such permission was required under the New Subsoil Law.

Amendments to Subsoil Use Contracts in relation to Strategic Deposit Rights

As in the Old Subsoil Law, according to the New Subsoil Law, the State has the right to initiate reviews of the terms of a subsoil use contract and to demand amendments and/or additions to subsoil use contracts in circumstances where the activities of the subsoil user in “strategic deposits” lead to material changes in the economic interests of the State which jeopardise national security and, under these circumstances, the State has a right to unilaterally terminate the subsoil use contract as follows:

- (1) if within a period of up to two months after the receipt of the Competent Authority’s notice of a required amendment and/or an addition to the relevant subsoil use contract, the subsoil user fails to give its consent in writing to the conduct of such negotiations or if it refuses to conduct them;
- (2) if within a period of up to four months after the receipt of the subsoil user’s consent to negotiate a required amendment and/or addition to the relevant contract, the subsoil user and the Competent Authority fail to reach an agreement on the amendment and/or addition to the contract; or

- (3) if within a period of up to six months after the date of achievement of a mutually agreed outcome of negotiations on the restoration of the economic interests of the State, the parties fail to sign the agreed amendments and/or additions to the contract to reflect the outcome.

Unlike the Old Subsoil Law, the New Subsoil Law expressly provides that the amendments and/or additions to a subsoil use contract may also be initiated in respect to contracts that have been earlier concluded.

As in the Old Subsoil Law, according to the New Subsoil Law, amendments to the contract may also be made upon mutual agreement of the parties and in accordance with Kazakhstan legislation and the provisions of the contract.

In replication of the Old Subsoil Law, the New Subsoil Law generally requires subsoil users to comply with certain local content requirements including the use of Kazakhstan suppliers and personnel. These general requirements should be detailed in subsoil use contracts. Further, the New Subsoil Law purports to extend to subsoil use contracts executed prior to the enactment of the New Subsoil Law certain provisions relating to certain Kazakh content reporting requirements. As the PSA does not expressly incorporate these provisions, the Group does not currently provide these reporting requirements. See “*Risk Factors—The Group may be unable to comply with its obligations under the PSA and the Licence*” and “*The Group is exposed to the risk of adverse sovereign action by the Government*”.

The Competent Authority and other regulatory authorities

General

The State plays a role in four areas of subsoil management. Firstly, the Government is responsible, among other things, for organising and managing state-owned reserves, outlining deposits available for a tender, imposing restrictions on subsoil use for the purposes of national security, environmental security and the protection of life and health of the population, defining the procedures for the conclusion of contracts, approving model contracts, appointing the Competent Authority and the Authorised Oil and Gas Agency, regulating oil and gas export by imposing customs, protection, antidumping and compensation duties and quotes, establishing quotes for transportation of oil by various transport, appointing IDC members to exercise the State’s Pre-Emptive Rights and approving a number of normative legal acts in the sphere of oil and gas. Secondly, the State executes, implements and monitors subsoil use contracts through the Competent Authority (currently the MOG), which has the power to execute and implement oil and gas contracts, and through a number of other State’s agencies. Thirdly, the State’s Pre-Emptive Rights are exercised through the national management holding (JSC National Welfare Fund Samruk-Kazyna), the national company (JSC National Company KazMunaiGas) and authorised state agencies. Finally, local executive authorities have responsibility for, among other things, granting land to subsoil users, supervising the protection of the land and participating in negotiations with subsoil users for environmental and social protection.

The Ministry of Oil and Gas (the “MOG”)

According to resolutions of the Government adopted in 2010, the MOG is the Competent Authority and the Authorised Oil and Gas Agency. According to the New Subsoil Law and other effective legislation, the MOG, among other things, is responsible for:

- implementing the State’s policy in oil and gas, petrochemical and hydrocarbons transportation industries;
- representing the State’s interests in production sharing agreements;
- organising tenders for grants of subsoil use rights for oil and gas exploration and production and preparing for lists of blocks for tenders for consideration and approval by the Government;
- executing and registering oil and gas contracts;
- approving working programs and annual working programs related to oil and gas contracts;
- monitoring compliance with the terms of oil and gas contracts;
- issuing permits for the transfer of subsoil use rights and registration of transactions involving pledges of subsoil use rights, as applicable to oil and gas projects;

- suspending and terminating subsoil use contracts in oil and gas in accordance with the procedures set forth in the New Subsoil Law;
- jointly with the Anti-monopoly Agency, regulating activities of natural monopolies and relevant investment programs;
- determining the amounts of oil and gas to be supplied by subsoil users to the domestic market;
- undertaking actions for equal access by subsoil users to the main pipelines;
- monitoring compliance of oil and gas subsoil users with requirements to purchase certain amounts of goods and services from local providers;
- approving gas utilisation programs; and
- issuing permits for using money in the liquidation fund.

Other regulatory authorities

Other governmental ministries and authorities which regulate aspects of hydrocarbon extraction in Kazakhstan include:

- the Ministry of Environmental Protection (the “**MEP**”), which is responsible for environmental protection and preservation of mineral resources;
- the Ministry of Industry and New Technologies (the “**MINT**”), which is the competent state body for geological study and use of the subsoil, and whose Committee for Standardisation, Metrology and Certification supervises compliance of oil and gas equipment with Kazakhstan quality and safety standards;
- the Ministry of Emergency Situations, which, among other things, supervises mining operations, and whose Committee on State Control of Emergency Situations and Industry Safety (under the Ministry of Emergency Situations) (the “**CSCES**”), among other things, supervises health and safety matters;
- various governmental authorities responsible for the approval of construction projects and the use of water and land resources;
- the Committee for State Sanitary and Epidemiological Supervision of the Ministry of Public Health, which is responsible for monitoring compliance with health standards;
- the Ministry of Labour and Social Protection of the Population, which is responsible for investigating labour disputes and complaints from individual employees and which monitors compliance with the obligations of subsoil users to give preference in hiring, including to employ a certain minimum percentage of, Kazakh nationals;
- regional and municipal regulatory authorities, which are responsible for registering properties, pledges and mortgages; and
- national and regional tax authorities.

Natural use permits

An environmental permit (“**EP**”) has been introduced as a Government means to regulate pollution. An EP is a special permit that grants a subsoil user a temporary right to emit or disburse emissions into the atmosphere and the discharge of waste substances into surface and underground waters. EPs contain the conditions governing the user’s impact on the environment. The obligation to obtain an EP arises not only as a matter of law, but also under the PSA. Companies using the environment (polluting, discharging waste, *etc.*) are required to obtain an EP. Depending on the quantity of pollutants emitted into the atmosphere, an EP is to be issued for up to three or five years either by a regional environmental protection agency or by the MEP. Fees for pollution of the environment are established by the Tax Code of Kazakhstan and may be increased (within certain limits) by local representative bodies (*Maslikhat*). The holding of an EP shall not exempt a subsoil user from liability to pay compensation for damage to the environment caused by its activities, or exempt the subsoil user from administrative or criminal liability.

Currently, Zhaikmunai holds an EP, which was issued by the MEP on 13 June 2008 and shall be valid until 31 December 2010, subject to Zhaikmunai’s compliance with environmental laws and terms and conditions of the EP.

In February 2009, the Government ratified the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the “**Kyoto Protocol**”). Ratification of the Kyoto Protocol, which is intended to limit or discourage emissions of greenhouse gases such as carbon dioxide, is expected to have an impact on environmental regulation in Kazakhstan. The effect of such ratification in other countries is still unclear; accordingly, potential compliance costs associated with the Kyoto Protocol are unknown. The Environmental Code already requires that legal entities which discharge greenhouse gases into the atmosphere and use ozone depleting substances are subject to state sanction. Nonetheless, the likely effect will be not only increased costs for electricity and transportation, restrictions on emissions levels, the imposition of additional costs for emissions in excess of permitted levels, and increased costs in respect of monitoring, reporting and financial accounting, but may also involve changes to policies and procedures regarding the issuance of EPs.

Water permits

The Water Code dated 9 July 2003 No. 481 (the “**Water Code**”) aims at implementing governmental policy in relation to the utilisation and protection of water resources. The Water Code sets out obligations for the use of water and discharge of certain materials into the water, on the basis of Water Use Permits (or “**WUPs**”). Zhaikmunai was granted a WUP for exploration and production of industrial-technical underground waters which was issued on 28 August 2008. See “*Risk Factors—The Group requires significant water supplies in order to conduct its business and failure to obtain such water may adversely affect its business*”. WUPs can be withdrawn if the terms of special water use specified in the relevant WUP are breached. Such terms include monitoring the quality of underground water, submitting statistical reports and monitoring reports, complying with requirements relating to water protection during mining operations and regular checking of equipment. If any of Zhaikmunai’s circumstances relating to its water use change (for example, in relation to the drilling of new wells, the quality of underground water or limits on water extraction), Zhaikmunai is obliged to agree such changes with the relevant governmental agencies, such as the regional department of environmental protection, the regional sanitary and epidemiological service, the regional water economy department and Zapkaznedra. The term of a WUP may be extended subject to compliance with requirements specified within the relevant WUP. Zhaikmunai’s current WUP allows the Group to use around half of the anticipated requirements of the Group when it reaches full production capacity. Therefore, the Group still needs further WUPs and intends to apply for further WUPs at an appropriate time.

Enforcement

Article 116 of the Environmental Code (dated 9 January 2007, as amended) (the “**Environmental Code**”) specifies which state officials are responsible for monitoring environmental compliance and enforcing environmental requirements. These officials include the Chief State Inspector, the Deputy of State Inspector and Senior State Inspectors representing the heads and deputy heads of departments and divisions of the MEP. In addition, regional environmental prosecutors have the authority to supervise environmental compliance and initiate judicial proceedings.

Article 117 of the Environmental Code authorises the relevant state officials, in their enforcement of environmental protection measures, to:

- inspect facilities and take measurements and/or samples for analysis;
- request and receive documentation, results of analysis and other materials;
- initiate procedures relating to the (i) recall of licences; (ii) termination of contracts for the use and taking of natural resources; and (iii) suspension and annulment of environmental and other permits in the event of violation;
- issue orders for individuals and legal entities to eliminate violations of Kazakh environmental laws;
- file claims with courts with respect to violations of Kazakh laws; and
- file with the competent body, offers on suspension or termination of a subsoil use contract in certain circumstances.

Statute of limitations on proceedings

The time limit for bringing civil law proceedings for breach of environmental requirements is governed by the general limitation provisions under Kazakh law, in particular under Article 178 of the Civil Code which

provides for a three-year limitation period. This limitation does not apply to criminal or administrative prosecutions in connection with breaches of environmental requirements.

Environmental compliance

Zhaikmunai is subject to a variety of Kazakh environmental laws, regulations and requirements that govern air emissions, water use and disposal, waste management, impacts on wildlife, as well as land use and reclamation. In addition, the PSA specifically requires that Zhaikmunai's operations be carried out in compliance with applicable Kazakh environmental laws and regulations. Kazakh oil and gas companies are generally required to contribute to a liquidation fund. See *“Risk Factors—The Group may be unable to comply with its obligations under the PSA and the Licence”*.

When Zhaikmunai begins commercial gas production all sulphur residue will need to be stored according to Kazakh environmental regulations and the Group expects to seek a market for its sulphur by-product to create further revenue.

Subsoil use contracts granted by the Competent Authority typically impose environmental obligations and the PSA contains such obligations with which the Group is required to comply. The penalties for failing to comply with these obligations can be substantial, including fines or even suspension or termination of the PSA.

Zhaikmunai is required to apply to the MEP for an EP specifying maximum levels of air emissions, waste water disposal and municipal and industrial waste permitted to be discharged by Zhaikmunai.

Every five years, Zhaikmunai submits a five-year emissions forecast to the MEP and other associated agencies for review and approval. Zhaikmunai revises these forecasts annually to account for any change in its operations and circumstances.

According to the AMEC Earth & Environmental UK Ltd. (“AMEC”) environmental, health and safety due diligence report “Exploration & Production Facility Expansion—Chinarevskoye Field, Kazakhstan” dated 15 June 2009 and commissioned by Zhaikmunai, Zhaikmunai is, for the most part, in compliance with national and international regulations and standards associated with onshore oil and gas production. Only minor areas of non-compliance associated with hazardous materials storage, hazardous waste storage, radioactive waste testing and secure fencing were identified. According to AMEC, these areas of non-compliance are of a basic nature and do not require complex mitigation.

AMEC noted that during the inspection by the MEP in 2009, two violations were identified for the mixing of hazardous waste with domestic waste and the burning of domestic waste. In respect of such violations, AMEC recommended that Zhaikmunai undertake obligatory measures to ensure compliance with the IFC EHS guidelines for onshore oil and gas developments (2007).

Health and safety compliance

Oil and gas operations within Kazakhstan are governed by the CSCES with respect to industry-specific health and safety requirements. Furthermore, the Government Regulations of 1996 set out mandatory standards for ensuring compliance with health and safety requirements. As part of the health and safety assessment conducted in June 2009, AMEC confirmed that Zhaikmunai complied with health and safety standards within the Kazakh oil and gas industry. The health and safety assessment of the operations of Zhaikmunai conducted by AMEC found no significant issues associated with Zhaikmunai's current activities, except for undertaking a survey of radiation exposure of personnel already scheduled for 2009. According to AMEC, Zhaikmunai was found to be compliant with the Oil and Gas Inspection Regulations 1996.

Zhaikmunai's operations are subject to legislation, regulations and other requirements relating to health and safety requirements applicable to oil and gas companies operating in Kazakhstan, which are regulated by state authorities, including the Ministry of Labour and Social Protection of the Population. In addition, the PSA requires that Zhaikmunai's operations be carried out in conformity with applicable health and safety requirements. As required by Kazakhstan regulations, Zhaikmunai receives health and safety certification once every three years.

Insurance

Kazakhstan law establishes a number of mandatory insurances to be obtained by any entity in the event that the entity conducts certain types of activities. As at the date of this Offering Memorandum, the Group maintains and is in compliance with all mandatory insurances required by Kazakhstan law.

The following lines of mandatory insurance are applicable to a main oil pipeline under Kazakhstan laws:

Insurance of the Civil Liability of an Employer

According to the Kazakhstan Law “On Mandatory Insurance of the Civil Liability of an Employer for Damage to Health and Life of Employees when Carrying Out Their Labour Duties” (No. 30-III, dated 7 February 2005, as amended), since 1 July 2005 all employers are obliged to insure against their liability for damage to health and life of their employees when carrying out their employment duties.

Insurance of the Civil Liability of Transport Vehicles Owners

According to the Kazakhstan Law “On Mandatory Insurance of the Civil Liability of Transport Vehicle Owners” (No. N 446-II, dated 1 July 2003, as amended), civil liability of owners of *inter alia* cars, trucks, buses, minibuses, and transport vehicles, motor-transport and trailers (semi-trailers) are subject to mandatory insurance, and the use of vehicles without insurance is prohibited.

Environmental Insurance

Pursuant to the Kazakhstan Law “On Mandatory Environmental Insurance” (No. 93-III, dated 13 December 2005, as amended), any entity carrying out environmentally hazardous activities should insure against the risks associated with such respective activities. An agreement of mandatory environmental insurance should cover damages to life, health, property of third parties and the environment caused as a result of an environmentally hazardous activity and other activities (except for payments for moral damage, loss of profit and payment of penalty interest).

According to Article 7 of the List of Environmentally Hazardous and Other Activities, approved by the Governmental Resolution “On Approval of the List of Environmentally Hazardous and Other Activities” (No. 543, dated 27 June 2007), (i) oil and gas commercial production, (ii) oil, oil products and chemicals storage and (iii) oil and gas main pipelines operating are determined as environmentally hazardous type of activities.

Insurance of Civil Liability of Danger Units Owners

According to the Kazakhstan Law “On Industrial Security on the Hazardous Manufacturing Units” (dated 3 April 2002, No. 314-II) and the Kazakhstan Law “On Mandatory Insurance of Civil Liability of Owners of Units Associated with Danger of Damage to Third Parties” (No. 580-II, dated 7 July 2004, as amended), companies must insure against risks associated with the functioning of their hazardous manufacturing units. A hazardous manufacturing unit is a unit that produces, uses, processes, generates, stores, transposes or destroys at least one of the following substances: inflammable substances, explosives, fuels, oxidising agents, toxic agents, high-toxic substances and other hazardous substances according to the laws.

According to the Rules for registration with the state register of units associated with danger of damage to third parties, approved by the respective Government Resolution (No. 1346, dated 21 December 2004), owners of objects, at which dangerous instances (inflammables, oxidants, fuels, including the one used at technological processes, etc.) are produced/stored/used/transported, are subject to the registration with the above-referred state register.

For insurances maintained by Zhaikmunai, please see “*Business—Insurance*”.

Licensing of Subsoil Services, Storage and Pipeline Transportation

On 9 August 2007, the new Kazakhstan Law “On Licensing” came into force (the “**Licensing Law**”). According to the Licensing Law, production of oil and gas, oil and gas storage and pipeline transportation are licenced activities. Subsoil services (such as drilling of oil and gas wells and other related services) are also subject to licensing.

A licence is not transferable from an existing facility to another. The licence is granted for an unlimited period of time. The licence is granted by the relevant competent authority (currently, the MOG) after submission of the required documentation and the payment of a fee.

A licence can be suspended or terminated in case a licence fails to comply with qualification requirements, including but not limited to lack of qualified personnel or proper equipment.

If a legal entity conducts activities without the relevant license, as required by the Licencing Law, such entity and its managers are subject to administrative and criminal liability.

Zhaikmunai is not required to obtain licences, as it contracts licenced third parties who perform drilling operations in the Chinarevskoye Field.

However, Zhaikmunai maintains licences for the following types of activities:

- operating gas, oil and oil products storage facilities and main gas, oil and oil products pipelines (State licence no. 000288, dated 19 February 2009);
- assembling and repair of oil and gas fields, generating power, explosion-proof electrical equipment, lifting constructions; boilers with working pressure above 0.7 kg/sq. cm and heating medium temperature above 115°, and vessels and pipelines working under pressure exceeding 0.7 kg/sq cm (State licence no. 002596); and
- mining operations (State licence GL no. 002596, issued on 19 February 2009).

Oil and Gas Export Duties

Although, under the 2009 Tax Code, the export duty for crude oil imports was effectively replaced with a rent tax, the Government, in 2010, re-introduced an export duty for crude oil exports as it did in 2008.

On 15 October 2005, the Government adopted a Resolution (No. 1036), which approved a list of certain oil products on which export customs duty was levied (the “**ED Resolution**”). Initially, one of the purposes of the ED Resolution was to stimulate development of internal refinery/processing industries. By amendments to the ED Resolution, dated 8 April 2008, “crude oil” was added to the list of oil products covered by the ED Resolution. The April 2008 amendments imposed a customs duty rate of US\$109.91 per tonne of exported crude oil. Pursuant to amendments to the ED Resolution, dated 29 August 2008, the rate was increased to US\$203.8 per tonne of the exported crude oil, with a subsequent decrease in the rate to US\$139.79 per tonne of exported crude oil from 5 December 2008. On 24 December 2008, the rate was established at “0” (“zero”). While establishment of a “zero” rate was explained as an anti-crisis measure, many subsoil users claimed that their subsoil contracts were stabilised for tax and customs purposes and as a result that, in any event, the duty should not be applied to them.

According to the most recent amendments to the ED Resolution (introduced by the Governmental Resolution No. 709, dated 13 July 2010, which came into force on 15 August 2010), a rate for exported crude oil was imposed at US\$20 per tonne. The 2010 amendments to the ED Resolution provide that the export duties for crude oil shall not apply to (i) export by subsoil users of crude oil produced under their production sharing agreements, if such agreements had been signed with the Government or the Competent Authority before 1 January 2009, where such agreement underwent a mandatory tax appraisal, and contain a specific exemption from paying export customs duties for crude oil and (ii) export by subsoil users of crude oil produced under their subsoil use contracts, which are not production sharing agreements and which provide for an exemption from paying export customs duties for crude oil that is exported by subsoil users paying royalties. Zhaikmunai has written to the Ministry of Finance and the Ministry of Oil and Gas to state that pursuant to the terms of its PSA it is not subject to such export duty and to protest against application of such duty to it. However, to date, Zhaikmunai has not received any response to such letter from the Ministry of Oil and Gas and the Ministry of Finance continues to seek to compel Zhaikmunai to pay such export duty. Furthermore, it has been reported that such export duty will be increased to US\$40 per tonne of crude oil in January 2011. See “*Risk Factors—The Group is subject to an uncertain tax environment that may lead to disputes with regulatory authorities*”.

Anti-monopoly regulation

The Anti-Monopoly Agency is responsible for the supervision of competition matters relating to the oil and gas industry. It regulates the competitive behaviour of legal entities that are not natural monopolies

and supervises legal entities that hold dominant positions in a particular commodity market. The Anti-Monopoly Agency also maintains a register of legal entities having a dominant position in the market.

In accordance with Kazakhstan Competition law (dated 25 December 2008) (the “**Competition Law**”), a company is deemed to occupy a dominant position if its market share is equal to or exceeds a threshold of 35%. In addition, if not more than three entities in a relevant market hold an aggregate market share of 50% or more, or if not more than four entities in a relevant market hold an aggregate market share of 70% or more, each is deemed to hold a dominant market position, provided that, if an entity holds a market share not exceeding 15% of the relevant market, such entity shall not be deemed to hold a dominant market position.

According to the Competition Law, the following transactions are subject to approval by the Anti-Monopoly Agency:

- reorganisation of a market participant through a merger or acquisition;
- acquisition by a person (or a group of persons) of voting shares (or participation interests or participatory shares) in the charter capital of a market participant where such person (or group of persons) gains the right to dispose of more than 25% of such shares (or participation interests or participatory shares) if prior to such acquisition such person (or group of persons) did not possess shares (or participation interests or participatory shares) in such market participant or possessed 25 or less per cent. of the voting shares (or participation interests or participatory shares) in the charter capital of such market participant;
- acquisition by a market participant (or a group of persons) of fixed production assets and/or intangible assets of another market participant into ownership, possession and use, including in payment (transfer) of charter capital if the book value of the property constituting the subject of the transaction (inter-related transactions) exceeds 10% of the book value of the fixed production assets and intangible assets of the market participant alienating or transferring the property;
- acquisition by a market participant (including on the basis of a trust management agreement, joint operation agreement or agency agreement) of rights which allow such market participant to issue binding instruction to the other market participant for the conduct of its business activities or to perform the functions of its executive body;
- participation of the same individuals in the executive bodies, boards of directors, supervisory boards or other management bodies of two and more market participants, provided that such individuals determine the terms of business activities conducted by such market participants (the “**Transactions**”).

The Transactions effected within one group of entities do not require an approval from the Anti-Monopoly Agency.

Generally, the Anti-Monopoly Agency has to approve a Transaction(s) where the aggregate book value of assets of the re-organised market participants (or group of persons) or the acquirer (or group of persons) and the market participant the voting shares (or participation interests or participatory shares) in the charter capital of which are acquired, or their aggregate sales of goods in the most recent financial year exceed two million monthly specified rates in effect on the date of filing an application for approval (which is currently approximately US\$19 million), or if one of the parties to the transaction is a market participant occupying a dominant or monopoly position on the relevant goods market.

In general, the purchaser, which acquires shares (participation interests, stocks), fixed production assets, intangible assets or respective rights, is responsible for obtaining prior consent from the Anti-Monopoly Agency.

A Transaction executed without the necessary prior consent may be declared invalid. The Anti-Monopoly Agency will ordinarily file for action against the relevant company.

A company which effectuates economic concentration without the applicable consent of the Anti-Monopoly Agency in violation of the Competition Law may be subject to administrative fines and penalties.

State registration, re-registration of a market participant, rights to real estate and transactions therewith conducted in violation of the requirements of the Competition Law discussed above may be invalidated and cancelled by a court on the basis of an action brought by the Anti-Monopoly Agency. See “*Risk Factors—Risk Factors Relating to Kazakhstan—Thyler’s acquisition of Zhaikmunai could be challenged by the Kazakh anti-monopoly authority*”.

DIRECTORS AND SENIOR MANAGEMENT

The Partnership Agreement provides for the management of Zhaikmunai L.P.'s business and affairs by a general partner rather than a board of directors and officers. ZGL, the General Partner and an Isle of Man limited company that is owned by Thyler, has a board of directors (the “**Board**”) which includes the following members.

Board of Directors

Frank Monstrey was appointed as a director of ZGL on 16 November 2007 and has served as chairman of the board of ZGL, Zhaikmunai L.P.'s General Partner since September 2004. Since 1991, Mr Monstrey has been Chief Executive Officer of Probel, a private equity and asset management firm based in Belgium specialising in long term capital management in emerging markets. Mr Monstrey holds a graduates degree in Business Economics from the University of Louvain (KUL).

Kai-Uwe Kessel was appointed as a director of ZGL on 16 November 2007 and has served as chief executive of ZGL, Zhaikmunai L.P.'s General Partner since November 2004. Since 2005, Mr Kessel has been Managing Director of Probel. From 2002 to 2005, Mr Kessel was director of Gaz de France's North African E&P division. From 1992 to 2001, Mr Kessel was Managing Director of Erdgas Erdol GmbH, an oil and gas company owned by Gaz de France, and a member and chairman of the board of KazGermunai. Mr Kessel is a graduate of the Gubkin Russian State University of Oil and Gas.

Steve McGowan was appointed as an independent non-executive director of ZGL on 16 November 2007. He has been an executive chairman of SMP Partners Fiduciary and Trust Company in the Isle of Man since January 2007 and previously served as a member of the board of Edasco (a fiduciary company owned by UBS). Prior to this, Mr McGowan served as managing director of Intertrust (Isle of Man) from 2001 to 2007. Mr McGowan started his banking career at National Westminster Bank in London in 1982.

Eike von der Linden was appointed as an independent non-executive director of ZGL on 16 November 2007. He has been the Managing Director of Linden Advisory and Consulting Services since 1988. Since 1985, Mr von der Linden has acted as an independent advisor to financial institutions for equity investments, mezzanine and debt funding (project finance) in the field of natural resources. Mr von der Linden holds a PhD in mining economics from the Technical University of Clausthal.

Piet Everaert was appointed as a director of ZGL on 16 November 2007. He has been a lawyer at the Brussels Bar since 1986 and has served as a partner of the VVEW Advocaten law firm since 1993. He is active in the field of Belgian business law. Mr Everaert graduated from the University of Leuven (KUL) in 1984 and obtained the Diploma of Advanced European Legal Studies at the College of Europe (Bruges-Belgium) in 1985.

Atul Gupta was appointed as an independent non-executive director of ZGL on 26 November 2009. Mr Gupta has worked for 25 years in the international upstream oil and gas business with Charterhouse Petroleum, Petrofina, Monument and Burren Energy. Mr. Gupta joined Burren in 1999 as Chief Operating Officer and served as its Chief Executive Officer from 2006 until the company was sold to ENI in 2008. Mr. Gupta has a degree in chemical engineering from Cambridge University and has studied petroleum engineering at the Heriot Watt University, Edinburgh.

Mikhail Ivanov was appointed as a director of ZGL on 26 November 2009. Mr Ivanov is currently a Partner and Director of Oil and Gas Projects at Baring Vostok Capital Partners and is the Chief Executive Officer of Volga Gas. Mr. Ivanov has over 15 years' experience in the oil and gas industry, including 10 years working for the Schlumberger Group. During his time with Schlumberger Mr. Ivanov assumed various management and technical positions in Russia, the USA and the United Kingdom and he was responsible for Schlumberger's operations in Iran, Georgia and Azerbaijan. Mr. Ivanov holds an M.S. degree in Geophysics from Novosibirsk State University and an M.B.A. from the Kellogg School of Management of Northwestern University. He is an elected member of the Society of Petroleum Engineers.

The business address of each of the directors and the members of senior management is Zhaikmunai L.P.'s principal place of business, at 7th Floor Harbour Court, Lord Street, Douglas, Isle of Man IM1 4LN.

Senior Management

Set out below are details of the members of senior management of Zhaikmunai.

Kai-Uwe Kessel has served as Chief Executive Officer of Zhaikmunai L.P. since November 2004. See “—*Board of Directors*” for further details.

Jan Laga was appointed Deputy CEO of Zhaikmunai L.P. on 1 January 2010. Mr. Laga has more than 20 years experience managing industrial groups. Prior to joining Zhaikmunai, Mr. Laga worked for Picanol, Berry Group, Ackermans & van Haaren and Koramic Industries. He has a master’s degree in Electro-Mechanical Engineering from the University of Louvain (KUL) and an MBA from INSEAD Fontainebleau.

Jan-Ru Muller was appointed as Chief Financial Officer of Zhaikmunai L.P. on 16 November 2007. Mr Muller has served in various capacities at Probel since 2000. He oversaw Zhaikmunai’s adoption of IFRS and the implementation of SAP. Mr Muller has been the managing director of Axio systems, an information technology company he founded in 1990. From 1988 through 1990 he worked with Andersen Consulting. He holds a BEng degree from Utrecht Municipal Institute of Technology and an MBA degree from University of Louvain (KUL).

Thomas Hartnett was appointed as Group General Counsel of Zhaikmunai L.P. on 5 September 2008. Mr Hartnett was previously a partner in the international law firm White & Case LLP, where he focused on cross-border corporate and mergers and acquisitions transactions and worked in the firm’s New York, Istanbul, London, Brussels and Bangkok offices over a 16 year period. Mr Hartnett also served as Senior Corporate Counsel for Intercontinental Hotels Group from 1996 to 1998. Mr Hartnett holds a BA in Comparative and Developmental Politics from the University of Pennsylvania and JD from the New York University School of Law, and is a member of the New York Bar.

Viacheslav Druzhinin was appointed General Director of Zhaikmunai in 1997. Mr Druzhinin is a qualified Mining Engineer and has qualifications in exploration from the Polytechnical Institute, Tomsk, Russia and the USSR Ministry of Geology, and has also completed drilling engineer training at the Hughes Christensen Company, Houston, Texas. Prior to joining Zhaikmunai, Mr Druzhinin gained broad experience in mineral fields exploration technology and techniques working in various positions in the Field Development Department of KazakhGaz State Holding Company, State Holding Company “Zharyk” and VolkovGeologia KGGP.

Alexei Erber was appointed as Director of Geology of Zhaikmunai in October 2007. Mr Erber has worked for Probel since 2005 and has a diploma in Geology and Geology engineering from the Gubkin Russian State University of Oil and Gas and a degree in Mathematical Methods by Geology from the Ernst Moritz Arndt University of Greiswald. Prior to joining Zhaikmunai, Mr Erber gained experience in the geological and explorations departments of Erdol-Erdgas Gommern GmbH and Gaz de France.

Eckhard Verseck was appointed as Operations Director of Zhaikmunai in 2006. Mr Verseck has approximately 35 years of exploration and production experience, primarily as an oil and gas engineer. Prior to joining Zhaikmunai, Mr Verseck served as chief engineer of JV KazGermunai from 1997 to 2005. Mr Verseck is a graduate of the Gubkin Russian State University of Oil and Gas.

Berik Brekeshev was appointed Commercial Director of Zhaikmunai in January 2010. Mr. Brekeshev has almost 10 years experience in the oil and gas industry in Kazakhstan and Russia. He previously held senior positions with Starleigh Ltd, Talahashe Holdings Limited and JSC NNGRE, and commercial roles at Nelson Resources, Kazakhoil Aktobe, Buzachi Operating, Atlas Global Investment and Western-Siberian Drilling Company. Mr Brekeshev holds an MBA from the Maastricht School of Management.

Gudrun Wykrota was appointed as Finance Director of Zhaikmunai in April 2010. Prior to joining Zhaikmunai, Ms Wykrota gained experience in the energy field working as Head of Asset Management Upstream for Gazprom Germania GmbH and prior to this, for over 6 years with Gaz de France Produktion Exploration Deutschland GmbH as a Finance and Administration Manager. Ms Wykrota has qualifications in engineering with a Masters in Science in Mining Engineering and Economy from Moscow Geological Exploration University and finance with a Certificate in International Accounting from the German Chamber of Industry and Commerce in Berlin, Germany.

Joerg Pahl was appointed Chief Drilling Officer of Zhaikmunai in 2005. Mr Pahl also worked as a Scientific Assistant at the Institute of Drilling Technology and Fluid Mining at the Technical University, TU Bergakademie Freiberg during 1995 and 1996. Prior to joining Zhaikmunai, Mr Pahl gained experience in drilling working in various positions in the Drilling/Workover Technology Department at Erdgas Erdöl GmbH and the Operation and Production Department at the E&P Division of Gaz de France. Mr Pahl has qualifications in drilling from the Technical School for Deep Drilling Techniques, Stralsund,

Germany and qualifications in Drilling Technology and Fluid Mining from the Technical University, TU Bergakademie Freiberg.

Service Contracts and Compensation

The Directors have all signed letters of appointment with Zhaikmunai L.P.

Frank Monstrey, Kai-Uwe Kessel, Jan-Ru Muller and Thomas Hartnett provide their services to the Group pursuant to the Executive Services Agreement. Under the terms of the Executive Services Agreement, FvdS has agreed to provide consultancy services to Zhaikmunai L.P. and the members of the Group in connection with Mr Monstrey's role as Chairman and Mr Kessel's role as Chief Executive Officer, so that Mr Monstrey and Mr Kessel act as Chairman and Chief Executive Officer, respectively, as consultants rather than as employees of Zhaikmunai L.P. or the General Partner.

The Executive Services Agreement may be terminated by either Zhaikmunai L.P. (acting by the General Partner) or FvdS at any time on not less than twelve months' notice. The agreement may also be terminated immediately (or the provision of the relevant services terminated) for cause.

In respect of the provision of Mr Monstrey's services, Zhaikmunai L.P. has agreed to pay FvdS an annual fee of €374,814. In respect of the provision of Mr Kessel, Mr Muller and Mr Hartnett's services, Zhaikmunai L.P. has agreed to pay FvdS an annual fee of € 399,300, €356,562 and €365,537 respectively. FvdS is also entitled to a bonus payment of up to 25% of each consultant's annual fee as may be agreed by the board of Zhaikmunai L.P. In addition, Zhaikmunai L.P. will pay all reasonable out-of-pocket expenses incurred by FvdS (or any individual consultant, as the case may be) in the performance of the services under the Executive Services Agreement.

Prior to the admission to listing of the GDRs on the IOB, Mr Monstrey and Mr Kessel provided their services to Probel and neither Mr Monstrey nor Mr Kessel were directly engaged to provide services to, or be an employee of, any member of the Group.

The following table sets out details of the General Partner's current directors, and the details of their service agreements and letters of appointment. Details of the remuneration paid, any contingent or deferred consideration and benefits in kind granted during the year ended 31 December 2009 are set out below:

Name	Date of Birth	Position	Year Appointed	Annual Fee	Duration of Appointment	Notice period (either party)
Frank Monstrey	22/04/1965	Director and Chairman	2010	US\$250,000	3 years	6 months
Kai-Uwe Kessel	17/12/1961	Director and Chief Executive Officer	2010	US\$330,000	3 years	6 months
Steve McGowan	10/07/1966	Independent Non-Executive Director	2009	US\$100,000	3 years	3 months
Eike von der Linden .	07/07/1941	Independent Non-Executive Director	2009	US\$100,000	3 years	3 months
Piet Everaert	28/03/1961	Non-Executive Director	2010	US\$100,000	3 years	3 months
Atul Gupta	15/12/1959	Independent Non-Executive Director	2009	US\$100,000	3 years	3 months
Mikhail Ivanov	13/07/1969	Non-Executive Director	2009	US\$100,000	3 years	3 months

Each Director entered into a letter of appointment with the General Partner which provides for him to act as a Director of the General Partner. Pursuant to such letters, Frank Monstrey, as Director and Chairman, and Kai-Uwe Kessel, as Director and Chief Executive Officer, will receive their fees pursuant to the FvdS Agreement; Mr McGowan, Mr von der Linden and Mr Gupta, as Independent Non-Executive Directors, will receive a fee of US\$100,000 per year and Mr Everaert and Mr Ivanov, as Non-Executive Directors, will also receive a fee of US\$100,000 per year. The General Partner will also reimburse the Directors for all reasonable out of pocket expenses incurred by any of them exclusively in connection with the provision of their respective services as a Director of the General Partner.

Each appointment is for an initial period of three years and is terminable by either party on a minimum of six months' notice in the case of Messrs Monstrey and Kessel, and on a minimum of three months' notice in the case of Messrs McGowan, von der Linden, Everaert, Gupta and Ivanov. In the event a Director is terminated due to his gross misconduct, material breach of the terms of his appointment, act of fraud or dishonesty or wilful neglect of his duties he will receive no payment in respect of the period between the beginning of the quarter in which termination took place and the termination date. In the event that a Director's appointment is terminated for any other reason, he will be paid a pro rated amount in respect of the period between the beginning of the quarter in which termination took place and the termination date.

The Directors' letters of appointment provide for no benefits upon termination of employment.

The expiration of each Director's current term of office, if applicable, and the period during which that Director has served in such office are as follows:

<u>Name</u>	<u>Expiration of Current Term</u>	<u>Date of Appointment or Reappointment</u>
Frank Monstrey	22 July 2013	22 July 2010
Kai-Uwe Kessel	22 July 2013	22 July 2010
Steve McGowan	15 September 2012	15 September 2009
Eike von der Linden	15 September 2012	15 September 2009
Piet Everaert	22 July 2013	22 July 2010
Atul Gupta	26 November 2012	26 November 2009
Mikhail Ivanov	26 November 2012	26 November 2009

In the year ended 31 December 2009, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted to each of the seven Directors and 11 senior managers of the Group was approximately US\$4.0 million. The total amount set aside or accrued to provide pension, retirement or other benefits to the Directors and senior managers of the Group was nil for the year ended 31 December 2009.

Certain of the Directors and senior managers are entitled to participate in a share option plan to be implemented in connection with the admission to listing of the GDRs on the IOB. See “—*Share Option Plans*”.

Interests of the Directors and Senior Managers

Prior to the the admission to listing of the GDRs on the IOB, Frank Monstrey, the Chairman of the Board, indirectly controlled 100% of the limited partnership interests of Zhaikmunai L.P., and no other director or senior manager of Zhaikmunai L.P. had any direct or indirect ownership interest in Zhaikmunai L.P. As at the date of this Offering Memorandum Frank Monstrey indirectly controls 40.54% of the issued and outstanding Common Units through his indirect control of Thyler and its Affiliates. For a description of the various voting rights that attach to the Common Units see “*Related Parties and Related Party Transactions—Partnership Agreement*”.

The Board approved on 27 March 2008 a grant of Options to take place upon the admission to listing of the GDRs on the IOB in respect of 2.5% of the Common Units outstanding immediately prior to the admission to listing of the GDRs on the IOB (being 100,000,000 Common Units) and on 30 December 2009, the Board approved the grant of certain additional Options.

The following persons have been granted the following options over Common Units exercisable at US\$4.00 per GDR and expiring ten years from the date of grant (i) Kai Uwe Kessel—900,974 Common Units, (ii) Jan Ru Muller—300,325 Common Units, (iii) Viacheslav Druzhinin—300,325 Common Units, (iv) Thomas Hartnett—300,325 Common Units, (v) Alexei Erber—300,325 Common Units, (vi) Darnen Jakishev—90,098 Common Units, (vii) Eckhard Verseck—225,244 Common Units, (viii) Berik Bimuratov—90,098 Common Units, (ix) Joerg Pahl—225,244 Common Units and (x) Berik Brekeshev 150,000 Common Units.

Mr Kessel also owns 10,000 Common Units and Mr Everaert owns 6,200 Common Units.

Save as set out in this section, none of the Directors or members of the senior management has any interests in the partnership interest or loan capital of the General Partner, Zhaikmunai L.P. (excluding interests of Mr Monstrey) or any of its subsidiaries.

The aggregate holdings of the Directors and members of the senior management (other than Mr Monstrey) together represent 1.56% of the limited partnership interests of Zhaikmunai L.P. as at the date of this Offering Memorandum.

Mr Monstrey and Mr Kessel are the Chief Executive Officer and Managing Director, respectively, of Probel, which is controlled by Frank Monstrey, which indirectly controls Zhaikmunai L.P. Should any Group company contemplate entering into any agreement or arrangement, or amending any existing agreement or arrangement, with the General Partner or Probel, or any of their respective Affiliates, there may be a conflict of interest between the duties either or both of the above mentioned Directors have to Zhaikmunai L.P. and their private interests and/or other duties. See “*Risk Factors—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates—The Issuer's organisational, ownership and operational*

structure may create significant conflicts of interest that may be resolved in a manner which is not always in the best interests of the Issuer or the best interests of the Notes as a whole”.

Zhaikmunai L.P. entered into the Relationship Agreement on 28 March 2008 with Thyler, ZGL and Claremont to ensure that their relationship is on arm’s length terms. Further details of the Relationship Agreement are set out in “*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont*”.

Zhaikmunai L.P. entered into the Claremont Subscription Agreement on 29 July 2009 with the General Partner and Claremont relating to Claremont’s subscription for 25,000,000 GDRs. At the same time 5,000,000 GDRs were subscribed to by Dehus Dolmen Nominees, an Affiliate of Baring Vostok Capital Partners. Further details of the Claremont Subscription Agreement are set out in “*Related Parties and Related Party Transactions—Claremont Subscription*”.

There are no outstanding loans granted by any member of Group to any Director, nor has any guarantee been provided by any member of the Group for their benefit.

Save as set out above, no Director or senior manager has any potential conflict of interest between his duties to Zhaikmunai L.P. and his private interests or other duties.

The Directors are obliged to comply with Isle of Man law requirements in relation to conflicts of interest, which include the requirement that Directors having an interest in a transaction submitted for approval to the board of directors conflicting with an interest of the General Partner, Zhaikmunai L.P. or certain of their respective Affiliates must advise the board of directors of the interest, and that in certain instances these requirements prevent a Director who has such an interest from counting towards the quorum of, or voting in, a meeting of the board of directors.

Transactions with Directors

Save as set out in “*Related Parties and Related Party Transactions—Claremont Subscription*”, “*Related Parties and Related Party Transactions—Services Agreements*” and “*Related Parties and Related Party Transactions—Other*” no Director or senior manager has, or has had, any interest in any transaction related to the Group which is or was unusual in its nature or conditions or which is, or was, significant in relation to the Group’s business, and which was effected by Zhaikmunai L.P. or any of its subsidiaries during the current or immediately preceding financial year, or during any earlier financial year and remains in any respect outstanding or unperformed.

Other Directorships

The table below sets out the Directors’ and senior managers’ current directorships and partnerships and those they have held over the past five years:

<u>Name</u>	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
Frank Monstrey	Probel Capital Management NV Oostendse Investerings Vennootschap NV Magorium NV Tensor Holding VOF Tensor Property Investments S.A.R.L. Expression Inc Exovision BV Septemium S.A. Eternum Sarl Tensor Capital Partners LP Tensor Carry Holdings LLP Thyler Holdings Limited	Silent Planet Inc. Advanced Immuni T Inc Overseas Logistics Corporation Ltd.
Kai-Uwe Kessel	BelGerAs, S.A., Gervanca Investments Sarl	KazGerMunai LLP
Steve McGowan	Personal Investment & Management Solutions Limited Alpenside LTD Anglohaven Securities LTD Burtons Management LTD Cambur LTD Eastpine Trading LTD	City Trust & Corporate Services LTD Thyler Holdings Limited SMP Trustees LTD Vanderbil Developments LTD

<u>Name</u>	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
	Greencastle Holdings LTD Northbridge Financial Consultants LTD Penmara LTD SMP Fund Services LTD SMP Group LTD SMP Partners LTD SMP Capital Markets LTD Scoulton Holdings LTD TS Sercorp LTD Amber Business Limited Amber Solutions Limited Lineford Limited PBC Corporate Services Limited W.I.G. Limited	
Eike von der Linden . .	Linden Advisory and Consulting Services KSL Kupferschiefer Lausitz GmbH Jordan Energy and Mining Ltd. GLR Resources Schuellerman AG	None
Piet Everaert	BVBA Piet Everaert, VWEW Advocaten	None
Atul Gupta	Dominion Petroleum PLC Villiers Limited Strand Oil and Gas Limited	Hindustan Oil Exploration Limited Burren Energy PLC
Mikhail Ivanov	Baring Vostok Capital Partners Volga Gas plc Tzar Petrol Ltd.	None
Jan-Rudolph Muller . .	Telco B.V.	Onetrail B.V. STS Logistics Corporation, EyeNetwork Limited
Thomas Hartnett	Thomas Hartnett BVBA Cabot Consulting Limited	None
Viacheslav Druzhinin .	None	None
Alexei Erber	None	Rebellion Resources Limited
Eckhard Verseck	None	None
Berik Brekeshev	None	None
Joerg Pahl	None	None
Gudrun Wykrota	None	None

There are no family relationships between any of the Directors or senior managers, except that Mr Druzhinin's spouse is the head of the finance department of Zhaikmunai and Mr Everaert's spouse is the sister of Mr Monstrey's spouse.

Litigation Statement about Directors and Senior Managers

No Director or senior manager has, for at least the five years prior to the date of this Offering Memorandum:

- any convictions in relation to fraudulent offences;
- been a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; or
- been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company.

Share Option Plans

Phantom Option Plan

The principal features of the Zhaikmunai Phantom Option Plan (the “**Plan**”) are outlined below. The Plan was initially adopted by the Board on 27 March 2008 and subsequently amended on 24 July 2008 and 14 August 2008.

Operation

The Plan is administered by the Plan Trustee (as defined below), which is responsible for granting Options (as defined below) and administering the Plan. The Plan is discretionary and will only operate in those years as the Board determines. Options under the Plan are granted as required by the Board (following the recommendation of the remuneration committee).

Eligibility

All employees, executive directors, and consultants of a member of the Group are eligible to participate in the Plan at the discretion of the Board (following the recommendation of the remuneration committee). However, to date, participation has only been offered to a limited number of senior employees, executive directors, and consultants of members of the Group.

Grant of Options

The Trustee will grant Options to an employee or executive director (the “**Optionholder**”) as requested by the Board. An optionholder will be granted the right to receive, on exercise, a cash amount equal to the difference between the value of the GDRs at the date of grant of the option (the “**Base Value**”) and the value the market value of the GDRs on the exercise date (the “**Option**”). To date, Options over 2,882,958 Common Units remain outstanding, each with a Base Value of \$4.00.

No payment is required for the grant of Options. Options will not be taken into account in determining an Optionholder’s pension rights. Options are not transferable, other than to associated parties or on death.

The aggregate number of GDRs in respect of which Options may be outstanding under the Plan will not exceed 5,000,000 Common Units.

Exercise of Options

Options will generally be exercisable at the following times:

- as to 20% of the GDRs in respect of which an Option is granted, from the first anniversary of the date of grant;
- as to a further 20% of the GDRs in respect of which an Option is granted, from the second anniversary of the date of grant;
- as to a further 20% of the GDRs in respect of which an Option is granted, from the third anniversary of the date of grant;
- as to a further 20% of the GDRs in respect of which an Option is granted, from the fourth anniversary of the date of grant; and
- as to the remaining 20% of the GDRs in respect of which an Option is granted from the fifth anniversary of the date of grant;

provided that Options are not generally exercisable prior to 1 July 2011. The Plan Trustee will satisfy an Option by paying to the Optionholder on exercise the difference between the value of the GDRs at the date of grant of the Option and the market value of the GDRs on the exercise date (minus any amounts required to be withheld). In relation to the grant of Options to date, the vesting of such Options is not subject to any performance targets. The Board may, however, determine that Options granted in the future should be subject to performance targets.

Cessation of Employment

- If an optionholder dies whilst in employment with a member of the Group his legal representatives shall be entitled to exercise his Options (whether vested or not) during the 12 month period following

the date of his death. After this period, the Options will lapse, to the extent that they have not been exercised.

- If an optionholder leaves employment by reason of injury, disability, redundancy, retirement or the sale of the business for which he works to a third party, his Options may generally be exercised at any time up to the tenth anniversary of the date of grant.
- If an optionholder gives notice of termination of his employment or consultancy, an Option will generally lapse to the extent that it has not vested on the date of cessation and any portion that remains outstanding but unexercised after 12 months following such cessation will lapse.

Corporate Events

(a) Takeover

In the event of a takeover of Zhaikmunai L.P., or Zhaikmunai, all of the Options shall be deemed to have vested and the Board shall direct the Plan Trustee in writing to allow the Optionholder to exercise his Options at any time from the date of the change of control up to the tenth anniversary of the date of grant. Any Options which have not been exercised will lapse at the end of this period.

(b) Merger, demerger

In the event of a merger, dividend in specie, super dividend, stock split, dilutive issuance, demerger or other transaction or change in the structure of Zhaikmunai L.P. which would affect the value of any Option, the Board shall, acting reasonably and objectively, direct the Plan Trustee to make such adjustments as it considers appropriate in order to ensure that Optionholders are not prejudiced, including waiving or amending any performance conditions, adjusting the Base Value of options or altering the number of GDRs in respect of the Options granted.

(c) Dissolution

In the event of a dissolution of Zhaikmunai L.P., Options may, subject to satisfaction of any performance conditions, be exercised during the period between the date of notice of a meeting to consider a resolution for the voluntary dissolution of Zhaikmunai L.P. and the date on which the dissolution becomes effective. To the extent that any Options have not been exercised at the expiry of this period, the Options will lapse.

Alterations to the Plan

Subject to the discretion of the Board in relation to certain matters as set out in the terms of the Plan, the decision of the Trustee shall be final and binding in all matters relating to the Plan.

Termination of the Plan

The Plan shall terminate upon the tenth anniversary of its approval by the Board or at any earlier time by resolution of the Board. Expiry of the plan shall not affect Options already granted.

Zhaikmunai Benefit Trust

The Zhaikmunai Benefit Trust is a discretionary trust established in Jersey for the benefit of employees, executive directors, and secondees of Zhaikmunai L.P. and its subsidiaries from time to time. The trustee of the Employee Trust is Ogier Employee Benefit Trustee Limited, a company which is independent of and unrelated to Zhaikmunai L.P. (the “**Plan Trustee**”).

The Plan Trustee will subscribe for Common Units in Zhaikmunai L.P. on a cash free basis. The Plan Trustee has agreed with Zhaikmunai L.P. to satisfy Options on exercise by the Optionholders and will acquire and sell GDRs for this purpose (to be subscribed at US\$4.00 per GDR).

MANAGEMENT AND CORPORATE GOVERNANCE

Corporate Structure

Management of Zhaikmunai is exercised by its General Director on the basis of its articles of association (or the charter) and decisions taken by the general meeting of participants in Zhaikmunai.

Limited partners and, consequently, holders of GDRs are not entitled to participate, directly or indirectly, in Zhaikmunai L.P.'s management. Following a proposal by the General Partner, the prior approval of the limited partners is however required to permit the General Partner to withdraw as Zhaikmunai L.P.'s general partner and appoint a replacement general partner. Following a proposal by the General Partner, the prior approval of the holders of a majority of the Common Units voting at a General Meeting of the limited partners is required for the appointment or removal of the General Partner's directors. However, as at the date of this Offering Memorandum Claremont, an Affiliate of Thyler, holds 40.54% of all Common Units in the form of 55,000,000 GDRs and 20,000,000 Common Units and will therefore have substantial influence on any votes of limited partners (save as noted below). See *"Risk Factors—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates—The shareholder of the General Partner will have significant influence over the Issuer and the Group"*.

Corporate Governance

As a limited partnership with GDRs admitted to the official list of the FSA, Zhaikmunai L.P. is not required to comply with the provisions of the Combined Code. There are no statutory corporate governance recommendations applicable to limited partnerships formed in the Isle of Man. However, the Board has established a corporate governance code. In determining its corporate governance code, the General Partner has given consideration to the best practice provisions on corporate governance set out in the Combined Code.

The General Partner has put in place procedures to comply with the internal control aspects of its corporate governance code. The Board has also put in place sufficient controls that will allow it to ensure that Zhaikmunai L.P. is able to comply with its ongoing obligations under the Listing Rules and the Disclosure and Transparency Rules.

In addition, the General Partner has adopted a dealing code for the members of the Board, any persons discharging managerial responsibilities and any relevant employees which is based upon the Model Code set out in the Listing Rules to ensure that such persons do not deal in the GDRs when in possession of inside information or during close periods in accordance the Disclosure and Transparency Rules. The General Partner will take all reasonable steps to ensure compliance with such code by members of the Board, any persons discharging managerial responsibilities and any relevant employees.

Takeover Code

The Takeover Code does not apply to Zhaikmunai L.P. As a result, a takeover offer for Zhaikmunai L.P. will not be regulated by the UK takeover authorities. The Partnership Agreement contains certain takeover protections, although these will not provide the full protections afforded by the Takeover Code.

Board Structure, Practices and Committees of the General Partner

The Board currently has seven members, consisting of two executive directors, and five non-executive directors, of whom three are considered by the Board to be independent non-executive directors. As a result, the Directors consider that there is a satisfactory balance of decision-making power on the Board in line with the Combined Code.

The structure, practices and committees of the Board, including matters relating to the size, independence and composition of the Board, the election and removal of directors, requirements relating to Board action, the powers delegated to Board committees and the appointment of executive officers, are governed by the General Partner's articles of association, the Partnership Agreement, the terms of the Relationship Agreement and the terms of the Claremont Subscription Agreement. The following summarises certain provisions of those articles of association, the Partnership Agreement, the Relationship Agreement and the Claremont Subscription Agreement that affect Zhaikmunai L.P.'s corporate governance. See *"Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont"* and *"Related Parties and Related Party Transactions—Claremont Subscription"* for a further discussion of the provisions of the Relationship Agreement and the Claremont Subscription Agreement.

Size, Independence and Composition of the Board of Directors

The Board, which as at the date of this Offering Memorandum has seven members, may consist of such number of directors as may be determined from time to time by a resolution of the General Partner's shareholders. Under the General Partner's articles of association, at least one of the directors holding office must be independent of Zhaikmunai L.P., the General Partner, Thyler and its Affiliates, as determined by the full Board (an "**Independent Director**"). The General Partner currently has three Independent Directors. Upon the death, resignation or removal of an Independent Director, the vacancy must be filled promptly.

In connection with the Claremont Subscription, Zhaikmunai L.P. and the General Partner agreed to appoint one director nominated by Claremont (such person in turn being nominated by the Investor pursuant to the investment agreement between Claremont and the Investor) (the "**Investor Director**"), together with an additional Independent Director to be nominated by the Investor and Claremont (subject to approval by the independent limited partners). Mr Ivanov was appointed as the Investor Director and Mr Gupta is the relevant Independent Director. In addition, Claremont has agreed in connection with its sale of 50 million GDRs to KSS Global that it will take reasonable steps, including voting as a limited partner in any general meeting of the limited partners, to procure that an individual nominated by KSS Global (or two individuals if the size of the Board of the General Partner is increased to nine directors) is appointed to the Board of the General Partner. Neither Thyler nor Claremont has entered into any other agreement pursuant to which any other director may be appointed to the Board of the General Partner.

Election and Removal of Directors

At every annual general meeting, one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office by rotation *provided that* if there is only one director who is subject to retirement by rotation, he shall retire. Vacancies on the Board may be filled and additional directors may be added by a resolution of shareholders of the General Partner or a vote of the directors then in office, *provided that* any new directors satisfy certain eligibility requirements. Those eligibility requirements generally provide, among other things, that:

- a person may not be appointed to the office of Independent Director unless he or she has been approved by a majority of the limited partners independent of Thyler and its Affiliates; and
- a person may not be appointed to the office of director unless he or she has been approved by a majority of the limited partners.

A director, other than an Independent Director, may be removed from office for specified reasons, including for any reason by a written resolution requesting resignation signed by all other directors then holding office or by a resolution duly passed by the General Partner's shareholder following the proposal by the General Partner and subsequent approval of a majority of limited partners. An Independent Director may only be removed by a resolution duly passed by the General Partner's shareholders following the proposal by the General Partner and subsequent approval of a majority of limited partners independent of Thyler and its Affiliates. The Investor Director may only be removed by a resolution duly passed by the General Partner's shareholders following the proposal by the General Partner and subsequent approval of the Investor. Claremont has undertaken, pursuant to the Relationship Agreement, not to vote on any resolution to appoint or remove an Independent Director unless the term of appointment of such Independent Director has expired and such Independent Director is seeking re-election at a general meeting of limited partners or the Board has determined (acting reasonably) that the Independent Director is no longer independent. Thyler has undertaken, pursuant to the Relationship Agreement, to comply with the decisions of the limited partners in respect of the appointment and removal of directors and not to propose amendments to the General Partner's articles of association that alter (i) the standards that are used to determine whether a director is an "independent director", (ii) the requirements relating to the eligibility and qualification of Independent Directors and (iii) the requirement that the General Partner's Board consist of at least one Independent Director, each of which may be effected only with the consent of a majority of limited partners independent of Thyler and its Affiliates. A director will be automatically removed from the Board if he or she becomes bankrupt, becomes insolvent or suspends payments to his or her creditors or if he or she becomes prohibited by law from acting as a director.

As a result of the ownership of the General Partner by Thyler, Thyler and its Affiliates (including Mr Monstrey, the chairman of the board of directors of the General Partner) control the management and policies of Zhaikmunai L.P. Under clause 5 of the Partnership Agreement, the limited partners shall not take any part in the management of Zhaikmunai L.P.

Alternate Directors

A director may, by written notice to the General Partner, appoint any person, including another director, who has been approved by the Board and who meets any minimum standards that are required by applicable law, to serve as an alternate director who may attend and vote in such director's place at any meeting of the Board at which the director is not personally present and to otherwise perform any duties and functions and exercise any rights that the director could perform or exercise personally.

Action by the Board

The Board may take action in a duly convened meeting in which a quorum is present or by a written resolution signed by all directors then holding office. When action is to be taken at a meeting of the Board, subject to any requirements relating to the approval by Independent Directors, the affirmative vote of a majority of the directors then holding office is required for any action to be taken other than with respect to the enforcement of any contractual or other rights under the Partnership Agreement and the Relationship Agreement. Matters relating to the enforcement of any such rights, if considered at a meeting of the Board, may be decided by the vote of a majority of directors then holding office that are independent of Thyler and its Affiliates.

See “*Risk Factors—Risk Factors Relating to the Group’s Relationship with Thyler and its Affiliates—The shareholder of the General Partner will have significant influence over the Issuer and the Group*”.

Actions Requiring Approval by Independent Directors

In addition to requiring approval by the Board, the following matters require the additional approval of a majority of the Independent Directors in order for any action to be taken with respect thereto:

- dissolution;
- any amendment of the Partnership Agreement that is not ministerial in nature or that has not been consented to by the limited partners;
- the enforcement of any contractual or other rights that the General Partner or Zhaikmunai L.P. may have against Thyler or any of its Affiliates pursuant to any contract, arrangement or transaction entered into with Thyler or any of its Affiliates, including the Partnership Agreement or the Relationship Agreement;
- any amendment of the Relationship Agreement with Thyler and Claremont; and
- any transaction with any related party not controlled by the General Partner or Zhaikmunai L.P.

Transactions in which a Director has an Interest

A director who directly or indirectly has an interest in a contract, transaction or arrangement with the General Partner, Zhaikmunai L.P. or any member of the Group is required to disclose the nature of his or her interest to the full Board. Such disclosure may generally take the form of a general notice given to the Board to the effect that the director has an interest in a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with that company or firm or its affiliates.

Except as provided below, a director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the General Partner (in its own capacity or acting as a general partner to Zhaikmunai L.P.), or any of its subsidiaries is or is to be a party and in which he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through the General Partner or Zhaikmunai L.P.) unless his duty or

interest arises only because the resolution relates to one of the matters set out in the following sub-paragraphs, in which case he shall be entitled to vote and be counted in the quorum:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of Zhaikmunai L.P. or any of its subsidiaries;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the General Partner, any subsidiary of the General Partner or Zhaikmunai L.P. or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) where the General Partner, any subsidiary of the General Partner or Zhaikmunai L.P. or any of its subsidiaries is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
- (d) relating to another company in which he or she and any persons connected with him or her (within the meaning of section 346 of the UK Companies Act 1985) do not to his or her knowledge hold voting rights (as that term is used in chapter 5 of the Disclosure and Transparency Rules) representing 1% or more of any class of the shares (as that term is used in the chapter 5 of the Disclosure and Transparency Rules) in such company;
- (e) relating to an arrangement for the benefit of the employees of the General Partner, any subsidiaries of the General Partner or Zhaikmunai L.P. or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (f) concerning insurance which the General Partner or Zhaikmunai L.P. proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors.

A director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his or her own appointment (including fixing or varying the terms of his or her appointment or its termination) as the holder of any office or place of profit with the General Partner, Zhaikmunai L.P. or any company in which Zhaikmunai L.P. is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more directors to offices with the General Partner, Zhaikmunai L.P. or any company in which Zhaikmunai L.P. is interested, such proposals may be divided and a separate resolution considered in relation to each director. In such case each of the directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

Committees

The Board can delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more directors and (if thought fit) one or more other persons *provided that* a majority of the members of a committee shall be directors or alternate directors and no resolution of a committee shall be effective unless a majority of those present when it is passed are directors or alternate directors. Any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).

The directors have established audit and remuneration committees, as described below, and will utilise other committees as necessary to ensure effective governance.

Audit Committee

The Board has established an audit committee that operates pursuant to written terms of reference. The audit committee is required to consist of at least two independent directors and at least one member who has recent and relevant financial experience. The audit committee consists of Mr McGowan, Mr von der Linden and Mr Gupta, each of whom is considered to be an Independent Director and Mr von der Linden serves as chairman. The Board considers each member of the audit committee to have appropriate financial experience.

The audit committee will meet not fewer than four times each year and is responsible for assisting and advising the Board with matters relating to:

- Zhaikmunai L.P.'s accounting and financial reporting processes;
- the integrity and audits of Zhaikmunai L.P.'s financial statements;

- the Issuer's compliance with legal and regulatory requirements; and
- the qualifications, performance and independence of Zhaikmunai L.P.'s independent accountants.

The audit committee is also responsible for engaging Zhaikmunai L.P.'s independent accountants, reviewing the plans and results of each audit engagement with Zhaikmunai L.P.'s independent accountants, approving professional services provided by Zhaikmunai L.P.'s independent accountants, considering the range of audit and non-audit fees charged by Zhaikmunai L.P.'s independent accountants and reviewing the adequacy of Zhaikmunai L.P.'s internal accounting controls. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the Board.

Remuneration Committee

The remuneration committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on its policy on executive remuneration, determining the individual remuneration and benefits package of each of the executive directors and recommending and monitoring the remuneration of senior management below the level of the Board. The remuneration of the non-executive Directors shall be a matter for the Board as a whole.

The remuneration committee comprises Mr Monstrey (as Chairman), Mr McGowan, Mr von der Linden and Mr Ivanov and will meet not less than two times a year. At least one member of the remuneration committee shall be an Independent Director.

Appointment of a New General Partner

The Partnership Agreement generally provides that the General Partner may not transfer its general partner interest in Zhaikmunai L.P. to any person other than Thyler or an Affiliate of Thyler, unless (i) the holders of a majority representing not less than 75% of the holders of the Common Units attending and voting at the relevant meeting consent to the transfer or (ii) there is a transfer of Common Units or GDRs representing not less than 50% of the total number of Common Units in issue from a limited partner and its affiliates to a third party in accordance with Clause 18 of the Partnership Agreement. Upon such a transfer, the General Partner may assign all or any of its general partner interests to such third party or, upon transfer of the entire share capital of the General Partner to such third party, withdraw as the general partner of Zhaikmunai L.P. without the approval of the holders of Common Units from the partnership with effect from the date on which the replacement general partner assumes the rights and undertakes the obligations of the General Partner under the Partnership Agreement. In addition, following a proposal by the General Partner, the prior approval of holders of 75% of the Common Units voting at a meeting of limited partners is required to permit the General Partner to withdraw from the partnership upon appointment of a replacement general partner.

For as long as the Relationship Agreement is effective Thyler may only transfer its control over the General Partner to a third party other than Thyler or its Affiliates with the consent of limited partners representing not less than 75% of the Common Units attending and voting at the relevant meeting, which has the same substantive effect as if the General Partner withdrew or transferred its interest in Zhaikmunai L.P. directly, unless the transfer is done in accordance with the paragraph above.

Conflicts of Interest and Fiduciary Duties

Zhaikmunai L.P.'s organisational, ownership and investment structure involves a number of relationships that may give rise to conflicts of interest between Zhaikmunai L.P. and limited partners and holders of GDRs, on the one hand, and Thyler and its Affiliates, on the other hand. In particular, conflicts of interest could arise, among other reasons, because:

- the Group's arrangements with Thyler and its Affiliates were negotiated in the context of an affiliated relationship, which may have resulted in those arrangements containing terms that are less favourable than those which otherwise might have been obtained from unrelated parties;
- conflicts of interests may arise between Zhaikmunai L.P. and the General Partner because Frank Monstrey, who indirectly controls the shareholder of the General Partner, is the chairman of the Board and, as such, exercises substantial influence over Zhaikmunai L.P.'s business and affairs; and
- Thyler and its Affiliates (other than the General Partner) will be permitted to pursue other business activities and provide services to third parties that could compete directly with the business and activities of the Group without providing Zhaikmunai L.P. with an opportunity to participate, which

could result in the allocation of Thyler's resources and personnel to others who compete with the Group.

Pursuant to the Relationship Agreement, Thyler has undertaken to ensure that Zhaikmunai L.P. is capable at all times of carrying on its business independently of Thyler and its Affiliates (other than Zhaikmunai L.P. and any of its subsidiaries) and that all of Zhaikmunai L.P.'s transactions and relationships with Thyler and its Affiliates (other than Zhaikmunai L.P. and any of its subsidiaries) are at arm's length and on normal commercial terms. See "*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont*".

Except as described above, there are no potential conflicts of interest between any duties owed by the General Partner's directors to Zhaikmunai L.P. and any other private interests or other duties that they may have.

Indemnification and Limitations on Liability

The Partnership Agreement

Isle of Man law permits the partnership agreement of a limited partnership, such as Zhaikmunai L.P., to provide for the indemnification of a partner, the officers and directors of a partner and any other person against any and all claims and demands whatsoever, except to the extent that the indemnification may be held by the courts of Isle of Man to be contrary to public policy or to the extent that Isle of Man law prohibits indemnification against personal liability that may be imposed under specific provisions of Isle of Man law.

Isle of Man law also permits a partnership to pay or reimburse an indemnified person's expenses in advance of a final disposition of a proceeding for which indemnification is sought. Under the Partnership Agreement, Zhaikmunai L.P. is required to indemnify to the fullest extent permitted by law the General Partner and any of its Affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees), in each case, against all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with the Group's business or by reason of their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under the Partnership Agreement, (i) the liability of such persons has been limited to the fullest extent permitted by law, except to the extent that their conduct involves bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful and (ii) any matter that is approved by a majority of the Independent Directors will not constitute a breach of any duties stated or implied by law or equity, including fiduciary duties. The Partnership Agreement requires Zhaikmunai L.P. to advance funds to pay the expenses of an indemnified person in connection with a matter in which indemnification may be sought until it is determined that the indemnified person is not entitled to indemnification.

The General Partner's Articles of Association

Isle of Man law permits the articles of association of a limited company, such as the General Partner, to provide for the indemnification of its officers, directors and shareholders and any other person designated by the company against any and all claims and demands whatsoever, except to the extent that the indemnification may be held by the courts of Isle of Man to be contrary to public policy or to the extent that Isle of Man law prohibits indemnification against personal liability that may be imposed under specific provisions of Isle of Man law. Isle of Man company law also permits a limited company to pay or reimburse an indemnified person's expenses in advance of a final disposition of a proceeding for which indemnification is sought.

Under the General Partner's articles of association, the General Partner is required to indemnify, to the fullest extent permitted by law, its Affiliates, directors, officers, shareholders and employees against any and all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with the Group's business or in respect of or arising from their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad

faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under the General Partner's articles of association, (i) the liability of such persons has been limited to the fullest extent permitted by law, except to the extent that their conduct involves bad faith, fraud or wilful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful and (ii) any matter that is approved by a majority of the independent directors will not constitute a breach of any duties stated or implied by law or equity, including fiduciary duties, or adversely affect the right of any indemnified person to an indemnity thereunder. The General Partner's articles of association require it to advance funds to pay the expenses of an indemnified person in connection with a matter in which indemnification may be sought until it is determined that the indemnified person is not entitled to indemnification.

Insurance

Zhaikmunai L.P. and the General Partner has obtained insurance under which the directors and officers of the General Partner will be insured, subject to the limits of the policy, against certain losses arising from claims made against such directors and officers by reason of any acts or omissions covered under the policy in their respective capacities as directors or officers of the General Partner, including certain liabilities under securities laws.

SIGNIFICANT HOLDERS OF LIMITED PARTNERSHIP INTERESTS AND COMMON UNITS

Zhaikmunai L.P.

Zhaikmunai L.P. is an Isle of Man limited partnership that was formed and registered under the Partnership Act 1909 (the “**Partnership Act**”) on 29 August 2007. Zhaikmunai L.P. has a perpetual existence and will continue as a limited partnership unless the partnership is dissolved in accordance with the Partnership Agreement. The ownership interests in Zhaikmunai L.P. consist of the Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in Zhaikmunai L.P. and the general partner interest held by ZGL. In this description, references to “holders of the Common Units” are to Zhaikmunai L.P.’s limited partners and references to Zhaikmunai L.P.’s limited partners include holders of the Common Units.

Partnership Agreement

Under clause 2.2 of the Partnership Agreement, Zhaikmunai L.P. is permitted to engage in any business activity that is approved by the General Partner and that lawfully may be conducted by a limited partnership organised under the Partnership Act or the Partnership Agreement and to do anything necessary or appropriate in furtherance of the foregoing. Zhaikmunai L.P. is not entitled to make a direct investment in any entity that is an offshore fund for the purposes of Chapter V (Offshore Funds) of Part XVII of ICTA.

The exercise by the General Partner of any and all powers and authority granted to it are subject to the restrictions set forth in the Partnership Agreement and must be exercised in a manner consistent with the restrictions and limitations established by the Board. The limited partners, in their capacities as such, may not take part in the management of the business and affairs of Zhaikmunai L.P. and do not have any right or authority to act for or to bind Zhaikmunai L.P. or to take part or interfere in the conduct or management of Zhaikmunai L.P.

Under the Partnership Agreement, the General Partner may not take any action in furtherance of the following without the consent of holders of a majority of Common Units attending and voting at the relevant meeting: (i) the appointment or removal of a director from the Board; (ii) the appointment or removal of the independent auditors of Zhaikmunai L.P.; (iii) the approval of the annual audited accounts of Zhaikmunai L.P.; (iv) the issue of Common Units; (v) the payment of an annual distribution; and (vi) certain amendments to the Partnership Agreement. The General Partner may not take any action in furtherance of the following without the approval of limited partners representing not less than 75% of the total number of Common Units attending and voting at the relevant meeting: (i) the dissolution of the partnership; (ii) the variation or abrogation of any rights attaching to the limited partnership interests; (iii) the disapplication of the pre-emption rights in respect of Common Units; and (iv) the sale, transfer or disposal of assets representing not less than 75% of the value of the assets of Zhaikmunai L.P.

Ownership of Zhaikmunai L.P.

As of the date of this Offering Memorandum, the equity ownership of Zhaikmunai L.P. is as follows:

	Common Units (not represented by GDRs)		GDRs		Common Units and GDRs	
	(Number)	(%)	(Number)	(%)	(Number)	(%)
Holder of Common Units:						
Claremont ⁽¹⁾	20,000,000	10.81	55,000,000 ⁽¹⁾	33.33	75,000,000	40.54
The Bank of New York Mellon ⁽²⁾	165,000,000	89.19	—	—	165,000,000	89.19
Free Float	—	—	110,000,000	66.67	110,000,000	59.46

- (1) Claremont currently owns 55 million GDRs and 20 million Common Units, and as a result, owns 40.54% of the Common Units of Zhaikmunai L.P. (either directly or in the form of GDRs). Each GDR represents one Common Unit. On 9 September 2010, following approval from the competition authorities, Claremont sold 50 million GDRs, representing approximately 27% of the issued Common Units, to KazStroyService Global B.V., an Affiliate of KSS (“**KSS Global**”), the company which has built the Gas Treatment Facility in the Chinarevskoye Field for the Group. Following completion of the transfer, KSS Global held these GDRs as part of the free float. Claremont has agreed in connection with its sale of 50 million GDRs to KSS Global that it will take reasonable steps, including voting as a limited partner in any general meeting of the limited partners, to procure that an individual nominated by KSS Global (or two individuals if the size of the Board of the General Partner is increased to nine directors) is appointed to the Board of the General Partner. Of the 55 million GDRs held by Claremont, 23,809,524 are subject to transfer to Dehus Dolmen Nominees, an Affiliate of Baring Vostok Capital Partners and further to this arrangement, Baring

Vostok Capital Partners, nominated a member of the Board of Zhaikmunai Group Limited. In the event that the transfer rights agreed between the parties are exercised and the transfer of 23,809,524 GDRs to Dehus Dolmen Nominees takes place, Claremont will own 27.7%, of the Common Units of Zhaikmunai L.P. (either directly or in the form of GDRs). Neither Thyler nor Claremont has entered into any other agreement pursuant to which any other director may be appointed to the Board of Zhaikmunai Group Limited.

- (2) The Bank of New York Mellon holds Common Units in its capacity as Depository, but has no beneficial interests in such Common Units. Accordingly the interests of The Bank of New York Mellon include those GDRs held as part of the free float and by Claremont.

Claremont has the same voting rights as other limited partners of Zhaikmunai L.P., except that it has agreed not to vote on a resolution of limited partners for the appointment or removal of independent directors of the board of directors of the General Partner. See “*Management and Corporate Governance*” and “*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont*”.

For recent changes to the significant holders of the Common Units and the GDRs see “*Business—Overview*”.

RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The following are details of certain of the Group's transactions with related parties.

Relationship with Thyler and its Affiliates

As at the date of this Offering Memorandum, Claremont, an Affiliate of Thyler, owns approximately 40.54% of the Common Units of Zhaikmunai L.P. in the form of 55,000,000 GDRs and 20,000,000 Common Units. In addition, Thyler owns 100% of the issued shares of ZGL, the General Partner. Thyler is indirectly controlled by Frank Monstrey, the chairman of the General Partner. Accordingly, Thyler and its Affiliates will continue to exercise substantial influence over Zhaikmunai L.P.'s business and affairs. See *"Risk Factors—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates—The shareholder of the General Partner will have significant influence over the Issuer and the Group"*.

Relationship Agreement with Thyler, ZGL and Claremont

Zhaikmunai L.P., acting through its previous general partner Scoulton, entered into the Relationship Agreement with Thyler, ZGL and Claremont on 28 March 2008, that regulates (in part) the degree of control that Thyler and Claremont and their Affiliates (other than the General Partner, Zhaikmunai L.P. and any subsidiary of Zhaikmunai L.P.) may exercise over the management of Zhaikmunai L.P. The principal purposes of the Relationship Agreement are to ensure that Zhaikmunai L.P. is capable at all times of carrying on its business independently of Thyler and Claremont and their Affiliates (other than the General Partner, Zhaikmunai L.P. and any of its subsidiaries) and that all of Zhaikmunai L.P.'s transactions and relationships with Thyler and its Affiliates (other than the General Partner, Zhaikmunai L.P. and any of its subsidiaries) are at arm's length and on normal commercial terms.

Pursuant to the Relationship Agreement, each of Thyler and Claremont undertakes to allow Zhaikmunai L.P. to be operated in the best interests of the limited partners and holders of the GDRs as a whole; to allow Zhaikmunai L.P. and its Affiliates at all times to carry on business independently of Claremont and Thyler and its Affiliates; and to allow for Zhaikmunai L.P.'s transactions and relationships with Thyler and Claremont and their Affiliates to be at arm's length and on normal commercial terms. In addition, (a) Thyler undertakes to comply with the terms of the Partnership Agreement (as though it were a party thereto), not to amend the Articles of Association of the General Partner in respect of certain specified action (including amendments to the definition of an Independent Director), and not to pass a shareholder resolution in respect of Claremont that would violate the terms of the Relationship Agreement; (b) Zhaikmunai L.P. undertakes to treat all holders of GDRs that are in the same position equally in respect of the rights attaching to such GDRs; (c) Claremont undertakes that any voting rights it holds in respect of Common Units shall not be exercised in respect of any resolution relating to a transaction, arrangement, agreement or dispute between the Partnership, on the one hand, and Claremont and its Affiliates, on the other hand, or to make any variations to the Partnership Agreement that would be contrary to the maintenance of the Partnership's ability to carry on its business independently of Claremont and its Affiliates; and (d) each of Thyler and Claremont undertakes not to vote on any resolution of the limited partners or the board of directors to appoint or remove any Independent Director unless the term of appointment of such Independent Director has expired and such Independent Director is seeking re-election or the board of directors has determined that the Independent Director is no longer independent.

Each of Thyler and Claremont has also undertaken that if Claremont (and/or its Affiliates) agrees to sell, transfer or dispose of Common Units or GDRs representing not less than 50% of the total number of Common Units in issue to a third party (the **"Acquiror"**) in circumstances where the takeover provisions in the Partnership Agreement apply, they shall use their reasonable endeavours to procure that the Acquiror (or its Affiliates) shall also agree to purchase the entire issued share capital of the General Partner (and Thyler has undertaken that, if required, it shall sell such shares in the General Partner in such circumstances or otherwise permit the withdrawal of the General Partner as the general partner of the Partnership).

The Relationship Agreement shall continue in full force and effect until the occurrence of the earliest of (i) Zhaikmunai L.P.'s securities ceasing to be admitted to the official list of the FSA and to trading on the London Stock Exchange; or (ii) Thyler (and its Affiliates) ceasing to own 25% or more of the outstanding Common Units of Zhaikmunai L.P. Claremont undertakes to procure that any Affiliate of Claremont to which Claremont transfers any interest in Zhaikmunai L.P. will accede to the Relationship Agreement prior to such transfer.

The Directors believe that the terms of the Relationship Agreement enable Zhaikmunai L.P. to ensure that Thyler (and its Affiliates) is not able to abuse its position as a controlling holder of Common Units of Zhaikmunai L.P.

Claremont Subscription

Pursuant to the Claremont Subscription Agreement dated 29 July 2009 which became effective on 15 September 2009, Zhaikmunai L.P. has agreed to allow Claremont to nominate one director to the Board (such person in turn being nominated by the Investor to Claremont in accordance with the terms of the Investor's subscription for loan notes in Claremont pursuant to an investment agreement dated 29 July 2009, as amended), together with the right to nominate one Independent Director to the Board (subject to the approval of a majority of the limited partners independent of Claremont).

The terms of the Claremont Subscription Agreement were approved by the Independent Directors in accordance with the requirements of the Partnership Agreement.

Partnership Agreement

On 29 August 2007, Scoulton and Amery entered into the Partnership Agreement in respect of the formation of Zhaikmunai L.P. pursuant to which Scoulton held the entire interest in Claydon and Jubilata on trust for Zhaikmunai L.P. in its capacity as General Partner. Scoulton was at such time the general partner of Zhaikmunai L.P. and owned 99.9% of its partnership interests, with the remainder owned by Amery; each of Scoulton and Amery are wholly owned by Thyler. Thyler is indirectly controlled by Mr Monstrey, the chairman of the General Partner.

On 16 November 2007, Scoulton, ZGL and Amery entered into a new agreement to amend and restate the Partnership Agreement. The Partnership Agreement was further amended and restated on 14 March 2008. Pursuant to such amendments, on the admission to listing of the GDRs on the IOB, Scoulton's partnership interests were split into a general partner interest and a limited partner interest (such limited partnership interest representing approximately 99.9% of Zhaikmunai L.P.'s partnership interests). The limited partnership interests were then converted into 100,000,000 Common Units on the admission to listing of the GDRs on the IOB in connection with the Reorganisation Arrangement. Pursuant to these amendments and restatements, Scoulton withdrew as the General Partner (and transferred the general partner interest to ZGL) and ZGL was appointed as the General Partner with effect from the admission to listing of the GDRs on the IOB. In addition, with effect from the admission to listing of the GDRs on the IOB, the rights of limited partners were amended (such that their interests were represented by Common Units, as well as being granted certain additional rights) and Zhaikmunai L.P. issued new Common Units so as to put in place the arrangements necessary for the implementation of the Initial Offer and to give effect to the additional rights granted to limited partners. On 27 August 2009, the Partnership Agreement was amended and restated pursuant to a special resolution of limited partners approved on 19 August 2009. The amendments comprised clarifications on consents required to move the location of the principal place of business of Zhaikmunai L.P. and removal of references to previous limited partners and the mechanics relating to the Initial Offer. Pursuant to this amendment and restatement of the Partnership Agreement, the rights of limited partners were not affected.

Services Agreements

Certain senior managers provide their services to Zhaikmunai pursuant to a service agreement dated 27 March 2007 between Probel and Zhaikmunai (the "**Probel Services Agreement**"). Probel is controlled by Mr Monstrey, the chairman of the General Partner. Under the Probel Services Agreement, Zhaikmunai pays a fee to Probel calculated by multiplying the relevant executive's or manager's number of working days per month by the executive's or manager's daily rate as stipulated in the Probel Services Agreement. The aggregate compensation paid by Zhaikmunai to Probel under the Probel Services Agreement was US\$9.2 million for the year ended 31 December 2009 (US\$6.0 million in 2008).

Certain personnel provide their services to Zhaikmunai L.P. pursuant to a service agreement dated 1 January 2009 between Amersham Oil Limited ("**Amersham**") and Zhaikmunai (the "**Personnel Agreement**"). Amersham is indirectly controlled by Mr Monstrey. Under the Personnel Agreement, Zhaikmunai pays a monthly fee to Amersham in return for Amersham's provision of personnel and consultancy services for management and related activities. The fee is determined each month the Personnel Agreement remains in force. The aggregate compensation paid by Zhaikmunai to Amersham

under the Personnel Agreement was US\$965,000 for the year ended 31 December 2007, US\$1.25 million for the year ended 31 December 2008 and US\$1.7 million for the year ended 31 December 2009.

Frank Monstrey, Kai-Uwe Kessel, Jan-Ru Muller and Thomas Hartnett provide their services to Zhaikmunai pursuant to a consultancy agreement between ZGL and FvdS, dated 1 September 2008 and as amended and restated on 17 September 2009, with effect from 20 December 2007 (the “**Executive Services Agreement**”). FvdS, formerly an Affiliate of Probel, was, at the admission to listing of the GDRs on the IOB of the GDRs, indirectly controlled by Mr Monstrey. FvdS was subsequently transferred to Zhaikmunai L.P. on 30 June 2008 (but the transfer was not effective until 1 January 2009). Under the terms of the Executive Services Agreement, FvdS agrees to provide the consultancy services of these individuals to ZGL and its subsidiaries as consultants, rather than as employees of ZGL or any of its subsidiaries. FvdS entered into a back-to-back services agreement with Probel dated 1 September 2008 and as amended and restated on 17 September 2009 (the “**Probel Executive Services Agreement**”), sub-contracting FvdS’s responsibilities and obligations under the Executive Services Agreement to Probel, with effect from 20 December 2007, on materially the same terms as set out in the Executive Services Agreement.

On 28 February 2009, Zhaikmunai entered into a service agreement with Prolag BVBA (“**Prolag**”), an Affiliate of Probel, pursuant to which Prolag has agreed to provide certain commercial, marketing and other services to Zhaikmunai, including, but not limited to, consultations on Zhaikmunai’s sales strategy and effective marketing policy, structuring its pricing policy and providing regular consultations and assistance on financial matters such as budgeting, credit policy and finance control. Until and including 1 February 2009, Prolag became entitled to payment of a lump sum fee of € 360,000. In respect of all services after this date, fees are agreed per project on an ad hoc basis, or otherwise an agreed fee is paid, calculated for the specified period of the services with reference to an agreed schedule set out in the agreement. The aggregate compensation paid by Zhaikmunai to Prolag under the agreement was US\$2.2 million for the year ended 31 December 2009.

On 13 March 2009, FvdS entered into a services agreement (the “**FvdS/Zhaikmunai Services Agreement**”) with Zhaikmunai pursuant to which it agreed to act as Zhaikmunai’s adviser in connection with negotiations in relation to the unwinding and replacement of certain hedging agreements (the “**Transactions**”) entered into in connection with the Syndicated Facility. These services include, among other things, FvdS advising Zhaikmunai on the structure, process and timing of the Transactions (including any valuation and related issues with respect thereto) as well as the size, structure and terms and conditions of any hedging arrangements in the context of Zhaikmunai’s current business plan and forecasts. Under the terms of this agreement, FvdS is entitled to payment of a success fee of US\$830,250 (net of any tax) and to be reimbursed for any out-of-pocket expenses properly incurred by it in the course of its engagement. On 13 March 2009, FvdS also entered into a back-to-back services agreement with Probel (the “**FvdS/Probel Services Agreement**”), sub-contracting FvdS’s responsibilities and obligations under the FvdS/Zhaikmunai Services Agreement to Probel on materially the same terms as set out in the FvdS Agreement, except that the success fee payable by FvdS to Probel will be equal to US\$810,000 (being 2% of the monetisation of Zhaikmunai’s existing hedging arrangements, plus VAT properly chargeable thereon, if any).

FvdS and Zhaikmunai L.P. entered into a further agreement on 31 May 2009 (the “**FvdS/Zhaikmunai Assistance Agreement**”) pursuant to which FvdS agreed (on a best efforts basis) to assist Zhaikmunai in obtaining financing required for the restructuring of the Syndicated Facility. As part of this agreement, FvdS was responsible, among other things, for advising Zhaikmunai on the restructuring of the Syndicated Facility, preparing financial models in relation to such proposed restructuring and engaging professional advisors to work on the facility documentation. In consideration for its services, FvdS became entitled to payment of an acceptance fee of US\$1 million and, upon Zhaikmunai entering into the amended Syndicated Facility, an additional fee of US\$500,000. Both these amounts, which will be paid net of any taxes, are subject to a 2.5% mark-up. On 31 May 2009, FvdS entered into a back-to-back assistance agreement with Probel (the “**FvdS/Probel Assistance Agreement**”), sub-contracting FvdS’s responsibilities and obligations under the FvdS/Zhaikmunai Assistance Agreement to Probel on materially the same terms as set out in the FvdS Agreement, except that the 2.5% mark-up will not apply to the fees payable to Probel under this agreement.

In March 2007 Zhaikmunai entered into a management services agreement with FvdS. Under this agreement, FvdS provides consultation and assistance on business matters, including general business development, strategic planning, budgeting and recruiting outside of Kazakhstan, in return for which Zhaikmunai agreed to pay FvdS an annual service fee of US\$4.08 million. The agreement expired on

31 December 2007 and was not renewed. The aggregate compensation paid by Zhaikmunai to FvdS under this agreement was US\$904,000 for the year ended 31 December 2007.

Other

For the related party transactions with KSS, please see “*Business—Contracts Material to Our Business—Gas Treatment Facility Agreement*”.

Piet Everaert, a Non-Executive Director, is a partner in the law firm VWEW Advocaten in Brussels, which rendered legal services to each of Probel and Tensor during 2006-2009. This business relationship is ongoing to date.

The Group has undertaken certain other transactions with related parties as disclosed in Note 21 to the audited consolidated financial statements for the years ended 31 December 2009 and 2008 and Note 11 to the unaudited condensed consolidated financial statements as at and for the six months ended 30 June 2010.

Any transaction with any related party not controlled by the General Partner or Zhaikmunai L.P. has to be approved by a majority of the Independent Directors. See “*Management and Corporate Governance—Board Structure, Practices and Committees of the General Partner—Actions Requiring Approval by Independent Directors*”.

DESCRIPTION OF OTHER INDEBTEDNESS AND CERTAIN FINANCIAL ARRANGEMENTS

The following is a summary of certain provisions of the Group's indebtedness and certain financial arrangements to which the Group is or will be a party. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Syndicated Facility

On 12 December 2007, Zhaikmunai L.P. entered into a US\$550.0 million senior secured reducing facility agreement with BNP Paribas as mandated lead arranger maturing no later than 31 December 2014 with Zhaikmunai as borrower and Zhaikmunai L.P. and its other subsidiaries (other than FvdS) as guarantors (as amended from time to time, the "**Syndicated Facility**"). As a result of lower than anticipated EBITDA at 31 December 2008, the Group was in breach of the Syndicated Facility covenants relating to its EBITDA to interest expense and total indebtedness to EBITDA ratios and such breaches were subsequently waived under an amendment agreement to the Syndicated Facility. Pursuant to the amendment agreement dated 27 August 2009 (which became effective on fulfilment of conditions precedent on 15 September 2009), the existing events of default under the Syndicated Facility were waived in consideration for, inter alia, the lenders agreeing to reduce the size of the Syndicated Facility to US\$382 million and increasing the interest rate to LIBOR plus 7%.

Amounts outstanding under the Syndicated Facility are secured by various forms of security, including, (i) a pledge over 100% of the participation interests in Zhaikmunai; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the Gas Treatment Facility; and (v) the assignment of the benefit of Zhaikmunai's relevant existing and future insurance policies. All security arrangements take effect subject to compliance with relevant approvals and registrations, as applicable. The Syndicated Facility is mandatorily prepayable to the extent of the proceeds of any material disposals and debt offerings. Zhaikmunai is also entitled to voluntarily prepay the amounts outstanding.

Zhaikmunai L.P. will use part of the net proceeds from this offering to repay in full all amounts outstanding under the Syndicated Facility.

Hedging Contracts

In March 2010, Zhaikmunai entered into hedging contracts covering oil export sales of 4,000 barrels per day running from March 2010 through December 2010. The hedging counterparties are BNP Paribas, Natixis and Raiffeisen Zentralbank. Based on these hedging contracts, the floor price for Brent crude oil is fixed at a price of US\$60 per barrel.

These hedging contracts may be novated or terminated upon repayment of the Syndicated Facility and if the existing hedging contracts are novated or terminated, Zhaikmunai may have to pay certain unwinding/termination costs or similar amounts under such contracts.

Intra-Group Loans and Subordination Agreements

In connection with the Syndicated Facility, three intra-group loans have been entered into between (i) Zhaikmunai LP (as lender) and Jubilata (as borrower), (ii) Jubilata (as lender) and FvdS (as borrower) dated (respectively) 29 August 2008 as amended and restated on 29 August 2009, 29 August 2008 as amended and restated on 29 August 2009 and 1 July 2008 as amended and restated on 27 August 2009 (the "**Intra-Group Loans**"). A first advance for an aggregate principal amount of US\$90,276,000 was made on 29 August 2008 and a second advance for an aggregate principal amount of US\$261,650,000 was made on 15 September 2009. The Intra-Group Loan between Zhaikmunai LP and Jubilata bears interest at 2.3%, the Intra-Group Loan between Jubilata and FvdS bears interest at 2.35% and the Intra-Group Loan between FvdS and Zhaikmunai bears interest at 2.6%, payable on a monthly basis in advance. The respective borrowers under the Intra-Group Loans have the obligation to repay the principal amount plus accrued interest upon repayment of the Syndicated Facility.

In connection with the Intra-Group Loans, three subordination agreements have been entered into dated (respectively) 3 September 2009, 3 September 2009 and 1 July 2008 as amended and restated on 28 August 2009 (the "**Subordination Agreements**"). The Subordination Agreements provide, among other things, that the respective lenders assign as security all of their rights under the Intra-Group Loans and agree not to demand or receive any payment under the Intra-Group Loans, and the respective borrowers agree to not pay, repay, make or receive any payment under the Intra-Group Loans. The respective borrowers and

the lenders agree not to take certain other actions which would be contrary to the interests of the BNP Paribas as facility agent and security agent under the Syndicated Facility. The subordination of any claims of the lenders under the Intra-Group Loans will benefit to BNP Paribas until the whole balance of the Syndicated Facility is extinguished.

Following repayment of the Syndicated Facility with the proceeds of the offering of the Notes, certain provisions of the Intra-Group Loans will be amended such as (but not limited to) the interest rates, the prepayment/repayment provisions and the subordination provisions and the Subordination Agreements will terminate.

DESCRIPTION OF NOTES

Zhaikmunai Finance B.V. will issue \$450 million in aggregate principal amount of Notes in this offering under an indenture dated 19 October 2010 (the “**Indenture**”) among the Issuer, the Guarantors, Citibank N.A., as trustee (the “**Trustee**”) and Capita Trust Company Limited, as collateral agent (the “**Collateral Agent**”). The Indenture is unlimited in aggregate principal amount, although the issuance of Notes in this offering will be limited to \$450 million. Subject to the exception in this paragraph, the Issuer may issue an unlimited principal amount of additional notes having identical terms and conditions as the Notes (the “**Additional Notes**”) even if the Additional Notes have a different amount of original issue discount for U.S. federal income tax purposes and even if issuing the Additional Notes may adversely affect the value of the original Notes. The Issuer will only be permitted to issue such Additional Notes in compliance with the covenant described under the subheading “—Certain covenants—Limitation on Indebtedness.” The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and this “Description of Notes,” references to the Notes include any Additional Notes actually issued.

In addition to this description, you should read the Indenture and the Security Documents. Copies of the Indenture, the form of Note and the Security Documents shall be made available as set forth below under “*Listing and General Information—Luxembourg Listing Information*”. This Offering Memorandum is an official and public document for the purpose of the listing on the Luxembourg Stock Exchange and therefore it shall be considered to set out the rights of the holders.

You can obtain a copy of the Indenture in the manner described under “Listing and General Information,” and, for so long as the notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, at the office of the paying agent in Luxembourg.

You will find the definitions of capitalized terms used in this description of notes under the heading “Certain definitions.” For purposes of this description, references to “the Parent,” “we,” “our” and “us” refer only to Zhaikmunai L.P. and not to any of its subsidiaries. References to the “Issuer” refer to, prior to completion of the Substitution, Zhaikmunai Finance B.V. and not to any of its subsidiaries and, upon completion of the Substitution, Zhaikmunai LLP and not to any of its subsidiaries. References to any officer or employee of the Parent or of any Restricted Subsidiary shall be deemed to include any officer or employee acting in such capacity or serving such function but actually employed or remunerated by the General Partner or by the Permitted Holder or any Affiliate of the Permitted Holder. References to any director of the Parent are to a member of the Board of Directors of the Parent.

General

The Notes

The Notes:

- are general senior obligations of the Issuer;
- mature on 19 October 2015;
- will have a redemption price of 100% at the maturity date;
- will be issued in denominations of \$150,000 and integral multiples of \$1,000 in excess of \$150,000;
- will be represented by one or more registered Notes in global form, but in certain circumstances may be represented by Notes in definitive form (see “*Book-entry, delivery and form*”);
- rank senior in right of payment to all existing and future Subordinated Obligations of the Issuer;
- rank equally in right of payment to any future senior Indebtedness of the Issuer, without giving effect to collateral arrangements;
- will be initially fully and unconditionally guaranteed on a senior basis by the Parent, Frans van der Schoot B.V., Claydon Industrial Limited, Jubilata Investments Limited, Condensate-Holding LLP and Zhaikmunai LLP; see “Notes Guarantees”;
- effectively rank senior to all of the Issuer’s unsecured Indebtedness to the extent of the value of the Collateral; and

- effectively rank junior to any existing or future Indebtedness of the Issuer secured by property or assets other than the Collateral to the extent of the value of such property or assets.

As of 30 June 2010, on an as adjusted basis after giving effect to this offering and the application of net proceeds from this offering as more fully described in “Use of Proceeds”, the Issuer and the Guarantors would have had \$450 million of total Indebtedness (not including the impact under GAAP of any issuance costs) none of which would have constituted Indebtedness secured by property and assets other than the Collateral. The Parent has no Subsidiaries (other than the Issuer) that will not guarantee the Notes on the Issue Date.

Interest

Interest on the Notes will compound semi-annually and will:

- accrue at the rate of 10.50% per annum;
- accrue from the Issue Date or, if interest has already been paid, from the most recent interest payment date;
- be payable in cash semi-annually in arrears on 19 April and 19 October, commencing on 19 April 2011;
- be payable to the holders of record on 4 April and 4 October immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

If an interest payment date falls on a day that is not a Business Day, the interest payment to be made on such interest payment date will be made on the next succeeding Business Day with the same force and effect as if made on such interest payment date, and no additional interest will accrue as a result of such delayed payment. The Issuer will pay interest on overdue principal of the Notes at the above rate, and overdue installments of interest at such rate, to the extent lawful.

Payments on the Notes

The Issuer will pay principal of, premium, if any, and interest on, Notes in global form registered in the name of or held by The Depository Trust Company or its nominee in immediately available funds to The Depository Trust Company or its nominee, as the case may be, as the registered holder of such global Note.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a “**Paying Agent**”) for the Notes in each of (i) the City of London (the “**Principal Paying Agent**”), (ii) the Borough of Manhattan, City of New York, and (iii) Luxembourg, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange (the “**Euro MTF**”). The Issuer will undertake to maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to, such directive. The initial Paying Agents will be Citibank N.A. in London, Citibank N.A. in New York and Dexia Banque Internationale à Luxembourg *société anonyme* in Luxembourg.

The Issuer will also maintain one or more registrars (each, a “**Registrar**”) with offices in (i) Frankfurt, Germany and (ii) Luxembourg, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market. The Issuer will also maintain a transfer agent in each of New York and Luxembourg. The initial Registrar will be Citigroup Global Markets Deutschland AG. The initial transfer agents will be Citibank N.A. in New York and Dexia Banque Internationale à Luxembourg *société anonyme* in Luxembourg. The Registrar and the transfer agent in New York and the Registrar and transfer agent in Luxembourg will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time and will make payments on and facilitate transfer of Definitive Registered Notes on the behalf of the Issuer.

The Issuer may change any of the Paying Agents, the Registrars or the transfer agents without prior notice to the holders of the Notes.

Transfer and exchange

A holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. No service charge will be imposed by the Issuer, the Trustee or the registrar for any registration of transfer or exchange of Notes, but the Issuer may require a holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. The Issuer is not required to transfer or exchange any Note selected for redemption. Also, the Issuer is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

The registered holder of a Note will be treated as the owner of it for all purposes.

Optional redemption

On and after 19 October 2013, the Issuer may redeem all or, from time to time, a part of the Notes upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount of the Notes), plus accrued and unpaid interest on the Notes, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on 19 October of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2013	105.25%
2014 and thereafter	100.00%

Prior to 19 October 2013, the Issuer may, at its option, on any one or more occasions redeem up to 35% of the aggregate principal amount of the Notes (including Additional Notes) issued under the Indenture with the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 110.50% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided that*

- (1) at least 65% of the original principal amount of the Notes (including Additional Notes) remains outstanding after each such redemption; and
- (2) the redemption occurs within 90 days after the closing of the related Equity Offering.

In addition, the Notes may be redeemed, in whole or in part, at any time prior to 19 October 2013 at the option of the Issuer upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder of Notes at its registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). "Applicable Premium" means, with respect to any Note on any applicable redemption date, the greater of:

- (1) 1.0% of the principal amount of such Note; and
- (2) the excess, if any, of:
 - (a) the present value at such redemption date of (i) the redemption price of such Note at 19 October 2013 (such redemption price being set forth in the table appearing above under the caption "Optional redemption") plus (ii) all required interest payments (excluding accrued and unpaid interest to such redemption date) due on such Note through 19 October 2013 computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over
 - (b) the principal amount of such Note.

"Treasury Rate" means, as of any redemption date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data)) most nearly equal to the period from the redemption date to 19 October 2013; *provided, however*, that if the period from the redemption date to 19 October 2013 is not

equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to 19 October 2013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Selection and notice

If the Issuer is redeeming less than all of the outstanding Notes, the Trustee will select the Notes for redemption on a pro rata basis, or, if required by law or regulation, in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if not possible, by such other method as the Trustee in its sole discretion will deem to be fair and appropriate, although no Note of \$150,000 in original principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the partially redeemed Note. On and after the redemption date, interest will cease to accrue on Notes or the portion of them called for redemption unless we default in the payment thereof.

Mandatory redemption; Offers to purchase; Open market purchases

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the captions “—Change of Control” and “—Certain covenants—Limitation on sales of assets and Subsidiary stock.”

The Issuer may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in each case in accordance with applicable securities laws. However, other existing or future agreements of the Parent and its Restricted Subsidiaries may limit the ability of the Issuer to purchase Notes prior to maturity.

Additional Amounts

All payments made under or with respect to the Notes or that the Guarantors make under or with respect to the Notes Guarantees will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any jurisdiction in which the Issuer or any Guarantor is organized, engaged in business, resident for tax purposes or generally subject to tax on a net income basis or from or through which payment on the Notes is made or any political subdivision or authority thereof or therein having the power to tax (each, a “**Relevant Taxing Jurisdiction**”) and any interest, penalties and other liabilities with respect thereto (collectively, “**Taxes**”), unless the withholding or deduction of such Taxes is required by law or by the relevant taxing authority’s interpretation or administration thereof. In the event that the Issuer or a Guarantor is required to so withhold or deduct any amount for or on account of any such Taxes from any payment made under or with respect to the Notes, the Issuer or such Guarantor, as the case may be, will pay such additional amounts (“**Additional Amounts**”) as may be necessary so that the net amount received by each holder or beneficial owner (including Additional Amounts) after such withholding or deduction will be equal to the amount that such holder or beneficial owner would have received if such Taxes had not been required to be withheld or deducted.

Notwithstanding the foregoing, neither the Issuer nor any Guarantor will pay Additional Amounts to a holder or beneficial owner in respect or on account of:

- (1) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the holder’s or beneficial owner’s present or former connection with such Relevant Taxing Jurisdiction (including, but not limited to, citizenship, nationality, residence, domicile, or existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present within the Relevant Taxing Jurisdiction) other than the mere receipt or holding of

any Note or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under such Note or the Indenture;

- (2) any Taxes that are imposed or withheld by reason of the failure of the holder or beneficial owner of any Note, prior to the relevant date on which a payment under and with respect to the Notes is due and payable (the “**Relevant Payment Date**”), to comply with the Issuer’s written request addressed to the holder or beneficial owner at least 30 calendar days prior to the Relevant Payment Date to provide accurate information with respect to any certification, identification, information or other reporting requirements concerning nationality, residence, identity or connection with the Relevant Taxing Jurisdiction which the holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation or administrative practice, in each such case by the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);
- (3) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes;
- (4) any Tax that is payable other than by deduction or withholding from payments made under or with respect to any Note or Notes Guarantee;
- (5) any Tax which would not have been so imposed but for the presentation (where presentation is required in order to receive payment) by the holder or beneficial owner of a Note for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such Additional Amounts on presenting the same for payment on any day (including the last day) within such 30-day period;
- (6) any withholding or deduction in respect of any Taxes where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any Directive otherwise implementing the conclusions of the ECOFIN Council meetings of 26 and 27 November 2000 on the taxation of saving income or any law implementing or complying with, or introduced in order to conform to, any such Directive; or
- (7) any Tax that is imposed on or with respect to a payment made to a holder or beneficial owner who would have been able to avoid such withholding or deduction by requesting that a payment on the Note be made by, or presenting a Note for a payment to, another paying agent in a Member State of the European Union.

In addition, Additional Amounts will not be payable with respect to any Taxes that are imposed in respect of any combination of the above items.

The Issuer or Guarantor will also make or cause to be made such withholding or deduction of Taxes and remit the full amount of Taxes so deducted or withheld to the relevant taxing authority in accordance with all applicable laws. The Issuer will, upon request, make available to the Trustee, within 30 days after the date on which the payment of any Taxes so deducted or withheld is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Issuer or a Guarantor or if, notwithstanding the Issuer’s reasonable efforts to obtain such receipts, the same are not obtainable, other evidence reasonably satisfactory to the Trustee of such payment by the Issuer.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer or a Guarantor will be obliged to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer or Guarantor will deliver to the Trustee an Officer’s Certificate stating that such Additional Amounts will be payable and the amounts so payable and setting forth such other information as is necessary to enable such Trustee or Paying Agent to pay such Additional Amounts to the holders on the payment date. The Issuer will promptly publish a notice in accordance with the provisions set forth in “—Notices” stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

The Indenture will further provide that if the Issuer or a Guarantor conducts business in any jurisdiction (an “**Additional Taxing Jurisdiction**”) other than a Relevant Taxing Jurisdiction and, as a result, is required by the law of such Additional Taxing Jurisdiction to withhold or deduct any amount on account of the Taxes imposed by such Additional Taxing Jurisdiction from payment under the Notes or any Notes Guarantee, as

the case may be, which would not have been required to be so withheld or deducted but for such conduct of business in such Additional Taxing Jurisdiction, the Additional Amounts provision described above will be considered to apply as if references in such provision to “Taxes” included taxes imposed by way of withholding or deduction by any such Additional Taxing Jurisdiction (or any political subdivision thereof or therein).

In addition, the Issuer or a Guarantor will pay (i) any present or future stamp, issue, registration, transfer, documentation, court, excise or property taxes or other similar taxes, charges and duties, including interest, penalties and Additional Amounts with respect thereto in respect of the execution, issue, delivery, registration, redemption or retirement of, or receipt of payments to, the Notes, the Indenture or the Notes Guarantees, or any other document or instrument referred to thereunder; (ii) any such taxes, charges or duties imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes, Notes Guarantee or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes; and (iii) any stamp, court or documentary taxes (or similar charges or levies) imposed with respect to the receipt of any payments with respect to the Notes or the Notes Guarantees.

The foregoing provisions will survive any termination, defeasance or discharge of the Indenture and will apply mutatis mutandis to any jurisdiction in which any Surviving Entity (as defined below) or successor person to the Issuer or a Guarantor is organized, engaged in business, resident for tax purposes or otherwise subject to taxation on a net income basis or any political subdivision or taxing authority or agency thereof or therein.

Whenever in the Indenture or this “Description of the Notes” there is mentioned, in any context, the payment of principal (and premiums, if any), interest or any other amount payable under or with respect to any Note (including payments thereof made pursuant to any Notes Guarantee), such mention will be deemed to include mention of the payment of Additional Amounts.

Redemption upon changes in withholding taxes

The Issuer may, at its option, redeem the Notes, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days’ notice to the holders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to the redemption date and all Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise, if the Issuer determines in good faith that the Issuer is or, on the next date on which any amount would be payable in respect of the Notes, would be obliged to pay Additional Amounts (as defined above under “—*Additional Amounts*”) in respect of the Notes pursuant to the terms and conditions thereof, which the Issuer cannot avoid by the use of reasonable measures available to it as a result of:

- (1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined above under “—*Additional Amounts*”) affecting taxation which change or amendment becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture (or, in the case of a successor person, on or after the date of assumption by the successor person of the Issuer’s obligations hereunder); or
- (2) any change in, or amendment to, the official application, administration, or interpretation of the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (including a holding, judgment or order by a court of competent jurisdiction or a change in established practice) on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture (or, in the case of a successor person, on or after the date of assumption by the successor person of the Issuer’s obligations hereunder) (each of the foregoing Clauses (1) and (2), a “**Change in Tax Law**”).

Notwithstanding the foregoing, the Issuer may not redeem the Notes under this provision if the Relevant Taxing Jurisdiction changes under the Indenture and the Issuer is obliged to pay Additional Amounts as a result of a Change in Tax Law of the then current Relevant Taxing Jurisdiction which, at the time the latter became the Relevant Taxing Jurisdiction under the Indenture, had been publicly announced as being or having been formally proposed.

In the case of Additional Amounts required to be paid as a result of the Issuer conducting business in an Additional Taxing Jurisdiction (as defined above), the Change in Tax Law must become effective after the date the Issuer begins to conduct the business giving rise to the relevant withholding or deduction.

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer will deliver to the Trustee:

- (1) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred (including that such obligation to pay such Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it); and
- (2) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, of independent tax counsel of recognized standing, qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer is or would be obliged to pay such Additional Amounts as a result of a Change in Tax Law.

Absent manifest error, the Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders.

The foregoing provisions will apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture.

Notes Guarantees

The Guarantors will, jointly and severally, fully and unconditionally guarantee on a senior basis obligations under the Notes and the Indenture. Each Guarantor will agree that its Notes Guarantee is unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

The Notes Guarantee of each Guarantor:

- is a general senior obligation of such Guarantor;
- ranks senior in right of payment to all existing and future Guarantor Subordinated Obligations of such Guarantor;
- ranks equally in right of payment to any future senior Indebtedness of such Guarantor, without giving effect to collateral arrangements;
- effectively ranks senior to all of such Guarantor's unsecured Indebtedness to the extent of the value of the Collateral; and
- effectively ranks junior to any existing or future Indebtedness of such Guarantor secured by property or assets other than the Collateral to the extent of the value of such property or assets.

Although the Indenture will limit the amount of Indebtedness that the Guarantors may Incur, such Indebtedness may be substantial and such limitation is subject to a number of significant qualifications. Moreover, the Indenture does not impose any limitation on the Incurrence by the Guarantors of liabilities that are not considered Indebtedness under the Indenture. See "—Certain covenants—Limitation on Indebtedness."

The obligations of each Guarantor under its Notes Guarantee will be limited as necessary to prevent the Notes Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law, and to reflect limitations with respect to corporate benefit and other legal restrictions as applicable, although no assurance can be given that a court would give the holder the benefit of such provision. See

“Risk factors—Risks Related to the Notes, the Guarantees and the Collateral—Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees and the security interests created by the security documents”.

The Notes Guarantee of a Subsidiary Guarantor will be automatically released:

- (a) upon any sale or other disposition of (i) Capital Stock of a Subsidiary Guarantor following which such Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the properties and assets of a Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent, a Restricted Subsidiary or any Affiliate of the Parent and that complies with the covenant described in “—Certain Covenants—Limitation on sales of assets and Subsidiary stock”;
- (b) in the event that all of the Capital Stock of such Subsidiary Guarantor is sold or otherwise disposed of pursuant to an enforcement of the security over the Capital Stock of such Subsidiary Guarantor under the applicable Security Document(s) in accordance with the terms of any Intercreditor Agreement;
- (c) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary;
- (d) in the circumstances set forth in the fifth paragraph of “—Certain Covenants—Merger and consolidation”;
- (e) upon irrevocable repayment of the Notes;
- (f) upon defeasance or satisfaction and discharge of the Indenture as described below under “—Defeasance” or “—Satisfaction and discharge”; or
- (g) in the case of the Notes Guarantee issued by Zhaikmunai LLP, upon completion of the Substitution in compliance with the provisions described below under “—Certain Covenants—Substitution”.

Collateral

General

The obligations of the Issuer under the Notes and the Indenture and of the Guarantors under the Notes Guarantees will be secured by:

- first-priority pledges over the participation interests or shares of the Issuer and Frans van der Schoot B.V., the Issuer’s immediate holding company; and
- a first-priority pledge over the Proceeds Loan.

Under the Indenture, the Issuer and the Guarantors will be permitted to incur additional secured Indebtedness in the future, that will rank *pari passu* as to Collateral (other than shares of the Issuer and the Proceeds Loan) on a first priority basis with the Notes.

Interest will accrue on the Proceeds Loan at a rate equal to the interest rate payable on the Notes plus a certain margin, with such adjustments as may be necessary to match any additional amounts due thereunder, or any default interest, tax-gross-up or other amounts payable in respect of the Notes. Interest and other amounts payable on the Proceeds Loan will be payable on the date that is two Business Days prior to the date on which such amounts are payable on the Notes. The Proceeds Loan is, among other things, repayable on the date that is two Business Days prior to the date that all amounts under the Notes are due, in full or in part, and whether at maturity, on early redemption or upon acceleration.

Release

The Issuer and the Guarantors will be entitled to the release of property and other assets constituting Collateral securing the Notes and the Notes Guarantees (other than shares of the Issuer and the Proceeds Loan except pursuant to clause (e) below) under any one or more of the following circumstances:

- (a) upon any sale or disposition of (i) Capital Stock of a Subsidiary Guarantor following which such Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the properties and assets of a Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent, a Restricted Subsidiary or any Affiliate of the Parent and that complies with the covenant described in “—Certain Covenants—Limitation on sales of assets and Subsidiary stock”;

- (b) in the event that all of the Capital Stock of such Subsidiary Guarantor is sold or otherwise disposed of pursuant to an enforcement of the security over the Capital Stock of such Subsidiary Guarantor under the applicable Security Document(s) in accordance with the terms of any Intercreditor Agreement;
- (c) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary;
- (d) in the circumstances set forth in the third paragraph of “—Certain Covenants—Merger and consolidation”;
- (e) upon irrevocable repayment of the Notes; and
- (f) other than Collateral constituting the relevant trust accounts for defeasance, upon defeasance or satisfaction and discharge of the Indenture as described below under “—Satisfaction and discharge” and “—Defeasance”.

Security Documents

The Issuer, the Guarantors and the Collateral Agent will, as applicable, enter into Security Documents defining the terms of the security interests that secure the obligations under Notes and the Guarantees. Subject to the terms of, and limitations under, the Security Documents, these security interests will secure the payment and performance when due of the obligations of the Issuer and the Guarantors under the Notes, the Indenture, the Guarantees and the Security Documents.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests, the Indenture and the relevant Security Documents will provide for the creation of “parallel debt” obligations in favor of the Collateral Agent, and the security interests in such jurisdictions will secure the parallel debt (and not the Indebtedness under the Notes and other Parity Debt). The parallel debt construct has not been tested under law in certain of these jurisdictions. See “*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—The security over certain of the Collateral will not be granted directly to the holders of Notes and the ability of the Collateral Agent to enforce the Collateral may be restricted by local law*”.

Subject to the terms of the Indenture and the Security Documents, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

Collateral Agent

Capita Trust Company Limited will act as Collateral Agent under the Security Documents and the Intercreditor Agreement, if any, for the benefit of the holders of Notes, any other Parity Debt and Eligible Parity Hedging Obligations until such time, if any, that a new Collateral Agent is appointed under the relevant provisions of the Security Documents and/or the Intercreditor Agreement, if any. Neither the Trustee nor the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value or protection of any property securing the Parity Debt or Eligible Parity Hedging Obligations, for the legality, enforceability or effectiveness of the Security Documents, for the creation, perfection, priority, sufficiency, or protection of any Lien, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so.

The Collateral Agent is authorised to delegate its powers to hold and enforce security interests in Parity Debt Collateral to an agent proposed for such purpose by the Collateral Agent if the Collateral Agent considers such appointment to be in the interests of the holders of the Notes; or for the purposes of complying with any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or of any Intercreditor Agreement.

Priority Debt

The Issuer and its Restricted Subsidiaries will be permitted to incur certain additional Indebtedness that may be secured by properties and assets of the Parent and its Restricted Subsidiaries that do not constitute Parity Debt Collateral, and holders of the Notes (and holders of any other future Parity Debt) will have no security interest in such properties and assets, and any priority liens over such property and assets that

secure such priority debt but do not secure Parity Debt, including the Notes, will be a Permitted Lien under the Indenture. See *“Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Claims of certain secured creditors of the Issuer and the Guarantors will have priority with respect to their security over the claims of creditors who do not have the benefit of such security, such as the holders of the Notes”*.

Parity Debt

The Issuer and the Guarantors will be permitted to incur additional secured Indebtedness (including any Additional Notes) which will share the Collateral equally and ratably with the Notes as Parity Debt. Subject to the terms of the Indenture and any Intercreditor Agreement, all future Parity Debt and any Eligible Parity Hedging Obligations will be secured by first priority interests in the Collateral, which will be shared equally and ratably with the Notes. Collateral will be pledged pursuant to the Security Documents to the Collateral Agent (subject to the “parallel debt” obligations) on behalf of the holders of such other Parity Debt that is secured by Liens over the Collateral.

Until incurrence by the Issuer or the Guarantors of future Parity Debt, the Security Documents will provide that the Trustee and the holders of Notes, in each case, acting through the Collateral Agent will be entitled to control essentially all decisions relating to the exercise of remedies under the Security Documents. As a result, the Trustee and the holders of the Notes will have the right to authorize and direct the Collateral Agent with respect to the Security Documents and the Collateral including, without limitation, the right to authorize and direct the Collateral Agent to enforce, collect or realize any Collateral or exercise any other right or remedy with respect to the Collateral.

Notwithstanding the foregoing, the Indenture will empower the Trustee and the Collateral Agent to enter into an Intercreditor Agreement as described in the covenant entitled “—Certain Covenants—Collateral Sharing Arrangements” at the time of, or prior to, the incurrence by the Issuer or a Guarantor of any future Parity Debt, or of any Eligible Parity Hedging Obligations, on the basis that is consistent with the ranking and protections described herein.

Each of the Security Documents will also provide that they may be amended to allow for the securing of such other Parity Debt pursuant to such Security Document on the same terms and conditions as set forth in the preceding paragraph.

Any Intercreditor Agreement will provide that the Collateral Agent, who will also act as the security agent for the creditors under such Parity Debt and any Eligible Parity Hedging Obligations, will act only upon instructions received from the Majority Parity Creditors as provided for in such Intercreditor Agreement.

Change of Control

If a Change of Control occurs, unless the Issuer has previously or concurrently exercised its right to redeem all of the Notes as described under “Optional redemption,” each holder will have the right to require the Issuer to repurchase all or any part (equal to \$150,000 or an integral multiple of \$1,000 in excess of \$150,000) of such holder’s Notes at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following any Change of Control, unless the Issuer has previously or concurrently exercised its right to redeem all of the Notes as described under “Optional redemption,” the Issuer will mail a notice (the “**Change of Control Offer**”) to each holder, with a copy to the Trustee, stating:

- (1) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder’s Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the “**Change of Control Payment**”);
- (2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed or delivered) (the “**Change of Control Payment Date**”);
- (3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

- (4) that unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;
- (5) that holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that holders will be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes, provided that the Paying Agent receives, not later than the close of business on the 30th day following the date of the Change of Control Offer, a telegram, telex, facsimile transmission or letter (or any method of reply specified as acceptable in the notice from the Issuer) setting forth the name of the holder of the Notes, the principal amount of Notes tendered for purchase, and a statement that such holder is withdrawing its tendered Notes and its election to have such Notes purchased;
- (7) that if the Issuer is redeeming less than all of the Notes, the holders of the remaining Notes will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to a minimum principal amount of \$150,000 and an integral multiple of \$1,000 in excess of \$150,000; and
- (8) the procedures determined by the Issuer, consistent with the Indenture, that a holder must follow in order to have its Notes repurchased.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes (in a minimum principal amount of \$150,000 and integral multiples of \$1,000 in excess of \$150,000) properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered and not properly withdrawn; and
- (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent will promptly mail or deliver to each holder of Notes properly tendered and not properly withdrawn the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a minimum principal amount of \$150,000 or an integral multiple of \$1,000 in excess of \$150,000.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no further interest will be payable to holders who tender pursuant to the Change of Control Offer.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders to require that the Parent repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, or compliance with the Change of Control provisions of the Indenture would constitute a violation of any such laws or regulations, the Issuer will comply with the applicable securities

laws and regulations and will be deemed not to have breached its obligations under the Change of Control provisions of the Indenture by virtue of its compliance with such securities laws or regulations.

Notices in respect of the Notes will be given in the manner set forth below under “*Notices*”.

The Issuer’s ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. Future Indebtedness of the Issuer, the Parent and its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer or the Parent. Finally, the Issuer’s ability to pay cash to the holders upon a repurchase may be limited by the Issuer’s or the Parent’s then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. Any failure of the Issuer to offer to purchase the Notes would constitute a Default under the Indenture, which in turn may constitute a default under an instrument evidencing Parity Debt (other than the Notes), if any.

Even if sufficient funds were otherwise available, future Indebtedness may prohibit the Issuer’s or the Parent’s prepayment or repurchase of Notes before their scheduled maturity. Consequently, if the Issuer is not able to prepay the Indebtedness under any such other Indebtedness containing similar restrictions or obtain requisite consents, the Issuer will be unable to fulfill its repurchase obligations if holders of Notes exercise their rights following a Change of Control, resulting in a default under the Indenture. A default under the Indenture may result in a cross-default under any such other Indebtedness.

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving the Parent. The Change of Control purchase feature is a result of negotiations between the underwriters and us. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under “Certain covenants—Limitation on Indebtedness” and “Certain covenants—Limitation on Liens.” Such restrictions in the Indenture can be waived only with the consent of the holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford holders of the Notes protection in the event of a highly leveraged transaction.

The definition of “Change of Control” includes a disposition of all or substantially all of the property and assets of the Parent and its Restricted Subsidiaries taken as a whole to any Person. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Parent to make an offer to repurchase the Notes as described above.

Certain covenants

Limitation on Indebtedness

The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Parent will not permit any of its Restricted Subsidiaries to issue Preferred Stock; *provided, however*, that the Parent may Incur Indebtedness (including Acquired Indebtedness) and the Issuer or any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) and issue Preferred Stock if, in each case, as of the date of such Incurrence or issuance, the Consolidated Coverage Ratio for the Parent and its Restricted Subsidiaries is at least 3.00 to 1.00, determined on a pro forma basis (including a pro forma application of proceeds).

This covenant will not prohibit the Incurrence of the following Indebtedness:

- (1) Reserved;
- (2) Guarantees by the Issuer or the Guarantors of Indebtedness of the Issuer or a Guarantor, as the case may be, Incurred in accordance with the provisions of the Indenture; *provided* that in the event such

Indebtedness that is being Guaranteed is a Subordinated Obligation or a Guarantor Subordinated Obligation, then the related Guarantee shall be subordinated in right of payment to the Notes or the Notes Guarantee, as the case may be, to at least the same extent as the Indebtedness being Guaranteed;

- (3) Indebtedness of the Issuer owing to and held by any Guarantor or Indebtedness of a Guarantor owing to and held by the Issuer or any other Guarantor; *provided, however*, that (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than the Issuer or a Guarantor and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Guarantor shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Issuer or such Guarantor, as the case may be;
- (4) Indebtedness represented by (a) the Notes issued on the Issue Date, all Notes Guarantees, the Proceeds Loan and the Security Documents (including, with respect to each such Indebtedness, all “parallel debt” obligations created under the Indenture, the Security Documents or any Intercreditor Agreement), (b) any Indebtedness (other than the Indebtedness described in Clauses (2) and (3) above) outstanding on the Issue Date and (c) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in this Clause (4) or Clause (5) or Incurred pursuant to the first paragraph of this covenant;
- (5) Indebtedness of a Person that becomes a Guarantor or is acquired by the Issuer or a Guarantor or merged into the Issuer or a Guarantor in accordance with the Indenture and outstanding on the date on which such Person became a Guarantor or was acquired by or was merged into the Issuer or a Guarantor (other than Indebtedness Incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Guarantor or was otherwise acquired by or was merged into the Issuer or a Guarantor or (b) otherwise in connection with, or in contemplation of, such acquisition); *provided, however*, that at the time such Person becomes a Guarantor or is acquired by or was merged into the Issuer or a Guarantor, the Parent would have been able to Incur \$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving effect to the Incurrence of such Indebtedness pursuant to this Clause (5);
- (6) the Incurrence by the Issuer or a Guarantor of Indebtedness represented by Capitalized Lease Obligations, mortgage financings or purchase money obligations, in each case Incurred for the purpose of financing all or any part of the purchase price or cost of installation, construction or improvements or carrying costs of property, plant and equipment used in the business of the Guarantors or the Issuer, and Refinancing Indebtedness Incurred to Refinance any Indebtedness Incurred pursuant to this Clause (6) in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this Clause (6) and then outstanding, will not exceed \$5 million at any time outstanding;
- (7) the Incurrence by the Parent or any Restricted Subsidiary of any Hedging Obligations not for speculative purposes;
- (8) the incurrence by the Issuer or a Guarantor of Indebtedness in respect of workers’ compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance, self-insurance obligations and bankers’ acceptances in the ordinary course of business;
- (9) Indebtedness arising from agreements of the Issuer or a Guarantor providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary, provided that the maximum liability of the Parent and the Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent and the Restricted Subsidiaries in connection with such disposition;
- (10) Indebtedness of the Parent and the Restricted Subsidiaries in respect of letters of credit, bid, surety, performance, appeal and similar bonds, completion guarantees, judgment, advance payment, customs, VAT or other tax guarantees or similar instruments issued in the ordinary course of business of such Person and not in connection with the borrowing of money, including letters of credit or similar instruments in respect of self-insurance and workers’ compensation obligations, provided,

however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing;

- (11) Indebtedness of the Parent or any Restricted Subsidiary to the extent the net proceeds thereof are concurrently with the Incurrence thereof deposited to defease the Notes in full as described below under “—Defeasance” or “—Satisfaction and discharge”;
- (12) Capital Stock (other than Disqualified Stock) of the Parent or of any of the Subsidiary Guarantors;
- (13) in addition to the items referred to in Clauses (2) through (12) above, Indebtedness of the Issuer or a Guarantor in an aggregate outstanding principal amount (including all Indebtedness incurred to renew, refund, refinance, replace, or discharge any Indebtedness incurred pursuant to this Clause (13)) which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this Clause (13) and then outstanding, will not at any time exceed the greater of \$20 million or 2% of Total Net Assets.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) in the event an item of that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Parent, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and may reclassify all or a portion of such item of Indebtedness in any manner that complies with this covenant;
- (2) Guarantees of, or obligations in respect of letters of credit supporting, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (3) Reserved;
- (4) the principal amount of any Disqualified Stock of the Parent or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary that is not a Subsidiary Guarantor, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (5) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and
- (6) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP.

Accrual of interest, accrual of dividends, the amortization of debt discount or the accretion of accreted value, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock and unrealized losses or charges in respect of Hedging Obligations will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant. The amount of any Indebtedness outstanding as of any date shall be the principal amount or liquidation preference thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary is redesignated as a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of the date of such redesignation (and, if such Indebtedness is not permitted to be Incurred as of such date under this “Limitation on Indebtedness” covenant, the Parent shall be in Default of this covenant).

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than U.S. dollars, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the

maximum amount of Indebtedness that the Parent and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

Limitation on Restricted Payments

The Parent will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any payment or distribution on or in respect of the Parent's Capital Stock (including any payment or distribution in connection with any merger or consolidation involving the Parent or any of its Restricted Subsidiaries) except:
 - (a) dividends or distributions by the Parent payable solely in Capital Stock of the Parent (other than Disqualified Stock); and
 - (b) dividends or distributions payable (i) to the Parent or a Restricted Subsidiary and (ii) if paid by a Restricted Subsidiary that is not a Wholly-Owned Subsidiary, to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation) so long as the Parent or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution;
- (2) purchase, redeem, defease, retire or otherwise acquire for value any Capital Stock of the Parent or any direct or indirect parent of the Parent held by Persons other than the Parent or a Restricted Subsidiary or any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Parent (other than by a Restricted Subsidiary), in each case other than in exchange for Capital Stock of the Parent (other than Disqualified Stock);
- (3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations or Guarantor Subordinated Obligations (other than Indebtedness permitted under Clause (3) of the second paragraph of the covenant "—Limitation on Indebtedness"); or
- (4) make any Restricted Investment

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in Clauses (1) through (4) shall be referred to herein as a "**Restricted Payment**") if at the time the Parent or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would result therefrom);
- (b) the Parent is not able to Incur an additional \$1.00 of Indebtedness pursuant to the covenant described under the first paragraph under "—Limitation on Indebtedness" after giving effect, on a pro forma basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date would exceed the sum of:
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the beginning of the fiscal quarter during which the Issue Date occurs to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds received by the Parent from the issue or sale of its Capital Stock (other than Disqualified Stock) or other cash capital contributions to the Parent subsequent to the Issue Date (other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to (y) a Subsidiary of the Parent or (z) an employee stock ownership plan, option plan or similar trust);

- (iii) the amount by which Indebtedness of the Parent or its Restricted Subsidiaries is reduced on the Parent's balance sheet upon the conversion or exchange (other than by a Wholly-Owned Subsidiary of the Parent) subsequent to the Issue Date of any Indebtedness of the Parent or its Restricted Subsidiaries convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Parent (less the amount of any cash, or the Fair Market Value of any other property (other than such Capital Stock), distributed by the Parent upon such conversion or exchange), together with the net proceeds, if any, received by the Parent or any of its Restricted Subsidiaries upon such conversion or exchange; *provided* that the foregoing amount shall not exceed the Net Cash Proceeds received by the Parent or any Restricted Subsidiary from the sale of such Indebtedness (excluding Net Cash Proceeds from sale to (y) a Subsidiary of the Parent or (z) an employee stock ownership plan, option plan or similar trust); and
- (iv) the amount equal to the aggregate net reduction in Restricted Investments that were made by the Parent or any of its Restricted Subsidiaries in any Person after the Issue Date resulting from:
 - (A) repurchases, repayments or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment (other than to a Subsidiary of the Parent), repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Parent or any Restricted Subsidiary; and
 - (B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment")

not to exceed, in each case, the amount of Restricted Investments previously made by the Parent or any Restricted Subsidiary in such Person or Unrestricted Subsidiary; *provided, however*, that no amount will be included under this Clause (iv) to the extent it is already included in Consolidated Net Income.

The provisions of the preceding paragraph will not prohibit:

- (1) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Parent (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Parent or an employee stock ownership plan or similar trust) or a substantially concurrent cash capital contribution received by the Parent from its shareholders; *provided, however*, that (a) such Restricted Payment will be excluded from subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds from such sale of Capital Stock or capital contribution will be excluded from Clause (c)(ii) of the preceding paragraph;
- (2) so long as no Default has occurred and is continuing, any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations or Guarantor Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Refinancing Indebtedness of such Person that, in each case, is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness"; *provided, however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded from subsequent calculations of the amount of Restricted Payments;
- (3) so long as no Default has occurred and is continuing, any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Parent or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Parent or such Restricted Subsidiary, as the case may be, that, in each case, does not mature, is redeemable, convertible or exchangeable prior to the retired Disqualified Stock and is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness"; *provided, however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded from subsequent calculations of the amount of Restricted Payments;
- (4) dividends paid or distributions made within 60 days after the date of declaration if at such date of declaration such dividend or distribution would have complied with this covenant; *provided, however*, that such dividends and distributions will be included in subsequent calculations of the amount of Restricted Payments; and provided further, however, that for purposes of clarification, this Clause (4)

shall not include cash payments in lieu of the issuance of fractional shares included in Clause (7) below;

- (5) so long as no Default has occurred and is continuing, the purchase, repurchase, redemption or other acquisition or retirement for value of Capital Stock or options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock of the Parent or any Restricted Subsidiary held by any existing or former employees, management, officers or directors of the Parent or any Restricted Subsidiary or their assigns, estates or heirs, in each case in connection with the repurchase provisions under employee stock option or stock purchase agreements or other agreements to compensate management, employees, officers or directors; *provided* that such purchases, repurchases, redemptions, acquisitions or retirements during any calendar year will not exceed \$2 million in the aggregate; *provided further*, that such maximum amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the Parent from the sale of Capital Stock of the Parent to members of management or directors of the Parent and its Restricted Subsidiaries that occurs after the Issue Date (to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the making of Restricted Payments pursuant to Clause (c) of the preceding paragraph), plus (B) the cash proceeds of key man life insurance policies received by the Parent and its Restricted Subsidiaries after the Issue Date; *provided further*, however, that the amount of any such purchase, repurchase, redemption, acquisition or retirement will be included in subsequent calculations of the amount of Restricted Payments and the proceeds received from any such sale will be excluded from Clause (c)(ii) of the preceding paragraph;
- (6) repurchases, redemptions or other acquisitions or retirements for value of Capital Stock deemed to occur upon the exercise of stock options, warrants, rights to acquire Capital Stock or other convertible securities if such Capital Stock represents a portion of the exercise or exchange price thereof, and any repurchases, redemptions or other acquisitions or retirements for value of Capital Stock made in lieu of withholding taxes in connection with any exercise or exchange of warrants, options or rights to acquire Capital Stock; *provided, however*, that such repurchases will be excluded from subsequent calculations of the amount of Restricted Payments;
- (7) cash payments in lieu of the issuance of fractional shares; *provided, however*, that any payment pursuant to this Clause (7) shall be excluded from subsequent calculations of the amount of Restricted Payments;
- (8) the declaration and payment of scheduled or accrued dividends to holders of any class of or series of Disqualified Stock of the Parent or any Preferred Stock of any Restricted Subsidiaries issued on or after the Issue Date in accordance with the covenant captioned “—Limitation on Indebtedness”, to the extent such dividends are included in Consolidated Interest Expense; *provided, however*, that any payment pursuant to this Clause (8) shall be excluded from subsequent calculations of the amount of Restricted Payments; and
- (9) to the extent constituting Restricted Payments, any payments pursuant to Clause (8) or Clause (9) of the second paragraph of the covenant described under “—Limitation on Affiliate Transactions”; *provided* that the amount of such Restricted Payments shall be excluded from subsequent calculations of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Parent or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount and the Fair Market Value of any non-cash Restricted Payment shall be determined as provided in the definition of “Fair Market Value”.

In the event that a Restricted Payment meets the criteria of more than one of the exceptions described in Clauses (1) through (9) above or is entitled to be made pursuant to the first paragraph above, the Parent shall, in its sole discretion, classify such Restricted Payment.

As of the Issue Date, the Parent has no Unrestricted Subsidiaries. The Parent will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of “Unrestricted Subsidiary.” For purpose of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Parent and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of “Investment.” Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether

pursuant to the first or second paragraph of this covenant or pursuant to the definition of “Permitted Investments,” and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture.

Limitation on Liens

The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur or suffer to exist any Lien (the “Initial Lien”) other than Permitted Liens (in the case of property or assets not constituting Collateral) and Permitted Collateral Liens (in the case of property or assets constituting Collateral) upon any of its property or assets (including Capital Stock of Restricted Subsidiaries), including any income or profits therefrom, whether owned on the date of the Indenture or acquired after that date; *provided* that the Parent and any of its Restricted Subsidiaries may incur or suffer to exist any Initial Lien on property or assets not constituting Collateral if, contemporaneously with the incurrence of such Initial Lien, effective provision is made to secure the indebtedness due under the Notes and Notes Guarantees equally and ratably with (or senior in priority to in the case of Initial Liens with respect to Subordinated Obligations or Guarantor Subordinated Obligations, as the case may be) the indebtedness secured by such Initial Lien for so long as such indebtedness is so secured.

Any Lien created for the benefit of the holders of the Notes pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

Limitation on restrictions on distributions from Restricted Subsidiaries

The Parent will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock or pay any indebtedness or other obligations owed to the Parent or any Restricted Subsidiary (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock);
- (2) make any loans or advances to the Parent or any Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Parent or any Restricted Subsidiary to other indebtedness incurred by the Parent or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or
- (3) sell, lease or otherwise transfer any of its property or assets to the Parent or any Restricted Subsidiary.

The preceding provisions will not prohibit:

- (i) (a) any encumbrance or restriction pursuant to or by reason of an agreement in effect at or entered into on the Issue Date, and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such encumbrance or restriction than those contained in those agreements on the Issue Date and (b) any encumbrances or restrictions pursuant to or by reason of the Notes Documents;
- (ii) any encumbrance or restriction with respect to a Person pursuant to or by reason of an agreement or instrument relating to any Capital Stock or indebtedness incurred by such Person on or before the date on which such Person was acquired by the Parent or another Restricted Subsidiary (other than Capital Stock or indebtedness incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person was acquired by the Parent or a Restricted Subsidiary or in contemplation of the transaction) and outstanding on such date; *provided* that any such encumbrance or restriction shall not extend to any assets or property of the Parent or any other Restricted Subsidiary other than the assets and property of the Person so acquired;
- (iii) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any indebtedness, and that do not, individually or in the aggregate, detract from the

value of, or from the ability of the Parent and the Restricted Subsidiaries to realize the value of, property or assets of the Parent or any Restricted Subsidiary in any manner material to the Parent or any Restricted Subsidiary;

- (iv) in the case of Clause (3) of the first paragraph of this covenant, any encumbrance or restriction:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease (including leases governing leasehold interests), license or similar contract, or the assignment or transfer of any such lease (including leases governing leasehold interests), license (including, without limitation, licenses of intellectual property) or other contract;
 - (b) contained in mortgages, pledges or other security agreements permitted under the Indenture securing Indebtedness of the Parent or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;
 - (c) contained in Hedging Obligations permitted from time to time under the Indenture;
 - (d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent or any Restricted Subsidiary;
 - (e) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business;
 - (f) provisions with respect to the disposition or distribution of assets or property in operating agreements, joint venture agreements, development agreements, area of mutual interest agreements and other agreements that are customary in the Oil and Gas Business and entered into in the ordinary course of business;
 - (g) purchase money obligations, mortgage financings, Capitalized Lease Obligations Incurred pursuant to Clause (6) of the second paragraph of the covenant described under “—Limitation on Indebtedness” that impose restrictions on the property purchased or leased; or
 - (h) Liens (including pursuant to Clause (33) of the definition of Permitted Liens) permitted to be incurred under the provisions of the covenant described under “—Limitation on Liens” that limit the right of the debtor to dispose of the assets subject to such Liens.
- (v) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or a portion of the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (vi) any customary encumbrances or restrictions imposed pursuant to any agreement of the type described in the definition of “Permitted Business Investment” or encumbrances or restrictions imposed pursuant to any Indebtedness secured pursuant to Clause 34(iii) of the definition of Permitted Liens;
- (vii) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order or the terms of any authorisation, concession or permit;
- (viii) any encumbrance or restriction contained in the terms of any Indebtedness Incurred pursuant to the first paragraph of the covenant described under “—Limitation on Indebtedness” or any guarantees thereof or liens related thereto and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of such terms if (x) either (i) the encumbrance or restriction applies only in the event of and during the continuance of a payment default or a default with respect to a financial covenant contained in such Indebtedness, guarantees or liens or (ii) the Parent determines at the time any such Indebtedness is Incurred (and at the time of any modification of the terms of any such encumbrance or restriction) that any such encumbrance or restriction will not materially affect the Issuer’s and the Guarantors’ ability to make principal or interest payments on the Notes and any other Indebtedness for borrowed money that is an obligation of the Issuer or the Guarantors and (y) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings or agreements (as determined by the Parent in good faith);

- (ix) supermajority voting requirements existing under corporate charters, bylaws, stockholders agreements and similar documents and agreements;
- (x) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and
- (xi) any encumbrance or restriction existing under any agreement that extends, renews, refinances (including by way of Refinancing Indebtedness) or replaces the agreements containing the encumbrances or restrictions in the foregoing Clauses (i) through (x), or in this Clause (xi); *provided* that the terms and the conditions of any such encumbrances or restrictions are not more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Limitation on sales of assets and Subsidiary stock

The Parent will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Parent or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreed for such Asset Disposition and including the value of all non-cash consideration), of the shares and assets subject to such Asset Disposition;
- (2) at least 75% of the consideration received by the Parent or such Restricted Subsidiary, as the case may be, from such Asset Disposition is in the form of cash or Cash Equivalents or Additional Assets, or any combination thereof; and
- (3) except as provided in the next paragraph, an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied, within one year from the date of such Asset Disposition by the Parent or such Restricted Subsidiary, as the case may be:
 - (a) to the extent that the Parent or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness), to prepay, repay, redeem or purchase Indebtedness of the Parent under any Indebtedness of the Parent or a Subsidiary Guarantor that is secured by a Lien permitted to be Incurred under the Indenture on a basis prior to the Notes or Indebtedness (other than Disqualified Stock) of any Subsidiary of the Parent that is not a Subsidiary Guarantor; *provided, however*, that, in connection with any prepayment, repayment, redemption or purchase of Indebtedness pursuant to this Clause (a), the Parent or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, redeemed or purchased;
 - (b) to invest in Additional Assets; or
 - (c) enter into a binding commitment to apply Net Available Cash pursuant to Clause (b) of this paragraph; *provided* that such binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned one year period;

provided that pending the final application of any such Net Available Cash in accordance with this covenant, the Parent and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding paragraph will be deemed to constitute “Excess Proceeds.” Not later than the Business Day immediately following the date that is one year from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, if the aggregate amount of Excess Proceeds exceeds \$10.0 million, the Issuer will be required to make an offer (an “**Asset Disposition Offer**”) to all holders of Notes and, to the extent required by the terms of other *Pari Passu* Indebtedness, to all holders of other *Pari Passu* Indebtedness outstanding with similar provisions requiring the Issuer to make an offer to purchase such *Pari Passu* Indebtedness with the proceeds from any Asset Disposition (“***Pari Passu* Indebtedness**”) to purchase the maximum principal amount of Notes and any such *Pari Passu* Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an

amount equal to 100% of the principal amount (or, in the event such *Pari Passu* Indebtedness of the Issuer was issued with significant original issue discount, 100% of the accreted value thereof) of the Notes and *Pari Passu* Indebtedness plus accrued and unpaid interest, if any (or in respect of such *Pari Passu* Indebtedness, such lesser price, if any, as may be provided for by the terms of such Indebtedness), to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with the procedures set forth in the Indenture or the agreements governing the *Pari Passu* Indebtedness, as applicable, in each case in minimum principal amount of \$150,000 and integral multiples of \$1,000 in excess of \$150,000. If the aggregate principal amount of Notes surrendered by holders thereof and other *Pari Passu* Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and *Pari Passu* Indebtedness. To the extent that the aggregate amount of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for any purpose not prohibited by the Indenture.

The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the “**Asset Disposition Offer Period**”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “**Asset Disposition Purchase Date**”), the Issuer will purchase the principal amount of Notes and *Pari Passu* Indebtedness required to be purchased pursuant to this covenant (the “**Asset Disposition Offer Amount**”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and *Pari Passu* Indebtedness validly tendered in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no further interest will be payable to holders who tender Notes pursuant to the Asset Disposition Offer.

On the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and *Pari Passu* Indebtedness or portions of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn, in each case in minimum principal amount of \$150,000 and integral multiples of \$1,000 in excess of \$150,000. The Issuer will deliver to the Trustee an Officer’s Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant and, in addition, the Issuer will deliver all certificates and notes required, if any, by the agreements governing the *Pari Passu* Indebtedness. The Issuer or the paying agent, as the case may be, will promptly (but in any case not later than five Business Days after the termination of the Asset Disposition Offer Period) mail or deliver to each tendering holder of Notes or holder or lender of *Pari Passu* Indebtedness, as the case may be, an amount equal to the purchase price of the Notes or *Pari Passu* Indebtedness so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note, and the Trustee, upon delivery of an Officer’s Certificate from the Issuer, will authenticate and mail or deliver such new Note to such holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a minimum principal amount of \$150,000 or an integral multiple of \$1,000 in excess of \$150,000. In addition, the Issuer will take any and all other actions required by the agreements governing the *Pari Passu* Indebtedness. Any Note not so accepted will be promptly mailed or delivered by the Issuer to the holder thereof. The Issuer will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of its compliance with such securities laws or regulations.

For the purposes of Clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness (other than Subordinated Obligations or Disqualified Stock) of the Parent or Indebtedness of a Restricted Subsidiary (other than Guarantor Subordinated Obligations, Preferred Stock or Disqualified Stock of any Restricted Subsidiary that is a Subsidiary Guarantor) and the unconditional release of the Parent or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition, in which case the Parent will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with Clause (3)(a) of the first paragraph of this covenant;
- (2) securities, notes or other obligations received by the Parent or any Restricted Subsidiary from the transferee that are converted by the Parent or such Restricted Subsidiary into cash within 180 days after receipt thereof; and
- (3) consideration consisting of Indebtedness of the Parent (other than Subordinated Obligations or Disqualified Stock) or Indebtedness of a Restricted Subsidiary (other than Guarantor Subordinated Obligations, Preferred Stock or Disqualified Stock) which is either deemed repaid in full or is cancelled in connection with such Asset Disposition.

Limitation on Affiliate Transactions

The Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, make, amend or conduct any transaction (including making a payment to, the purchase, sale, lease or exchange of any property or the rendering of any service), contract, agreement or understanding with or for the benefit of any Affiliate of the Parent (an “**Affiliate Transaction**”) unless:

- (1) the terms of such Affiliate Transaction are no less favorable to the Parent or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction on an arm’s-length basis with a Person that is not such an Affiliate as certified by an Officer’s Certificate;
- (2) the terms of such Affiliate Transaction have been approved by a majority of members of the Board of Directors of the Parent who are disinterested with respect to the transaction and such members of the Board of Directors have accepted the Officer’s Certificate delivered pursuant to Clause (1) above; and
- (3) if such Affiliate Transaction involves an aggregate consideration in excess of \$25 million, the Board of Directors of the Parent has received a written opinion from an independent investment banking, accounting or appraisal firm of internationally recognized standing that such Affiliate Transaction is fair, from a financial standpoint, to the Parent or such Restricted Subsidiary or is not materially less favorable to the Parent and the Restricted Subsidiaries than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm’s-length basis from a Person that is not an Affiliate.

The preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—Limitation on Restricted Payments” or any Permitted Investment;
- (2) any issuance of Capital Stock (other than Disqualified Stock), or other payments, awards or grants in cash, Capital Stock (other than Disqualified Stock) or otherwise pursuant to, or the funding of, employment or severance agreements and other compensation arrangements, options to purchase Capital Stock (other than Disqualified Stock) of the Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers and employees approved by the Board of Directors of the Parent;
- (3) loans or advances (or cancellations thereof) or guarantees of loans to employees or, officers of the Parent or any of its Restricted Subsidiaries or members of the Board of Directors of the Parent or any of its Restricted Subsidiaries not to exceed \$5 million in the aggregate outstanding at any time;
- (4) any transaction between the Parent and any Restricted Subsidiary or between Restricted Subsidiaries;

- (5) any transaction with a joint venture or similar entity which would constitute an Affiliate Transaction solely because the Parent or a Restricted Subsidiary owns, directly or indirectly, Capital Stock in or otherwise controls such joint venture or similar entity;
- (6) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Parent or the receipt by the Parent of any capital contribution;
- (7) any employment agreement, employee compensation plan or employee benefit arrangement, indemnification and similar arrangement (including the payment of directors' and officers' insurance premiums), employee salaries and bonuses (including stock options) entered into in the ordinary course of business by the Parent or any of its Restricted Subsidiaries;
- (8) the payment of reasonable compensation and fees paid to, and indemnity provided on behalf of, members of the Board of Directors of the Parent or any Restricted Subsidiary and indemnities of directors of the Parent or any of its Restricted Subsidiaries permitted by bylaws or statutory provisions;
- (9) the agreements relating to, and payments thereunder to fund, the cost of services provided directly to the Parent or any Restricted Subsidiary by employees, officers, contractors, consultants or advisors (and related indemnities for such employees, officers, contractors, consultants or advisors) of the General Partner or of the Permitted Holder or of any Affiliate of the Permitted Holder; *provided* that the aggregate level of such payments shall be consistent with the ordinary course of business and past practice of the Parent and its Restricted Subsidiaries, taken as a whole; and
- (10) the performance of obligations of the Parent or any of its Restricted Subsidiaries under the terms of any agreement to which the Parent or any of its Restricted Subsidiaries is a party as of or on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided, however*, that any future amendment, modification, supplement, extension or renewal entered into after the Issue Date will be permitted to the extent that its terms are not materially more disadvantageous, taken as a whole, to the holders of the Notes than the terms of the agreements in effect on the Issue Date.

Reports to holders

So long as any Notes are outstanding, the Parent will furnish to the Trustee (who, at the Parent's expense, will furnish to holders of the Notes):

- (1) within 120 days after the end of the Parent's fiscal year, annual reports containing: (i) information with a scope that is substantially comparable in all material respects to the sections in this offering memorandum entitled "Risk Factors," "Selected Historical Financial Information," "Business," "Management and Corporate Governance," "Related Parties and Related Party Transactions" and "Description of Other Indebtedness and Certain Financial Arrangements"; (ii) the audited consolidated balance sheet of the Parent and the Issuer as at the end of the most recent fiscal year and audited consolidated income statements and statements of cash flow of the Parent for the most recent two fiscal years, including appropriate footnotes to such financial statements, and the report of the independent auditors on the financial statements; and (iii) information with a level of detail that is substantially comparable in all material respects to the section in this offering memorandum entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
- (2) within 90 days following the end of the fiscal quarter ended September 30, 2010 and within 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Parent (starting with the fiscal quarter ended March 31, 2011), (i) quarterly financial statements containing the Parent's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure and (ii) with respect to the second fiscal quarter in each fiscal year of the Parent information for such quarter and the year-to-date period with a level of detail that is substantially comparable in all material respects to the section in this offering memorandum entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations;" and
- (3) promptly after the occurrence of a material event, acquisition, disposition, restructuring, changes of the Chief Executive Officer, Chief Financial Officer, Director of Geology or General Counsel of the Parent or a change in auditors of the Parent, a report containing a description of such event.

In addition, the Parent shall furnish to the holders of the Notes and to prospective investors, upon the request of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by Persons who are not “affiliates” under the Securities Act.

Notwithstanding the foregoing, the reports set forth in Clauses (1), (2) and (3) above will not be required to (i) contain any reconciliation to U.S. generally accepted accounting principles (or any replacement, in whole or in part, thereof), (ii) include separate financial statements for any Guarantors or non-Guarantors (or aggregate set of either thereof) or (iii) include any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum.

The Parent shall also make available copies of all reports furnished to the Trustee: (a) on the Parent’s public website and (b) through the newswire service of Bloomberg, or, if Bloomberg does not then operate, any similar agency. In addition, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market and to the extent that the rules of the Luxembourg Stock Exchange so require, copies of such reports furnished to the Trustee will also be made available at the specified office of the paying agent in Luxembourg.

At any time that any of the Parent’s Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Parent, then the annual financial information and the second fiscal quarter information, in each case, required by the first paragraph of this “*Reports to Holders*” covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Parent and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries.

All reports provided pursuant to this “*Reports to Holders*” covenant shall be made in the English language.

Merger and consolidation

The Parent will not consolidate with or merge with or into (whether or not the Parent is the surviving corporation), or convey, transfer or lease all or substantially all of its assets in one or more related transactions to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the “**Successor Company**”) will be a corporation, partnership, trust or limited liability company organized and existing under the laws of any member state of the European Union, Switzerland, the Republic of Kazakhstan, British Virgin Islands, Isle of Man, Canada, the United States, any state of the United States or the District of Columbia and the Successor Company (if not the Parent) will expressly assume, by supplemental indenture and other appropriate agreements and instruments, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all of the obligations of the Parent under the Notes, the Indenture and the Security Documents;
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;
- (3) immediately after giving *pro forma* effect to such transaction, the Successor Company would be able to Incur at least an additional \$1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—Limitation on Indebtedness”;
- (4) each Subsidiary Guarantor (unless it is the other party to the transactions above, in which case Clause (1) shall apply) shall have by supplemental indenture confirmed that its Notes Guarantee shall apply to such Successor Company’s obligations in respect of the Indenture and the Notes;
- (5) the Parent shall have delivered to the Trustee an Opinion of Counsel to the effect that the holders of Notes will not recognize income, gain or loss for United States federal and Isle of Man (or the jurisdiction of organization of any Successor Company) income tax purposes as a result of such transaction and will be subject to United States federal and Isle of Man (or the jurisdiction of organization of any Successor Company) income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred; and

- (6) the Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with the Indenture and such supplemental indenture, if any, and the Notes are enforceable.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Parent, which properties and assets, if held by the Parent instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Parent on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Parent.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Parent under the relevant Notes Documents; and the predecessor Parent, except in the case of a lease of all or substantially all its assets, will be released from all of its obligations under the relevant Notes Documents.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

In addition, the Parent will not permit any Subsidiary Guarantor to consolidate with or merge with or into, and will not permit the conveyance, transfer or lease of substantially all of the assets of any Subsidiary Guarantor to, any Person (other than the Issuer, the Parent or another Subsidiary Guarantor) unless:

- (1) (a) the resulting, surviving or transferee Person will be a corporation, partnership, trust or limited liability company organized and existing under the laws of any member state of the European Union, Switzerland, the Republic of Kazakhstan, British Virgin Islands, Isle of Man, Canada, the United States, any state of the United States or the District of Columbia and such Person (if not such Subsidiary Guarantor) will expressly assume, by supplemental indenture and other appropriate agreements and instruments, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee and the Security Documents and (b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the resulting, surviving or transferee Person or any Restricted Subsidiary as a result of such transaction as having been Incurred by such Person or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing; and
- (2) the Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

Following the Substitution, the Issuer will not consolidate with or merge with or into (whether or not the Issuer is the surviving corporation), or convey, transfer or lease all or substantially all of its assets in one or more related transactions to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the "**Successor Company**") will be a corporation, partnership, trust or limited liability company organized and existing under the laws of any member state of the European Union, Switzerland, the Republic of Kazakhstan, British Virgin Islands, Isle of Man, Canada, the United States, any state of the United States or the District of Columbia and the Successor Company (if not the Issuer) will expressly assume, by supplemental indenture and other appropriate agreements and instruments, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all of the obligations of the Issuer under the Notes, the Indenture and the Security Documents;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with the Indenture and such supplemental indenture, if any, and the Notes are enforceable.

This "Merger and consolidation" covenant will not apply to: (a) any consolidation or merger among Guarantors, (b) any consolidation or merger among the Issuer and any Guarantor, provided that, if the

Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor is an entity organized or existing under the laws of The Republic of Kazakhstan, the British Virgin Islands, the Isle of Man, any member state of the European Union, Switzerland, Canada, the United States, any state of the United States or the District of Columbia and will assume the obligations of the Issuer under the Indenture, the Notes, and (to the extent applicable), the Security Documents, or (c) any sale, assignment, transfer, conveyance, lease or other disposition of assets among the Issuer and/or the Guarantors.

Substitution

Prior to the Substitution, the Issuer will not consolidate with or merge with or into (whether or not the Issuer is the surviving corporation), or convey, transfer or lease all or substantially all of its assets in one or more related transactions to, any Person, unless pursuant to a Substitution (as defined below).

The Trustee shall, at Zhaikmunai LLP's written request, without the consent of the holders of Notes, agree to the substitution of Zhaikmunai LLP or its successor in business (the "**Substituted Obligor**") as Issuer under the Indenture and the Notes (the "**Substitution**") provided that:

- (1) the Substituted Obligor will expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture;
- (2) the General Director of the Substituted Obligor certifies that it will be solvent immediately after the Substitution;
- (3) each Guarantor (other than the Substituted Obligor) shall have by supplemental indenture confirmed that its Notes Guarantee shall apply to the Substituted Obligor's obligations in respect of the Indenture and the Notes;
- (4) the Issuer and the Substituted Obligor shall have delivered to the Trustee satisfactory evidence that the Proceeds Loan shall be assigned or novated to the Substituted Obligor immediately after giving effect to such Substitution;
- (5) the Substituted Obligor shall have delivered an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, to the effect that the holders of Notes will not recognize income, gain or loss for United States federal, Kazakh or Dutch income tax purposes as a result of such transaction and will be subject to United States federal, Kazakh and Dutch (or the jurisdiction of organization of any successor company) income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred;
- (6) the Substituted Obligor shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that (i) the Substituted Obligor has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes in place of the Issuer; (ii) the Parent has obtained all governmental and regulatory approvals and consents necessary for the Notes Guarantee to be fully effective as described in Clause (3) above; and (iii) such approvals and consents are in full force and effect at the time of Substitution;
- (7) the Substitution shall not cause the Substituted Obligor to have the right to redeem any Notes pursuant to the provisions under the caption "Redemption upon changes in withholding taxes" immediately following the completion of the Substitution;
- (8) immediately after giving effect to such Substitution, no Default shall have occurred and be continuing; and
- (9) the Substituted Obligor shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such Substitution and such supplemental indenture comply with the Indenture and such supplemental indenture and the Notes are enforceable.

Upon completion of the Substitution, the Issuer shall be released from all of its obligations under the Notes Documents as Issuer and the Substituted Obligor will succeed to, and be substituted for (so that from and after the date of the Substitution the provisions of the Notes Documents referring to the "Issuer" will refer instead to the Substituted Obligor and not to the Issuer), and may exercise every right and power and shall be bound by every obligation of, the Issuer under the Notes Documents with the same effect as if such Substituted Obligor had been named as the Issuer in the Indenture and the Notes.

Future subsidiary guarantors

The Indenture will provide that the Parent will cause each Restricted Subsidiary created or acquired (after the Issue Date) by the Parent or one or more of its Restricted Subsidiaries, to execute and deliver to the Trustee a Notes Guarantee pursuant to which such Restricted Subsidiary will unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest, if any, on the Notes on a senior basis.

Notwithstanding anything to the contrary, upon completion of the Substitution, Zhaikmunai Finance B.V. shall execute and deliver to the Trustee a Notes Guarantee pursuant to which it will unconditionally Guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest, if any, on the Notes on a senior basis.

Impairment of Security Interest

The Parent will not, and will not permit any of its Restricted Subsidiaries to, take or knowingly or negligently omit to take, any action which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Collateral Agent, the Trustee and the holders of Notes (it being understood and agreed that the Incurrence of Permitted Collateral Liens on the Collateral shall under no circumstances be deemed to impair the security interest with respect to the Collateral); *provided however*, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified unless contemporaneously with such amendment, extension, renewal, restatement, supplement or modification, either the Issuer delivers to the Collateral Agent and the Trustee, in form and substance satisfactory to each of them, (i) an Opinion of Counsel opining that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement or modification, the Liens securing the Notes under the Security Documents as so amended, extended, renewed, restated, supplemented or modified remain valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity (to the extent legally applicable) or at law, that such Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement or modification, or (ii) a solvency opinion of an Independent Financial Advisor, in form and substance satisfactory to the Collateral Agent and the Trustee, confirming the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to transactions related to such amendment, extension, renewal, restatement, supplement or modification. In the event that the Parent complies with this covenant, the Trustee and the Collateral Agent shall (subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement or modification with no need for instructions from holders of the Notes.

Notwithstanding the foregoing, nothing in this provision shall restrict the discharge or release of the Collateral (including the novation or assignment of the Proceeds Loan in connection with the Substitution) in accordance with the Indenture, the Security Documents and any Intercreditor Agreement.

Collateral Sharing Arrangements

General

At the request of the Issuer, at the time of, or prior to, the incurrence of any Parity Debt (other than any Additional Notes) or any Eligible Parity Hedging Obligations or granting of security in respect of such Parity Debt or Eligible Parity Hedging Obligations over any of the Collateral (or providing the benefits of the Collateral for the benefit of the holder(s) of such Indebtedness), the Issuer, the Guarantors, the Trustee and the Collateral Agent will enter into an Intercreditor Agreement with the holder(s) of such other Parity Debt (or, if more than one, a duly authorised representative thereof) and/or the holders of Eligible Parity Hedging Obligations, containing substantially the same terms with respect to the limitation on enforcement and release of Notes Guarantees, priority and release of security interests in the Collateral as the terms described below, or other terms which become customary for similar agreements (or, in the case of any such terms, terms more favorable to the holders of the Notes). The Collateral Agent, the Trustee and the Issuer shall take such actions as are necessary to enter into any Intercreditor Agreement pursuant to the terms of the Indenture, without the need for consent from holders of the Notes, upon receipt from the Parent of an Officer's Certificate and an Opinion of Counsel confirming that the Intercreditor Agreement conforms to the conditions set out in the description of its terms and in the description of the role of the Collateral Agent set out above, in each case, in all material respects and upon satisfactory indemnification from the Parent. In exercising its rights under any Intercreditor Agreement, the Trustee will do so subject to and in accordance with the provisions of the Indenture. No Intercreditor

Agreement will impose any personal obligations on the Trustee or the Collateral Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or the Collateral Agent or the holders of the Notes under the Indenture or such Intercreditor Agreement or result in the Trustee, the Collateral Agent or the holders of the Notes being in breach of or otherwise in violation of, such Intercreditor Agreement. Under any Intercreditor Agreement, the Trustee and the Collateral Agent will receive customary protections and indemnity substantially similar to those given to the Trustee and the Collateral Agent under the Indenture.

Instructions to Enforce

The Collateral Agent shall enforce the Parity Debt Collateral in accordance with the written instructions of the Majority Parity Creditors, and may refrain from enforcing the Parity Debt Collateral unless instructed otherwise by the Majority Parity Creditors, subject to the Collateral Agent being indemnified and/or secured to its satisfaction and being able to delegate such enforcement in accordance with the section entitled “Collateral Agent.”

The Collateral Agent shall disregard any instructions to enforce the Parity Debt Collateral if those instructions are not provided by the Majority Parity Creditors, and shall not be liable to any person whatsoever in connection therewith.

To the extent any instructions given under the Intercreditor Agreement relate to a release of any Parity Debt Collateral or guarantees, that release shall be implemented in compliance with the provisions set forth below under the caption “—Release of Parity Debt Collateral and Guarantees.” No creditor shall have any independent power to enforce, or have recourse to, any agreement or other instrument governing the Parity Debt Collateral or to exercise any rights or powers arising under such agreements or other instruments except through the Majority Parity Creditors providing such instructions to the Collateral Agent. Except as expressly provided in the Intercreditor Agreement, the Collateral Agent is not authorised to act on behalf of a creditor or holder (without first obtaining that person’s consent) in any legal or arbitration proceedings in connection with any finance document.

Release of Parity Debt Collateral and Guarantees

Except as provided in the immediately following paragraph, if a disposal to a Person or Persons of any asset constituting Parity Debt Collateral and (including, without limitation, shares or participatory interests in the Issuer or the Guarantors) owned by the Issuer or the Guarantors is:

- (i) not prohibited by the Indenture (if prior to the Notes Discharge Date) and the finance documents for other Parity Debt (if prior to the Other Parity Debt Discharge Date);
- (ii) being effected at the request of the Majority Parity Creditors or the Collateral Agent acting on behalf of the Majority Parity Creditors in accordance with the Intercreditor Agreement, in circumstances where the holders of the Notes and holders of/lenders under other Parity Debt are entitled to take enforcement action under the Intercreditor Agreement; or
- (iii) being effected pursuant to enforcement action taken to enforce any Parity Debt Collateral in accordance with the Intercreditor Agreement,

the Collateral Agent is, to the extent legally possible, irrevocably authorised and directed to and shall execute on behalf of each creditor (including the Trustee and the holders of the Notes) and each of the Issuer and/or the Guarantors and their Subsidiaries, as applicable (and at the cost of the Issuer and/or the relevant Guarantors):

- (a) a release of any Parity Debt Collateral and any other claim (including, without limitation, any guarantees in respect thereof) under the relevant finance documents over that asset; and
- (b) if that asset comprises all of the shares in the Capital Stock of any Subsidiary of the Parent which, in each case, constitutes Parity Debt Collateral, a release of such Subsidiary and its Subsidiaries from all present and future obligations and liabilities (both actual and contingent and including any liability under any guarantee (including, without limitation, the Notes Guarantees) and/or to any other obligor by way of contribution or indemnity (but excluding any obligations and liabilities that such Subsidiary has as a borrower to repay principal and pay interest, premium or other return on principal)) under the finance documents evidencing Parity Debt and a release of any Parity Debt Collateral granted by the Parent or any of its Subsidiaries (or any of their respective direct or indirect parent entities, if applicable) over any of their respective assets,

provided that (1) in the case of Clause (i) above, the proceeds of that disposal are applied in accordance with any requirements under the relevant finance documents relating to mandatory prepayment, redemption and/or cancellation from the proceeds of disposals (in respect of which application the Collateral Agent is entitled to rely on an Officer's Certificate from the Parent); and (2) in the case of Clauses (ii) and (iii) above, the proceeds of that disposal are applied in accordance with the priority set forth below under the caption “—Application of Enforcement Proceeds.”

Each creditor (in the case of the Trustee, without the need for any further referral to or authority or consent from the holders of the Notes, but subject to its costs and expenses being paid or indemnified and/or secured to its satisfaction) and each of the Issuer and the Guarantors will promptly execute any documents as may be necessary to give effect to such releases as the Collateral Agent may reasonably require to give effect to these release provisions.

Proceeds from Recoveries

Each holder of Parity Debt and Eligible Parity Hedging Obligations agrees that any proceeds (such proceeds, the “Designated Proceeds”) received by a creditor on account of any debt from any:

- (a) enforcement of the Parity Debt Collateral;
- (b) sale of any assets of the Issuer or any Guarantor pursuant to an insolvency event or an enforcement action; or
- (c) judicial supervised or sanctioned reorganisation or administrative work-out or restructuring,

shall, in any such case, upon demand by the Collateral Agent, be paid by such creditor (less the third party costs and expenses (if any) reasonably incurred by such creditor concerned in receiving or recovering such proceeds) to the Collateral Agent for application in accordance with the priority set forth below under the caption “—Application of Enforcement Proceeds.”

Application of Enforcement Proceeds

Subject to applicable law and to the rights of any person with prior security or prior claims, the Designated Proceeds shall be paid to the Collateral Agent. Subject to the proviso below, the Designated Proceeds and all other amounts paid to the Collateral Agent under the Intercreditor Agreement in connection with the Parity Debt Collateral shall be applied in the following order:

First, in payment of the fees, costs, expenses and liabilities (and all interest thereon as provided for in the finance documents) of the Collateral Agent, any receiver, attorney in fact, agent or other duly authorised representative(s) of Parity Debt (other than the Trustee and the Collateral Agent) appointed under any agreement or instrument governing the Parity Debt Collateral or the Intercreditor Agreement in accordance with the terms of the relevant finance document and customary costs, expenses and indemnities payable to the Trustee for its own account pursuant to the Indenture equally and ratably between such parties;

Second, equally and ratably to the respective representatives of Parity Debt and Eligible Parity Hedging Obligations for application to the payment of all outstanding Parity Debt and all other obligations under Parity Debt that are then due and payable and the Eligible Parity Hedging Obligations in accordance with the terms of the relevant finance document; and

Third, in payment of the surplus (if any) to the Issuer or Guarantors or other persons entitled to it,

provided that no recoveries shall be distributed to any representative or holder of Parity Debt or Eligible Parity Hedging Obligations (for the purposes of this paragraph, each a “Beneficiary”) in accordance with the above provisions to the extent any such distribution would cause any Beneficiary to receive an amount greater than that to which it is entitled, having regard to any applicable limitation in any relevant agreement or other instrument governing the Parity Debt Collateral on (i) the amount or nature of the debt owing to such Beneficiary which is intended to be secured under that agreement or instrument or (ii) the assets which are intended to be secured under that agreement or instrument in favour of such Beneficiary. Subject to applicable law and to the rights of any person with prior security or prior claims, no such proceeds or amounts shall be applied in payment of any amounts specified above until all amounts specified in any earlier subparagraph have been paid in full.

Amendments to the Intercreditor Agreement

Waivers, consents or amendments to or in relation to the Intercreditor Agreement must be agreed by the duly authorised representative(s) of Parity Debt (other than the Notes), the Trustee and the Collateral Agent, *provided* that to the extent that an amendment to the Intercreditor Agreement only affects the rights and obligations of one or more parties or class of parties to the Intercreditor Agreement, and could not reasonably be expected to be adverse to the interests of the other parties, only the parties or class of parties affected by such amendment need to agree to the amendments.

Authorised actions to ensure equal and rateable treatment

The Security Documents (other than the pledge of the Proceeds Loan) will secure all Parity Debt and Eligible Parity Hedging Obligations on an equal and rateable basis. The Collateral Agent will have the right to take whatever action necessary to ensure that Parity Debt and Eligible Parity Hedging Obligations incurred or materially amended after the Notes are issued are secured on an equal and rateable basis over the Parity Debt Collateral. Such actions may include amending the Security Documents and/or the Intercreditor Agreement to designate new Parity Debt or Eligible Parity Hedging Obligations as a secured obligation thereunder or to amend the description of any Parity Debt or Eligible Parity Hedging Obligation that has been materially amended or, if such an amendment is not effective to provide the new Parity Debt or Eligible Parity Hedging Obligation with equal and rateable security in a particular jurisdiction, causing the automatic release of the relevant security granted to the Notes in such jurisdiction without consent and retaking new security in favor of the Collateral Agent for the benefit of the holders of the Parity Debt and the Eligible Parity Hedging Obligations on substantially the same terms as prior to release; *provided* that either (i) there is delivered to the Collateral Agent and the Trustee, in form and substance satisfactory to each of them, an Opinion of Counsel opining that, following such release and retaking, the Liens on Parity Debt Collateral securing the Parity Debt and the Eligible Parity Hedging Obligations are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity (to the extent legally applicable) or at law, that such Liens were not otherwise subject to immediately prior to such release and retaking, or (ii) an Independent Financial Advisor delivers a solvency opinion, in form and substance satisfactory to the Collateral Agent and the Trustee, confirming the solvency of the Parent and its Restricted Subsidiaries, taken as a whole, after giving effect to actions taken as contemplated by this paragraph).

Limitation on Line of Business

The Parent will not, and will not permit any Restricted Subsidiary, to engage in any business other than an Oil and Gas Business (including the financing and refinancing of such activities).

Listing

The Parent shall use all commercially reasonable efforts to (i) list and maintain the listing of the Notes on the Luxembourg Stock Exchange; *provided* that if the Parent is unable to list the Notes on the Luxembourg Stock Exchange or if maintenance of such listing becomes unduly onerous, it will use all commercially reasonable efforts to list and maintain the listing of the Notes on another recognized stock exchange and (ii) maintain the listing of its global depositary receipts on the main market of the London Stock Exchange.

Payments for consent

Neither the Parent nor any of its Restricted Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fees or otherwise, to any holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Events of default

Each of the following is an Event of Default:

- (1) default in any payment of interest on any Note when due, continued for 30 days;
- (2) default in the payment of principal of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, or otherwise;

- (3) failure by the Issuer or a Guarantor to comply with its obligations under “Certain covenants—Merger and consolidation” or under “Certain covenants—Substitution”;
- (4) failure by the Issuer or a Guarantor to comply for 30 days after notice as provided below with any of its obligations under the covenant described under “Change of Control” above or under the covenants described under “Certain covenants” above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under Clause (2) above and other than a failure to comply with “Certain covenants—Merger and consolidation” or “Certain covenants—Substitution” which is covered by Clause (3));
- (5) failure by the Issuer or a Guarantor to comply for 60 days after notice as provided below with its other agreements contained in the Indenture (other than those covered under Clauses (1), (2), (3) and (4) above);
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness by the Parent or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent or any of its Restricted Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default:
 - (a) is caused by a failure to pay principal of, or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness (“payment default”); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the “cross acceleration provision”);

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates \$10 million or more;
- (7) certain events of bankruptcy, insolvency or reorganization of the Issuer, a Guarantor or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the “bankruptcy provisions”);
- (8) any judgment or decree for the payment of money in excess of \$10 million is entered against the Issuer, any Guarantor, any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent and its Restricted Subsidiaries), would constitute a Significant Subsidiary, remains outstanding for a period of 60 consecutive days following such judgment and is not discharged, waived or stayed (the “judgment default provision”);
- (9) any Notes Guarantee ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or any Guarantor denies or disaffirms its obligations under the Indenture or its Notes Guarantee; or
- (10) the security interest under the Security Documents shall, at any time, cease to be in full force and effect for any reason other than satisfaction in full of all obligations under the Indenture and discharge of the Indenture or release or discharge in accordance with the Indenture and the Security Documents or any security interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Guarantor shall assert, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable (the “security default provision”).

However, a default under Clauses (4) and (5) of this paragraph will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify the Parent in writing and, in the case of a notice given by the holders, the Trustee of the default and the Parent does not cure such default within the time specified in Clauses (4) and (5) of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in Clause (7) above) occurs and is continuing, the Trustee by notice to the Parent, or the holders of at least 25% in principal amount of the outstanding Notes by notice to the Parent and the Trustee, may, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, accrued and unpaid interest, if any, on all the Notes to be due and payable. If an Event of Default described in Clause (7) above occurs and is continuing, the principal of, premium, if any, accrued and unpaid interest, if any, on all the Notes will become and be

immediately due and payable without any declaration or other act on the part of the Trustee or any holders. The holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to nonpayment of principal, premium or interest, if any) and rescind any such acceleration with respect to the Notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction based on an Opinion of Counsel delivered by the Parent to the Trustee, (2) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (3) the Parent has paid the Trustee its reasonable compensation and has reimbursed the Trustee for its expenses, disbursements and advances.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders unless such holders have provided to the Trustee indemnity or security against any loss, liability or expense satisfactory to the Trustee in its sole discretion. Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such holders have provided the Trustee security or indemnity satisfactory to the Trustee in its sole discretion against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) the holders of a majority in principal amount of the outstanding Notes have not waived such Event of Default or otherwise given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the holders. In addition, the Parent is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Parent also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events which would constitute certain Defaults, their status and what action the Parent is taking or proposing to take in respect thereof.

Amendments and waivers

The Indenture, the Notes, the Notes Guarantees, the Security Documents and any Intercreditor Agreement may be amended or supplemented with the consent of the holders of a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past or existing default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without the consent of holders holding at least 90% of the principal amount of the Notes (including, without

limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), no amendment may:

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note;
- (4) reduce the premium payable upon the redemption of any Note pursuant to the provisions described under “Optional redemption,” or change the time at which any Note may be redeemed pursuant to the provisions described under “Optional redemption”;
- (5) make any Note payable in money other than that stated in the Note;
- (6) impair the right of any holder to receive payment of, premium, if any, principal of and interest on such holder’s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder’s Notes;
- (7) make any change in the amendment provisions or the waiver provisions, in each case which require the consent of holders holding at least 90% of the principal amount of the Notes;
- (8) release any Notes Guarantees (except in accordance with the terms of the Indenture);
- (9) release any Lien or Collateral except in accordance with the terms of the Indenture;
- (10) make any change in the provisions of the Indenture described under “Additional Amounts” that adversely affects the rights of any holder of Notes or amend the terms of the Notes or the Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder; or
- (11) make any change to or modify the ranking of the Notes that would adversely affect the holders (other than pursuant to the covenant described under “Certain covenants—Collateral Sharing Arrangements”).

Notwithstanding the foregoing, without the consent of any holder, the Issuer, the Guarantors, the Collateral Agent and the Trustee may amend the Indenture, the Notes, the Notes Guarantees, Security Documents and any Intercreditor Agreement to:

- (1) cure any ambiguity, omission, defect, mistake or inconsistency;
- (2) provide for the assumption by a successor Person of the obligations of the Parent, the Issuer or any Subsidiary Guarantor under any Notes Document;
- (3) add Guarantees with respect to the Notes, including Subsidiary Guarantees, or release a Subsidiary Guarantor from its Subsidiary Guarantee and terminate such Subsidiary Guarantee; *provided* that the release and termination do not violate the Indenture;
- (4) provide additional security for the Notes or the Notes Guarantees;
- (5) add to the covenants of the Parent or a Subsidiary Guarantor for the benefit of the holders or surrender any right or power conferred upon the Parent or a Subsidiary Guarantor;
- (6) make any change that does not adversely affect the rights of any holder;
- (7) comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act; or
- (8) provide for the succession of a successor Trustee or successor Collateral Agent;
- (9) conform the text of the Indenture or the Notes to any provision of this description of notes;
- (10) release Collateral in accordance with the terms of the Indenture and the Security Documents or to release any Notes Guarantee in accordance with the terms of the Indenture;
- (11) provide for the issuance of Additional Notes in accordance with the terms of the Indenture.
- (12) add any additional parties to any Intercreditor Agreement or any Security Document to the extent permitted by other provisions of the Indenture; or

- (13) in the case of a Security Document and any Intercreditor Agreement, to incur Indebtedness or to grant a Lien for the benefit of a Person, in each case, with the ranking and priority permitted by other provisions of the Indenture; *provided* that the incurrence of such Indebtedness and such Lien is permitted by other provisions of the Indenture.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any holder of Notes given in connection with a tender of such holder's Notes will not be rendered invalid by such tender. After an amendment under the Indenture becomes effective, the Parent is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all the holders, or any defect in the notice will not impair or affect the validity of the amendment.

Defeasance

The Parent and the Issuer at any time may terminate all their respective obligations under the Notes, the Indenture and the Parent's Notes Guarantee ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. If the Parent and the Issuer exercise their legal defeasance option, the Notes Guarantees of the Subsidiary Guarantors in effect at such time will terminate and all Collateral (other than the relevant defeasance trust assets) will be released.

The Parent and the Issuer at any time may terminate all of their respective obligations described under "Change of Control" and under covenants described under "Certain covenants" (other than Clauses (1), (2), (4) and (5) of the first paragraph and Clauses (1), (2) and (3) of the sixth paragraph under "Certain covenants—Merger and consolidation" and the provisions described under "Substitution"), the operation of the cross default upon a payment default, cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries (other than Guarantors), the judgment default provision, and the limitations contained in Clause (3) of the first paragraph under "Certain covenants—Merger and consolidation" above, and the Parent and the other Guarantors may terminate the obligations of such Guarantors to provide the Notes Guarantees, which thereupon shall be automatically released ("covenant defeasance").

The Parent and the Issuer may exercise their legal defeasance option notwithstanding the Parent's prior exercise of its covenant defeasance option. If the Parent and the Issuer exercise their legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Parent exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in Clause (4), (5), (6), (7) (with respect only to Significant Subsidiaries other than Guarantors), (8), (9) or (10) under "Events of default" above or because of the failure of the Parent to comply with Clause (3) of the first paragraph under "Certain covenants—Merger and consolidation" above.

In order to exercise either defeasance option, the Parent must, among other things, irrevocably deposit in trust (the "defeasance trust") with the Trustee money or U.S. Government Obligations (or a combination thereof) for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect that holders of the Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable federal income tax law.

Satisfaction and discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when either:

- (1) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or

segregated and held in trust by the Parent and thereafter repaid to the Parent or discharged from such trust) have been delivered to the Trustee for cancellation, or

- (2) all Notes that have not been delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year by reason of the giving of a notice of redemption or otherwise and the Parent or any Subsidiary Guarantor has irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust solely for such purpose, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal and accrued interest to the date of maturity or redemption, and in each case certain other requirements set forth in the Indenture are satisfied.

No personal liability of directors, officers, employees and stockholders

No member of the Board of Directors of the Parent, officer, employee, director, incorporator, stockholder, member, partner or trustee of the General Partner, the Parent, the Issuer or any Subsidiary Guarantor, as such, shall have any liability for any obligations of the Parent, the Issuer or any Subsidiary Guarantor under the Notes, the Indenture or the Notes Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver and release may not be effective to waive liabilities under U.S. federal or other applicable securities laws.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Concerning the trustee and the collateral agent

Citibank N.A. has been appointed to be the Trustee under the Indenture and has been appointed by the Parent as registrar and paying agent with regard to the Notes. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee. Capita Trust Company Limited has been appointed to be the Collateral Agent under the Indenture.

Notices

For Notes which are represented by global Notes held on behalf of DTC, Euroclear or Clearstream, notices may be given by delivery of the relevant notices to DTC, Euroclear or Clearstream for communication to entitled account holders.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange and, in connection with any redemption, the Issuer will notify the Luxembourg Stock Exchange of any change in the principal amount of Notes outstanding.

Governing law

The Indenture provides that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. Any Intercreditor Agreement will be governed by the laws of the State of New York or English law. The Security Documents are governed by the laws of the Netherlands and England, as applicable. The Proceeds Loan Agreement is governed by the laws of England.

Arbitration

In respect of the Note Guarantee of each of Zhaikmunai LLP and Condensate- Holding LLP (each a “**Kazakh Guarantor**” and together the “**Kazakh Guarantors**”), each such Kazakh Guarantor and the

Trustee have irrevocably agreed that any dispute arising out of or connected with such Kazakh Guarantor's Note Guarantee (a "**Dispute**") may be resolved:

- (a) subject to the Trustee's option to bring court proceedings as described in the Indenture, by arbitration in London, England, conducted in the English language by three arbitrators, in accordance with the rules of the London Court of International Arbitration ("**LCIA**") (the "**LCIA Rules**"), with the exception of Article 6 thereof, which shall not apply, save that the three arbitrators shall be appointed as follows:
 - (i) each party shall nominate one arbitrator, and if one party fails to nominate an arbitrator within 30 days of receiving notice of the nomination of an arbitrator by the other party then that arbitrator shall be appointed by the LCIA;
 - (ii) the third arbitrator, who shall act as chairman of the tribunal, shall be nominated jointly by the two party-nominated arbitrators. If such arbitrator is not nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators, he shall be appointed by the LCIA; and
 - (iii) each arbitrator shall be and remain independent and impartial of each party; or
- (b) at any time before the Trustee has nominated an arbitrator to resolve any Dispute or Disputes pursuant to the terms of the Indenture, the Trustee may, at its sole option, elect by notice in writing to all other parties to such Dispute(s) that such Dispute(s) shall instead be heard by any state or Federal Court in the Borough of Manhattan, New York, New York as specified in the Indenture. Following any such election, no arbitral tribunal shall have jurisdiction in respect of such Dispute(s).

Any Note Guarantee of a Guarantor which is organised under the laws of Kazakhstan and becomes a Guarantor after the date of the Indenture will also include an arbitration provision substantially similar to the foregoing.

Certain definitions

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Guarantor or is merged into or consolidated with the Issuer or any Guarantor, or assumed in connection with the acquisition of assets from any such Person; whether or not such Indebtedness was Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Indebtedness will be deemed to be Incurred on the date the acquired Person becomes Guarantor (or is merged into or consolidated with the Issuer or any Guarantor, as the case may be) or the date of the related acquisition of assets from any Person.

"Additional Assets" means:

- (1) any properties or assets to be used by the Parent or a Restricted Subsidiary in the Oil and Gas Business;
- (2) capital expenditures by the Parent or a Restricted Subsidiary in the Oil and Gas Business;
- (3) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Parent or a Restricted Subsidiary; or
- (4) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, however, that, in the case of Clauses (3) and (4), such Restricted Subsidiary is primarily engaged in the Oil and Gas Business.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. "Affiliate" shall also mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Parent or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable).

“Asset Disposition” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of the Oil and Gas Business), transfer, issuance or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of (A) shares of Capital Stock of a Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with the covenant described under the heading “Certain covenants—Limitation on Indebtedness,” and directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Parent or a Restricted Subsidiary), (B) all or substantially all the assets of any division or line of business of the Parent or any Restricted Subsidiary or (C) any other assets of the Parent or any Restricted Subsidiary outside of the ordinary course of business of the Parent or such Restricted Subsidiary (each referred to for the purposes of this definition as a “disposition”), in each case by the Parent or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Parent or by the Parent or a Restricted Subsidiary to a Guarantor or the Issuer;
- (2) the sale of cash and Cash Equivalents;
- (3) a disposition of Hydrocarbons or mineral products inventory in the ordinary course of business;
- (4) a disposition of damaged, unserviceable, obsolete or worn out equipment or equipment that is no longer necessary for the proper conduct of the business of the Parent and its Restricted Subsidiaries and that is disposed of in each case in the ordinary course of business (including the abandonment or other disposition of property that is, in the reasonable judgment of the Parent, no longer economically practicable to maintain or useful in the conduct of the business of the Parent and its Restricted Subsidiaries taken as whole);
- (5) transactions in accordance with the covenant described under “Certain covenants—Merger and consolidation”;
- (6) an issuance, sale, lease, assignment, conveyance or other disposition of Capital Stock by a Restricted Subsidiary to the Parent or to a Guarantor or the Issuer;
- (7) the making of a Restricted Payment (or a disposition that would constitute a Restricted Payment but for the exclusions from the definition thereof) permitted by the covenant described under “Certain covenants—Limitation on Restricted Payments” or a Permitted Investment;
- (8) an Asset Swap;
- (9) any single disposition or a series of related dispositions of assets with a Fair Market Value of less than \$2 million;
- (10) Liens permitted under the Indenture (but not the sale or other disposition of the property subject to such Lien);
- (11) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (12) the licensing or sublicensing of intellectual property (including, without limitation, the licensing of seismic data) or other general intangibles in the ordinary course of business which do not materially interfere with the business of the Parent and its Restricted Subsidiaries;
- (13) foreclosure on assets;
- (14) surrender or waiver of contract rights, oil and gas leases, or the settlement, release or surrender of contract, tort or other claims of any kind;
- (15) the sale or transfer (whether or not in the ordinary course of business) of any Oil and Gas Property or interest therein to which no proved reserves are attributable at the time of such sale or transfer; and
- (16) the primary issuance of Capital Stock by an Unrestricted Subsidiary so long as the Parent, directly or indirectly, retains a majority interest in such Unrestricted Subsidiary’s Capital Stock (including Voting Stock) after giving effect to such issuance.

“Asset Swap” means any substantially contemporaneous (and in any event occurring within 90 days of each other) purchase and sale or exchange of any Oil or Gas Properties or assets or interest therein between the Parent or any of its Restricted Subsidiaries and another Person; *provided* that any cash received must be applied in accordance with “Certain covenants—Limitation on sales of assets and Subsidiary stock” as if the Asset Swap were an Asset Disposition.

“Attributable Debt” in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in such lease determination in accordance with GAAP) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended) after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, and similar charges; *provided, however*, that if such Sale/Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capitalized Lease Obligation”.

“Average Life” means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Indebtedness or Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors (or analogous governing body) of the corporation or any committee thereof duly authorised to act on behalf of such board;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members (or analogous governing body) or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

“Business Day” means each day that is not a Saturday, Sunday or other day on which commercial banking institutions in New York, the United States, London, the United Kingdom, Amsterdam, the Netherlands, Almaty, Kazakhstan or Luxembourg are authorised or required by law to close.

“Capital Stock” of any Person means any and all shares, units, interests (including limited partnership interests and participatory interests), rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligations” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty. A Capitalized Lease Obligation will be deemed to be secured by a Lien on the property being leased.

“Cash Equivalents” means:

- (1) securities issued or directly and fully guaranteed or insured by the Government or any agency or instrumentality of any member state of the European Union, Switzerland, Canada or the United States, (provided that the full faith and credit of such member state of the European Union, Switzerland, Canada or the United States is pledged in support thereof), having maturities of not more than one year from the date of acquisition;
- (2) marketable general obligations issued by any member state of the European Union, Switzerland, Canada or the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition (provided that the full faith and credit of such member state of the European Union, Switzerland, Canada or the United States is pledged in support thereof) and, at the time of acquisition, having a credit rating of “A” (or the equivalent thereof) or better from either S&P or Moody’s;

- (3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits, money market deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any commercial bank the short-term deposit of which is rated at the time of acquisition thereof at least "A2" or the equivalent thereof by S&P, or "P-2" or the equivalent thereof by Moody's, and having combined capital and surplus in excess of \$250.0 million;
- (4) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in Clauses (1), (2) and (3) entered into with any bank meeting the qualifications specified in Clause (3) above;
- (5) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's, or carrying an equivalent rating by a internationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and
- (6) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in Clauses (1) through (5) above and/or cash.

"Change of Control" means:

- (1) the Permitted Holder beneficially owns (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, in the aggregate less than 25% of the Capital Stock of the Parent or does not have the right or ability by voting power, contract or otherwise to designate for appointment a majority of the Board of Directors of the Parent or is not the sole member of any general partner of the Parent;
- (2) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holder, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (2) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 50% or more of the total voting power of the Voting Stock of the Parent;
- (3) members of the Board of Directors of the Parent designated by the Permitted Holder for appointment cease to constitute the majority of such Board of Directors;
- (4) the adoption of a plan relating to the liquidation or dissolution of the Parent; or
- (5) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Parent and its Subsidiaries, taken as a whole, to any Person other than a Permitted Holder.

"Collateral" means all the collateral described as such in, or assigned as security pursuant to, the Security Documents.

"Commodity Agreement" means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement in respect of Hydrocarbons used, produced, processed or sold by such Person that are customary in the Oil and Gas Business and designed to protect such Person against fluctuation in Hydrocarbon prices.

"Consolidated Coverage Ratio" means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDAX for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are available to (y) Consolidated Interest Expense for such four fiscal quarters, *provided, however*, that:

- (1) if the Parent or any Restricted Subsidiary:
 - (a) has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis (as determined in good faith by the Parent's Chief Financial Officer or a responsible financial or accounting officer of the Parent) to such Indebtedness and the use of proceeds thereof as if such Indebtedness had been Incurred on the first day of such period and such proceeds had been applied as of such date (except that in making such computation, the

amount of Indebtedness under any revolving Credit Facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such revolving Credit Facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such revolving Credit Facility to the date of such calculation, in each case, *provided* that such average daily balance shall take into account any repayment of Indebtedness under such revolving Credit Facility as provided in Clause (b)); or

- (b) has repaid, repurchased, defeased, redeemed or otherwise discharged any Indebtedness since the beginning of the period, including with the proceeds of such new Indebtedness, that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving Credit Facility unless such Indebtedness has been permanently repaid and the related commitment terminated), Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis (as determined in good faith by the Parent's Chief Financial Officer or a responsible financial or accounting officer of the Parent) to such discharge of such Indebtedness as if such discharge had occurred on the first day of such period and as if the Parent or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Cash Equivalents used to repay, repurchase, defease, redeem or otherwise discharge such Indebtedness;
- (2) if, since the beginning of such period, the Parent or any Restricted Subsidiary has made any Asset Disposition or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is such an Asset Disposition, the Consolidated EBITDAX for such period will be reduced by an amount equal to the Consolidated EBITDAX (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period or increased by an amount equal to the Consolidated EBITDAX (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Parent or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Parent and its continuing Restricted Subsidiaries in connection with or with the proceeds from such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Parent and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);
- (3) if, since the beginning of such period, the Parent or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary or is merged with or into the Parent or a Restricted Subsidiary) or an acquisition (or will have received a contribution) of assets, including any acquisition or contribution of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of a company, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving pro forma effect (as determined in good faith by the Parent's Chief Financial Officer or a responsible financial or accounting officer of the Parent) thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition or contribution had occurred on the first day of such period; and
- (4) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Parent or any Restricted Subsidiary since the beginning of such period) made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to Clause (2) or (3) above if made by the Parent or a Restricted Subsidiary during such period, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving pro forma effect (as determined in good faith by the Parent's Chief Financial Officer or a responsible financial or accounting officer of the Parent) thereto (including the Incurrence of any Indebtedness) as if such Asset Disposition or Investment or acquisition of assets had occurred on the first day of such period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness). If any Indebtedness is incurred under a revolving credit facility and is being given pro forma effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four fiscal quarters subject to the pro forma calculation to the extent that such Indebtedness was incurred solely for working capital purposes.

“Consolidated EBITDAX” of the Parent and its Restricted Subsidiaries for any period means the Consolidated Net Income for such period, plus the following, without duplication and to the extent deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense;
- (2) Consolidated Income Taxes;
- (3) consolidated depletion, amortization and depreciation expense of the Parent and its Restricted Subsidiaries;
- (4) other non-cash charges and expenses of the Parent and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period not included in the calculation) less all non-cash items increasing such Consolidated Net Income of the Parent and its Restricted Subsidiaries (other than accruals of revenue or the reversal of a reserve for cash charges in a future period by the Parent and its Restricted Subsidiaries in the ordinary course of business); and
- (5) consolidated exploration expense of the Parent and its Restricted Subsidiaries,

if applicable for such period (determined in accordance with GAAP).

Notwithstanding the preceding sentence, Clauses (2) through (5) relating to amounts of a Restricted Subsidiary of a Person will be added to Consolidated Net Income to compute Consolidated EBITDAX of such Person only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person and only if a corresponding amount would be permitted at the date of determination to be dividended to the Parent by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

“Consolidated Income Taxes” means, with respect to the Parent and its Restricted Subsidiaries for any period, taxes imposed upon such Person or other payments required to be made by such Person to any governmental authority which taxes or other payments are calculated by reference to the income, profits or capital of such Person or such Person and its Restricted Subsidiaries (to the extent such income or profits were included in computing Consolidated Net Income for such period), regardless of whether such taxes or payments are required to be remitted to any governmental authority.

“Consolidated Interest Expense” means, for any period, the total consolidated interest expense of the Parent and its Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense and without duplication:

- (1) interest expense attributable to Capitalized Lease Obligations and Attributable Debt and the interest component of any deferred payment obligations;
- (2) amortization of debt discount and debt issuance cost;
- (3) non-cash interest expense;
- (4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing;
- (5) the interest expense on Indebtedness of another Person that is Guaranteed by the Parent or one of its Restricted Subsidiaries or secured by a Lien on assets of the Parent or one of its Restricted Subsidiaries;
- (6) costs associated with Interest Rate Agreements (including amortization of fees); *provided, however*, that if Interest Rate Agreements result in net benefits rather than costs, such benefits shall be

credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

- (7) the consolidated interest expense of the Parent and its Restricted Subsidiaries that was capitalized during such period; and
- (8) all dividends (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Parent) accrued during such period on any series of Disqualified Stock of the Parent or on Preferred Stock of its Restricted Subsidiaries payable to a party other than the Parent or a Restricted Subsidiary;

provided that Consolidated Interest Expense shall include any withholding taxes payable in respect of any of the amounts described in Clauses (1) through (8) of this definition.

“Consolidated Net Income” means, for any period, the consolidated net income (loss) of the Parent and its Restricted Subsidiaries determined in accordance with GAAP; *provided, however*, that there will not be included (to the extent otherwise included therein) in such Consolidated Net Income:

- (1) any net income (loss) of any Person (other than the Parent) if such Person is not a Restricted Subsidiary, except that:
 - (a) subject to the limitations contained in Clauses (3) and (4) below, the Parent’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in Clause (2) below); and
 - (b) the Parent’s equity in a net loss of any such Person for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded from the Parent or a Restricted Subsidiary during such period;
- (2) any net income (loss) of any Restricted Subsidiary if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent, except that:
 - (a) subject to the limitations contained in Clauses (3) and (4) below, the Parent’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Parent or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this Clause); and
 - (b) the Parent’s equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;
- (3) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of the Parent or its Restricted Subsidiaries (including pursuant to any Sale/Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain (loss) realized upon the sale or other disposition of any securities;
- (4) (a) any extraordinary, exceptional or unusual gain, loss or charge (together with any related provision for taxes on such gain, loss or charge), and (b) any asset impairment writedowns on Oil and Gas Properties under GAAP, or the financial impacts of natural disasters (including fire, flood, storm and related events);
- (5) all deferred financing costs written off and premium paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (6) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person;
- (7) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in

earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

- (8) the cumulative effect of a change in accounting principles; and
- (9) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards.

“Credit Facilities” means one or more debt facilities or arrangements, commercial paper facilities, notes, debentures, indentures, or overdraft facilities with banks or other institutional lenders, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced, in whole or in part from time to time (whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under one or more other credit or other agreements, indentures, financing agreements or otherwise) and, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing. Without limiting the generality of the foregoing, the term “Credit Facilities” shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Parent as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder subject to compliance with the covenant described under “Certain covenants—Limitation on Indebtedness” or (4) otherwise altering the terms and conditions thereof.

“Currency Agreement” means in respect of a Person any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary.

“Default” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“Designated Indebtedness” means any Indebtedness in an aggregate principal amount of at least \$20 million (including the amount of all undrawn commitments and matured and contingent reimbursement obligations pursuant to letters of credit thereunder) that is designated as Designated Indebtedness pursuant to an Officer’s Certificate delivered to the Trustee and the Collateral Agent.

“Designated Proceeds” has the meaning given to such term under “Certain covenants—Collateral Sharing Arrangements—Proceeds from Recoveries”.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder of the Capital Stock) or upon the happening of any event:

- (1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Parent or a Restricted Subsidiary); or
- (3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is six months after the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding; *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Parent to repurchase such Capital Stock upon the occurrence of a change of control or asset disposition (each defined in a substantially identical manner to the corresponding definitions in the Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is exchangeable) provide that (i) the Parent may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is exchangeable) pursuant to such provision prior to compliance by the Parent with the provisions of the Indenture described under the captions “Change of Control” and “Certain covenants—Limitation on sales of assets and Subsidiary stock” and (ii) such repurchase or

redemption will be permitted solely to the extent also permitted in accordance with the provisions of the Indenture described under the caption “Certain covenants—Limitation on Restricted Payments.”

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; *provided, however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

“Eligible Parity Hedging Obligations” means, with respect to any specified Person, (i) the Hedging Obligations of such Person under agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency exchange rates in relation to any Parity Debt or (ii) the obligations of such Person pursuant to any Commodity Agreement.

“Equity Offering” means a public or private offering for cash by the Parent of Capital Stock (other than Disqualified Stock).

“European Union” means the European Union as of 1 January 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which becomes a member of the European Union after 1 January 2004.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Fair Market Value” means (unless otherwise provided in the Indenture) the value that would be paid by a willing buyer to an unaffiliated willing seller in an arm’s length transaction not involving distress or necessity of either party, determined in good faith by (i) an Officer and certified in an Officer’s Certificate, and (ii) with respect to any such transaction (other than any sale or other disposition in the ordinary course of business) involving aggregate consideration in excess of \$10 million, a majority of the members of the Board of Directors of the Parent who are disinterested with respect to the transaction for which Fair Market Value is to be determined have considered and accepted such Officer’s Certificate.

“GAAP” means International Financial Reporting Standards as issued by the IASB as in effect from time to time. All ratios and computations based on GAAP contained in the Indenture will be computed in conformity with GAAP.

“General Partner” means Zhaikmunai Group Limited, a limited company incorporated in the Isle of Man, with company registration number 121213C, having its registered office at 7th Floor, Harbour Court, Lord Street, Douglas, Isle of Man, IM1 4LN and any replacement general partner of the Parent so long as the sole member of such successor entity is a Permitted Holder.

“GTU 3” means the additional gas treatment unit to be constructed following completion of construction of the first phase of the Gas Treatment Facility.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business or any obligation to the extent it is payable only in Capital Stock of the Guarantor that is not Disqualified Stock. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor Subordinated Obligation” means, with respect to a Guarantor, any Indebtedness of such Guarantor (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinate

in right of payment to the obligations of such Guarantor under its Notes Guarantee pursuant to a written agreement.

“Guarantors” means the Parent and the Subsidiary Guarantors.

“Hedging Loss” means the loss (if any) suffered by a holder of Eligible Parity Hedging Obligation as a result of an early termination date occurring (or being deemed to occur) under any agreement or arrangements, setting forth the terms of such Eligible Parity Hedging Obligation pursuant to the designation of an early termination date or other termination as provided in the relevant hedging document, or the occurrence of the acceleration date of the Indebtedness in relation to which such Eligible Parity Hedging Obligation has been entered into, as set forth in an officers’ certificate from such holder.

“Hedging Obligations” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

“holder” means a Person in whose name a Note is registered on the registrar’s books.

“Hydrocarbons” means oil, natural gas, casing head gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and products refined or processed therefrom.

“Incur” means issue, create, assume, Guarantee, incur or otherwise become directly or indirectly liable for, contingently or otherwise; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing.

“Indebtedness” means, with respect to any Person on any date of determination (without duplication, whether or not contingent):

- (1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;
- (2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) the principal component of all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable, to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such obligation is satisfied within 30 days of payment on the letter of credit);
- (4) the principal component of all obligations of such Person (other than obligations payable solely in Capital Stock that is not Disqualified Stock) to pay the deferred and unpaid purchase price of property (except as described in Clause (3) of the last paragraph of this definition of Indebtedness), which purchase price is due more than six months after such property is acquired, of such Person in accordance with GAAP;
- (5) Capitalized Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;
- (6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of the Parent, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;
- (8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time),

if and to the extent any of the preceding items (other than Indebtedness described in Clauses (3), (6), (7) and (8) above) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP; *provided, however*, that any Indebtedness which has been defeased pursuant to the deposit of cash or Cash Equivalents (in an amount sufficient to satisfy all such indebtedness obligations at maturity or redemption, as applicable, and all payments of interest and premium, if any) in a trust or account created or pledged for the sole benefit of the holders of such indebtedness, and subject to no other Liens, shall not constitute “Indebtedness.”

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

Notwithstanding the preceding, “Indebtedness” shall not include:

- (1) any obligation arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is extinguished within five Business Days of Incurrence;
- (2) in-kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business;
- (3) accrued expenses and trade payables and other accrued liabilities arising in the ordinary course of business unless they are overdue by 90 days or more past the date for payment (other than those that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted); and
- (4) any lease of property which would be considered an operating lease under GAAP.

“Independent Financial Advisor” means an investment banking firm, bank, accounting firm or third-party appraiser, in any such case, of international standing; *provided* that such firm is not an Affiliate of the Parent.

“Intercreditor Agreement” means an intercreditor agreement entered into pursuant to the covenant described under “Certain covenants—Collateral Sharing Arrangements”.

“Interest Rate Agreement” means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (including by way of Guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit (other than a time deposit) and advances or extensions of credit to customers in the ordinary course of business) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments (excluding any interest in a crude oil or natural gas leasehold to the extent constituting a security under applicable law) issued or Incurred by, such other Person and all other items that are or would be classified as investments on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP.

If the Parent or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Parent or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Parent or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Parent or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of “Unrestricted Subsidiary” and the covenant described under “Certain covenants—Limitation on Restricted Payments,”

- (1) “Investment” will include the portion (proportionate to the Parent’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Parent will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Parent’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Parent’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time that such Subsidiary is so redesignated as a Restricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

“Issue Date” means 19 October 2010.

“Lien” means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Lien Sharing and Parity Confirmation” means the written agreement of the holders of Parity Debt (other than the Notes), as set forth in a credit agreement, indenture or other agreement governing such Parity Debt, for the enforceable benefit of all holders of each existing and future Parity Debt:

- (1) that all obligations under the Parity Debt will be and are secured equally and rateably by a Permitted Collateral Lien at any time securing any obligations in respect of such Parity Debt pursuant to the covenant described under “Certain covenants—Limitation on Liens” and that all Permitted Collateral Liens securing such Parity Debt will be enforceable by the Collateral Agent to the benefit of all holders of Parity Debt;
- (2) that the holders of obligations in respect of such Parity Debt will be, or are bound by the provisions of the Intercreditor Agreement, including provisions relating to ranking of Liens securing such Parity Debt and the order of application of proceeds from enforcement of Liens securing Parity Debt; and
- (3) consenting to and directing the Collateral Agent to enter into, and perform, as applicable, its obligations under the Intercreditor Agreement.

“Majority Parity Creditors” means, at any time, holders of Parity Debt and Eligible Parity Hedging Obligations whose Parity Commitments and Hedging Losses together represent in aggregate more than 50.0% of the Total Parity Commitments at that time.

“Moody’s” means Moody’s Investors Service, Inc., or any successor to the rating agency business thereof.

“Net Available Cash” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;

- (3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or to holders of royalty or similar interests as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Parent or any Restricted Subsidiary after such Asset Disposition.

“Net Cash Proceeds,” with respect to any issuance or sale of Capital Stock or any contribution to equity capital, means the cash proceeds of such issuance, sale or contribution net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance, sale or contribution and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

“Non-Recourse Debt” means Indebtedness of a Person:

- (1) as to which neither the Parent nor any Restricted Subsidiary (a) provides any Guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);
- (2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Parent or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and
- (3) the explicit terms of which provide there is no recourse against any of the assets of the Parent or its Restricted Subsidiaries.

“Notes Discharge Date” means the date upon which all outstanding obligations of the Issuer and the Guarantors under the Notes are discharged pursuant to the terms of the Indenture.

“Notes Documents” means the Notes, the Indenture, the Security Documents, the Proceeds Loan Agreement and any Intercreditor Agreement.

“Notes Guarantee” means, individually, any Guarantee of payment of the Notes by a Guarantor pursuant to the terms of the Indenture and any supplemental indenture thereto, and, collectively, all such Guarantees. Each such Guarantee will be in the form prescribed by the Indenture.

“Officer” means the Chairman of the Board of Directors of the Parent or the Chief Executive Officer, the Chief Operating Officer, the Deputy Chief Executive Officer, the Chief Financial Officer or the Group General Counsel of the Parent.

“Officer’s Certificate” means a certificate signed by an Officer of the Parent.

“Oil and Gas Business” means:

- (1) the business of acquiring, exploring, exploiting, developing, producing, operating and disposing of interests in oil, natural gas, liquid natural gas and other Hydrocarbon and mineral properties or products produced in association with any of the foregoing;
- (2) the business of gathering, marketing, distributing, treating, processing, storing, refining, selling and transporting (including by railcars or pipelines) of any production from such interests or properties and products produced in association therewith and the marketing of oil, natural gas, other Hydrocarbons and minerals obtained from unrelated Persons;
- (3) any other related energy business, including power generation and electrical transmission business, directly or indirectly, from oil, natural gas and other Hydrocarbons and minerals produced substantially from properties in which the Parent or its Restricted Subsidiaries, directly or indirectly, participates;
- (4) any business relating to oil field sales and service; and
- (5) any business or activity relating to, arising from, or necessary, appropriate or incidental to the activities described in the foregoing Clauses (1) through (4) of this definition.

“Oil and Gas Properties” means all properties, including equity or other ownership interests therein, owned by or licensed to a Person so that such Person can explore and/or exploit them, which contain or are

believed to contain oil and gas reserves and all wells, oil or gas treatment facilities, oil or gas transportation and other related assets.

“Opinion of Counsel” means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Parent or the Trustee.

“Other Parity Debt Discharge Date” means the date upon which all outstanding obligations of the Issuer and any Guarantor to all holders of Parity Debt (other than the Notes) are discharged pursuant to the terms of the finance documents governing such Parity Debt.

“*Pari Passu* Indebtedness” means Indebtedness that ranks equally in right of payment to the Notes or the Notes Guarantees.

“Parity Commitments” means the aggregate of the principal amount of Parity Debt outstanding on any date of determination.

“Parity Debt” means (without double-counting):

- (a)
 - (i) the Notes and the Notes Guarantees;
 - (ii) any Refinancing Indebtedness Incurred in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness pursuant to clause (a)(i) above that is Designated Indebtedness;
 - (iii) any Guarantees of Indebtedness incurred pursuant to (a)(ii) above, provided that such Guarantee is incurred pursuant to the covenant entitled “Certain covenants—Limitation on Indebtedness”; and
 - (iv) with respect to (a)(i), (a) (ii) and (a)(iii) above, “parallel debt obligations”, if any, created under any Notes Document;
- (b)
 - (i) (A) any Additional Notes permitted to be incurred pursuant to the first paragraph of the covenant entitled “Certain covenants—Limitation on Indebtedness,” (B) Indebtedness Incurred to finance the acquisition, lease, improvement or construction of or repairs or additions to GTU 3 unless such Indebtedness is secured by a Lien on any assets of the Parent or its Subsidiaries other than Parity Debt Collateral or (C) any Indebtedness permitted to be incurred pursuant to Clause (13) of the second paragraph of the covenant entitled “Certain covenants—Limitation on Indebtedness”;
 - (ii) any Refinancing Indebtedness incurred in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to clause (b)(i) above that is Designated Indebtedness;
 - (iii) any Guarantees of (b)(i) and (b)(ii) above, provided that such Guarantee is incurred pursuant to the covenant entitled “Certain covenants—Limitation on Indebtedness”; and
 - (iv) with respect to (b)(i), (b)(ii) and (b)(iii) above “parallel debt obligations”, if any, created under the security documents evidencing such “parallel debt” obligations;

provided that:

- (a) on or before the date on which such Parity Debt is incurred pursuant to Clause (a)(ii), (b)(i)(B) or (b)(i)(C) or (b)(ii) above, such Indebtedness is designated as “Parity Debt” in an Officer’s Certificate delivered to the Trustee, the Collateral Agent, and any duly authorised representative(s) of Parity Debt (other than the Trustee), for the purpose of empowering the Trustee and the Collateral Agent to enter into, or perform its obligations under, the Intercreditor Agreement and setting out the duly authorised representative of such Parity Debt (if any);
- (b) the Lien granted over the Collateral is a Permitted Collateral Lien;
- (c) such Indebtedness (to the extent described in Clause (a)(ii), (b)(i)(B) or (b)(i)(C) or (b)(ii) above) is governed by an indenture, a credit agreement or other agreement that includes a Lien Sharing and Parity Confirmation;
- (d) any property or assets securing such Indebtedness (other than the Collateral) also secures the Notes and the Notes Guarantees on an equal and rateable basis with the Parity Debt so secured directly pursuant to the covenant entitled “Certain covenants—Limitation on Liens”; and

- (e) the holder(s) of such other Parity Debt or their duly authorised representative(s) enter into or accede to an Intercreditor Agreement in such capacity.

“Parity Debt Collateral” means any asset or property of the Parent or its Restricted Subsidiaries that secures Parity Debt (it being understood and agreed, however, that the Proceeds Loan and Capital Stock of the Issuer shall only be pledged as Collateral for the Notes).

“Permitted Business Investment” means any Investment made in the ordinary course of, and of a nature that is or shall have become customary in, the Oil and Gas Business including investments or expenditures for actively exploiting, exploring for, acquiring, developing, producing, processing, gathering, marketing or transporting oil, natural gas or other Hydrocarbons and minerals through agreements, transactions, interests or arrangements which permit one to share risks or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of the Oil and Gas Business jointly with third parties including:

- (1) ownership interests in oil, natural gas, other Hydrocarbons and minerals properties, liquid natural gas facilities, processing facilities, gathering systems, pipelines, storage facilities or related systems or ancillary real property interests;
- (2) Investments in the form of or pursuant to operating agreements, working interests, royalty interests, mineral leases, processing agreements, contracts for the sale, transportation or exchange of oil, natural gas, other Hydrocarbons and minerals, production sharing agreements, participation agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling agreements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), subscription agreements, stock purchase agreements, stockholder agreements and other similar agreements (including for limited liability companies) with third parties (including Unrestricted Subsidiaries); and
- (3) direct or indirect ownership interests in drilling rigs and related equipment, including, without limitation, transportation equipment.

“Permitted Collateral Liens” means

- (1) Liens on the Collateral to secure Parity Debt incurred pursuant to Clause (a) of the definition of Parity Debt;
- (2) Liens on the Collateral to secure Parity Debt incurred pursuant to Clause (b) of the definition of Parity Debt;
- (3) Liens on the Collateral securing the Eligible Parity Hedging Obligations, provided that each of the parties thereto will have entered into the Intercreditor Agreement; and
- (4) Liens on the Collateral that are described in Clause (3) or Clause (18) of the definition of “Permitted Liens” and that, in each case, would not materially interfere with the ability of the Collateral Agent to enforce the security interest in the Collateral.

“Permitted Holder” means Frank Monstrey and any of his Related Parties. Any person whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made and settled in accordance with the requirements of the Indenture will thereafter, together with its Related Parties, constitute an additional Permitted Holder.

“Permitted Investment” means an Investment by the Parent or any Restricted Subsidiary in:

- (1) the Issuer, the Parent, or a Guarantor;
- (2) another Person whose primary business is the Oil and Gas Business if as a result of such Investment such other Person becomes a Guarantor or is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Guarantor and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;
- (3) cash and Cash Equivalents;
- (4) receivables owing to the Parent or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary trade terms as the Parent or any such Restricted Subsidiary deems reasonable under the circumstances;

- (5) payroll, commission, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) loans or advances to employees or officers of the Parent or any Restricted Subsidiary or members of the Board of Directors of the Parent or any of the Restricted Subsidiaries not to exceed \$5 million in the aggregate outstanding at any time;
- (7) Capital Stock, obligations or securities received in settlement of debts (x) created in the ordinary course of business and owing to the Parent or any Restricted Subsidiary or in satisfaction of judgments or (y) pursuant to any plan of reorganization or similar arrangement in a bankruptcy or insolvency proceeding;
- (8) Investments made as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with the covenant described under “Certain covenants—Limitation on sales of assets and Subsidiary stock”;
- (9) Investments in existence on the Issue Date;
- (10) Investments represented by Hedging Obligations that are not incurred for speculative purposes;
- (11) Guarantees issued in accordance with the covenant described under “Certain covenants—Limitation on Indebtedness”;
- (12) Permitted Business Investments;
- (13) any Person where such Investment was acquired by the Parent or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Parent or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Parent or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;
- (14) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers’ compensation, performance and other similar deposits made in the ordinary course of business by the Parent or any Restricted Subsidiary;
- (15) Guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course in the Oil and Gas Business, including obligations under oil and natural gas exploration, development, joint operating, and related agreements and licenses, concessions or operating leases related to the Oil and Gas Business;
- (16) acquisitions of assets, Capital Stock or other securities by the Parent or a Restricted Subsidiary for consideration consisting of Capital Stock (other than Disqualified Stock) of the Parent;
- (17) Investments in or purchases or repurchases of (a) the Notes or (b) in connection with the Substitution, by Zhaikmunai LLP, the Proceeds Loan;
- (18) advances to or reimbursements of employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business of the Parent or any of its Restricted Subsidiaries or the General Partner; and
- (19) Investments by the Parent or any of its Restricted Subsidiaries, together with all other Investments pursuant to this Clause (19), in an aggregate amount outstanding at the time of such Investment not to exceed \$10 million; *provided* that if an Investment is made pursuant to this Clause (19) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the definition of “Unrestricted Subsidiary”, such Investment, if applicable, shall thereafter be deemed to have been made pursuant to Clause (2) of this definition of “Permitted Investment” and not this Clause.

“Permitted Liens” means, with respect to any Person:

- (1) pledges or deposits by such Person under workmen’s compensation laws, unemployment insurance laws, social security or old age pension laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits (which may be secured by a Lien) to secure public or statutory obligations of such Person including letters of credit and bank guarantees required or requested by

any government or any subdivision, department, agency, organization or instrumentality of any of the foregoing in connection with any contract or statute (including lessee or operator obligations under statutes, governmental regulations, contracts or instruments related to the ownership, exploration and production of oil, natural gas, other hydrocarbons and minerals), or deposits of cash or Cash Equivalents to secure indemnity performance or rehabilitation obligations, surety or appeal bonds or other similar bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

- (2) statutory and contractual Liens of landlords and Liens imposed by law, including carriers', warehousemen's, mechanics' materialmen's and repairmen's Liens, in each case for sums not yet delinquent or being contested in good faith by appropriate proceedings if a reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made in respect thereof;
- (3) Liens for taxes, assessments or other governmental charges or claims not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves, if any, required pursuant to GAAP have been made in respect thereof;
- (4) Liens in favor of issuers of surety or performance bonds or letters of credit or bankers' acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided, however*, that such letters of credit do not constitute Indebtedness;
- (5) survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of the assets of such Person and its Restricted Subsidiaries, taken as a whole, or materially impair their use in the operation of the business of such Person and its Restricted Subsidiaries, taken as a whole;
- (6) Liens securing Hedging Obligations not incurred for speculative purposes;
- (7) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) which are in the ordinary course of business of the Parent or any of its Restricted Subsidiaries;
- (8) prejudgment Liens and judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (9) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, purchase money obligations or other payments Incurred to finance the acquisition, lease, improvement or construction of or repairs or additions to, assets or property acquired or constructed in the ordinary course of business; *provided* that:
 - (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and does not exceed the cost of the assets or property that are the subject of such acquisition, lease, completion of improvements, construction, repairs or additions; and
 - (b) such Liens are created not later than 90 days after the later of the acquisition, lease, completion of improvements, construction, repairs or additions or commencement of full operation of the assets or property subject to such Lien and do not encumber any other assets or property of the Parent or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;
- (10) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of netting or set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; *provided* that:
 - (a) such deposit account is not a dedicated cash collateral account; and

- (b) such deposit account is not intended by the Parent or any Restricted Subsidiary to provide collateral to the depository institution;
- (11) Liens arising from statutory filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Parent and its Restricted Subsidiaries in the ordinary course of business;
 - (12) Liens existing on the Issue Date;
 - (13) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; *provided further, however*, that any such Lien may not extend to any other property owned by the Parent or any Restricted Subsidiary (other than assets or property affixed or appurtenant thereto);
 - (14) Liens on property at the time the Parent or any of its Subsidiaries acquired the property, including any acquisition by means of a merger or consolidation with or into the Parent or any of its Subsidiaries; *provided, however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided further, however*, that such Liens may not extend to any other property owned by the Parent or any Restricted Subsidiary (other than assets or property affixed or appurtenant thereto);
 - (15) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Parent or a Guarantor;
 - (16) Liens securing the Notes, Notes Guarantees and other obligations under the Indenture;
 - (17) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property or assets that is the security for a Permitted Lien hereunder;
 - (18) Liens that arise by operation of law or are required by law;
 - (19) Liens securing Indebtedness in an aggregate principal amount outstanding at any one time, added together with all other Indebtedness secured by Liens Incurred pursuant to this Clause (19), not to exceed \$5 million;
 - (20) Liens in favor of the Parent or any Restricted Subsidiary;
 - (21) deposits made in the ordinary course of business to secure liability to insurance carriers;
 - (22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
 - (23) Liens deemed to exist in connection with Investments in repurchase agreements permitted under “Certain covenants—Limitation on Indebtedness”; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;
 - (24) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;
 - (25) any (a) interest or title of a lessor or sublessor under any lease, liens reserved in oil, gas or other Hydrocarbons, minerals, leases for bonus, royalty or rental payments and for compliance with the terms of such leases; (b) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to (including, without limitation, ground leases or other prior leases of the demised premises, mortgages, mechanics’ liens, tax liens, and easements); or (c) subordination of the interest of the lessee or sublessee under such lease to any restrictions or encumbrance referred to in the preceding Clause (b);
 - (26) Liens (other than Liens securing Indebtedness) on, or related to, assets to secure all or part of the costs incurred in the ordinary course of the Oil and Gas Business for the exploration, drilling, development, production, processing, transportation, marketing, storage or operation thereof;

- (27) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (28) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets in each case relating to obligations other than Indebtedness;
- (29) Liens to secure the performance of statutory obligations, trade contracts, insurance, surety or appeal bonds, workers compensation obligations, and pension obligations, performance bonds or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);
- (30) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Parent or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 5.0% of the net proceeds of such disposal;
- (31) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (32) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business or for its trading activities on the counterparty's standard or usual terms;
- (33) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, purchase money obligations or other Indebtedness or other payments, in each case, Incurred to finance the acquisition, lease, improvement or construction of or repairs or additions to GTU 3; *provided* that:
 - (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the first paragraph of the covenant described under "Certain covenants—Limitation on Indebtedness" and does not exceed the cost of GTU 3;
 - (b) neither the Parent nor any Restricted Subsidiary of the Parent provides any Guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness) of, or is directly or indirectly liable (as a guarantor or otherwise) for, any of the Indebtedness secured by such Liens;
 - (c) the explicit terms of the Indebtedness secured by such Liens provide there is no recourse against any of the assets of the Parent or its Restricted Subsidiaries (other than GTU 3 and any assets affixed or appurtenant thereto and any Hydrocarbons produced thereby); and
 - (d) such Liens are created not later than 90 days after the later of the acquisition, lease, completion of improvements, construction, repairs or additions or commencement of full operation of GTU 3 and do not encumber any other assets or property of the Parent or any Restricted Subsidiary (other than GTU 3 and any assets affixed or appurtenant thereto and any Hydrocarbons produced thereby);
- (34) Liens securing Indebtedness represented by (i) Credit Facilities for the purpose of pre-funding identified export volumes which provide the sole collateral securing such Indebtedness and/or (ii) trade finance Credit Facilities for the purpose of buying, selling and/or trading crude oil, gas and oil products, *provided* that, in the case of (ii), the final maturity date of each loan under any such facility shall not be more than 180 days after the date such loan was borrowed and *provided further* that, in the case of (i) and (ii), the aggregate principal amount at any time outstanding of Indebtedness that is secured by such Liens shall not exceed \$50 million; and
- (35) any Permitted Collateral Liens.

In each case set forth above, notwithstanding any stated limitation on the assets that may be subject to such Lien, a Permitted Lien on a specified asset or group or type of assets may include Liens on all improvements, additions and accessions thereto and all products and proceeds thereof (including dividends, distributions and increases in respect thereof).

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock,” as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such Person.

“Proceeds Loan” means the loan from the Issuer to Zhaikmunai LLP dated the Issue Date in the principal amount equal to the gross proceeds from the Notes.

“Proceeds Loan Agreement” means the note proceeds loan agreement dated the Issue Date between the Issuer, as lender, and Zhaikmunai LLP, as borrower, relating to the Proceeds Loan.

“Refinancing Indebtedness” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay, extend, prepay, redeem or retire (including pursuant to any defeasance or discharge mechanism) (collectively, “refinance,” “refinances” and “refinanced” shall have correlative meanings) any Indebtedness (excluding Indebtedness of a Restricted Subsidiary that is not a Guarantor or the Issuer that refinances Indebtedness of the Issuer or a Guarantor), including Indebtedness that refinances Refinancing Indebtedness, *provided, however*, that:

- (1) (a) if the Stated Maturity of the Indebtedness being Refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity at least six months later than the Stated Maturity of the Notes;
- (2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced;
- (3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest, premiums or defeasance costs required by the instruments governing such existing Indebtedness that is being refinanced and fees and expenses Incurred in connection therewith); and
- (4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or the Notes Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Notes Guarantee on terms at least as favorable to the holders as those contained in the documentation governing the Indebtedness being Refinanced.

“Related Parties” means, with respect to any Person:

- (1) the spouse of such Person; or
- (2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, shareholders, partners, members, owners or Persons directly or indirectly beneficially holding 95% or more of the Capital Stock (including Voting Stock) of which consist solely of such Person and/or such other Persons referred to in the immediately preceding Clause (1).

“Restricted Investment” means any Investment other than a Permitted Investment.

“Restricted Subsidiary” means any Subsidiary of the Parent other than an Unrestricted Subsidiary.

“S&P” means Standard & Poor’s Rating Service, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

“Sale/Leaseback Transaction” means an arrangement relating to property now owned or hereafter acquired by the Parent or a Restricted Subsidiary whereby the Parent or a Restricted Subsidiary transfers such property to a Person and the Parent or a Restricted Subsidiary leases it from such Person.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Security Documents” means the pledges of the shares in the Issuer and in Frans van der Schoot B.V. and the pledge of the Proceeds Loan, in each case, for the benefit of the Collateral Agent, the Trustee and the holders of the Notes and dated the Issue Date.

“Significant Subsidiary” means any Restricted Subsidiary that would be a “Significant Subsidiary” of the Parent within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as in effect on the Issue Date and in any event shall include the Guarantors.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligation” means any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinate in right of payment to the Notes pursuant to a written agreement.

“Subsidiary” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of Clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary (other than in this definition) will refer to a Subsidiary of the Parent.

“Subsidiary Guarantors” means Frans van der Schoot B.V., Claydon Industrial Limited, Jubilata Investments Limited, Condensate-Holding LLP and Zhaikmunai LLP and any other Restricted Subsidiary of the Parent providing a Notes Guarantee pursuant to the covenant described under “Certain covenants—Future subsidiary guarantors” or “Certain covenants—Substitution”.

“Total Net Assets” means the consolidated total net assets of the Parent and its Restricted Subsidiaries as shown on the most recent consolidated balance sheet (excluding the footnotes thereto) of the Parent.

“Total Parity Commitments” means the aggregate of Parity Commitments and Hedging Losses attributable to the holders of Eligible Parity Hedging Obligations, in each case, on the date of determination.

“Unrestricted Subsidiary” means:

- (1) any Subsidiary of the Parent that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Parent in the manner provided below; and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Parent may designate any Subsidiary of the Parent (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Parent which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;
- (2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;
- (3) on the date of such designation, such designation and the Investment of the Parent or a Restricted Subsidiary in such Subsidiary complies with “Certain covenants—Limitation on Restricted Payments”;

- (4) such Subsidiary is a Person with respect to which neither the Parent nor any of its Restricted Subsidiaries has any direct or indirect obligation:
 - (a) to subscribe for additional Capital Stock of such Person; or
 - (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and
- (5) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Parent or any Restricted Subsidiary with terms substantially less favorable to the Parent than those that might have been obtained from Persons who are not Affiliates of the Parent.

Notwithstanding anything else to the contrary, neither the Issuer (or any successor of the Issuer) nor Zhaikmunai LLP shall be designated as Unrestricted Subsidiaries.

Any such designation by the Board of Directors of the Parent shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Parent giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Parent may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and the Parent could Incur at least \$1.00 of additional Indebtedness under the first paragraph of the covenant described under "Certain covenants—Limitation on Indebtedness" on a pro forma basis taking into account such designation.

"Voting Stock" of an entity means all classes of Capital Stock of such entity then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of members of such entity's Board of Directors.

"Wholly-Owned Subsidiary" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares or Capital Stock of Restricted Subsidiaries required to be owned by third parties pursuant to applicable law) is owned by the Parent or another Wholly-Owned Subsidiary.

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes will initially be represented by two Notes in global form that together will represent the aggregate principal amount of the Notes (in the case of the Notes sold in reliance on Rule 144A under the Securities Act, the “**Rule 144A Global Note**” and, in the case of the Notes sold in reliance on Regulation S under the Securities Act, the “**Regulation S Global Note**”). When issued, the Rule 144A Global Note and the Regulation S Global Note (together, the “**Global Notes**”) will be deposited with the Trustee and registered in the name of Cede & Co., as the nominee for the DTC. Except as set forth below, record ownership of the Global Note may be transferred, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee.

The Notes will be issued only in registered form and in minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof. The Notes will be issued on the issue date only against payment in immediately available funds.

Investors who are qualified institutional buyers (as defined in Rule 144A under the Securities Act), and who purchase Notes in reliance on Rule 144A under the Securities Act may hold their interests in the Rule 144A Global Note directly through DTC if they are DTC participants (the “**Participants**”) or indirectly through organisations that are DTC participants (“**Indirect Participants**”).

Investors who purchase Notes in offshore transactions in reliance on Regulation S under the Securities Act may hold their interests in the Regulation S Global Note directly through Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), or Clearstream Banking, *société anonyme* (“**Clearstream Banking**”), if they are participants in these systems, or indirectly through organisations that are participants in these systems. Investors may also hold interests in the Regulation S Global Note through Participants in the DTC system other than Euroclear and Clearstream Banking. Euroclear and Clearstream Banking will hold interests in the Regulation S Global Note on behalf of their participants through their respective depositaries, which in turn will hold the interests in the Regulation S Global Note in customers’ securities accounts in the depositaries’ names on the books of DTC.

Beneficial interests in the Rule 144A Global Note may be exchanged for beneficial interests in the Regulation S Global Note in the circumstances described below. See “—*Depository Procedures—Exchanges Between the Global Notes*”. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its Participants or its Indirect Participants (including, if applicable, those of Euroclear and Clearstream Banking), which may change from time to time.

So long as Cede & Co., as the nominee of DTC, is the registered owner of a Global Note, Cede & Co. for all purposes (except with respect to the determination of Additional Amounts payable) will be considered the sole holder of that Global Note. Owners of beneficial interests in a Global Note will be entitled to have certificates registered in their names and to receive physical delivery of Notes only in the limited circumstances described below under “—*Depository Procedures*” and “—*Exchange of Global Notes for Definitive Notes*”.

The Notes will be subject to certain transfer restrictions and restrictive legends as described under “*Notice to Investors*”.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream Banking is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them from time to time. Neither us nor any of the Guarantors take any responsibility for these operations and procedures and we and the Guarantors urge investors to contact the systems or their participants directly to discuss these matters.

Upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes.

Payment of principal of and premium and interest, if any, on a Global Note will be made to Cede & Co., the nominee for DTC, as registered owner of the Global Note, by wire transfer of immediately available funds on the applicable payment date. Neither us, the Guarantors, the Trustee, nor any agent of any of us, will have any responsibility or liability for any aspect of the records relating to or payments made on

account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

We have been informed by DTC that, with respect to any payment of principal of, or premium or interest, if any, on a Global Note, DTC's practice is to credit Participants' accounts on the applicable payment date, with payments in amounts proportionate to their respective beneficial interests in the Notes represented by the Global Note as shown on the records of DTC, unless DTC has reason to believe that it will not receive payment on such payment date. Payments by Participants to owners of beneficial interests in the Notes represented by the Global Note held through such Participants will be the responsibility of such Participants, as is now the case with securities held for the accounts of customers registered in "street name". In particular, payments to owners of beneficial interests in the Notes held through Euroclear and Clearstream Banking will be made in accordance with the rules and operating procedures of Euroclear and Clearstream Banking.

Transfers between Participants will be effected in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds. Participants in Euroclear and Clearstream Banking will effect transfers with other participants in the ordinary way in accordance with the rules and operating procedures of Euroclear and Clearstream Banking, as applicable. The laws of some states of the United States require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants and certain banks, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Cross-market transfers between DTC Participants, on the one hand, and directly or indirectly through Euroclear or Clearstream Banking participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream Banking, as the case may be, by its respective depository; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream Banking, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream Banking, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream Banking participants may not deliver instructions directly to the depositories for Euroclear or Clearstream Banking.

Because of time zone differences, the securities account of a Euroclear or Clearstream Banking participant purchasing an interest in a Global Note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream Banking, as the case may be) immediately following the DTC settlement date, and the credit of any transaction's interests in the Global Note settled during the processing day will be reported to the relevant Euroclear or Clearstream Banking participant on that day. Cash received in Euroclear or Clearstream Banking as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream Banking participant to a DTC Participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream Banking cash account only as of the business day following settlement in DTC.

Neither us, any of the Guarantors or the Trustee, nor any agent of either of us, will have responsibility for the performance of DTC, Euroclear, Clearstream Banking or their respective participants of their respective obligations under the rules and procedures governing their operations. DTC has advised us that it will take any action permitted to be taken by a holder of the Notes (including, without limitation, the presentation of the Notes for exchange as described below) only at the direction of one or more Participants to whose accounts with DTC interests in a Global Note are credited, and only in respect of the Notes represented by the Global Note as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for Notes in definitive form, which it will distribute to its Participants.

DTC has also advised us that DTC is a limited purpose trust company organised under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and to facilitate the clearance and settlement of securities transactions between Participants through electronic book-entry

changes to accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations such as the Initial Purchasers. Certain of such Participants (or their representatives), together with other entities, own DTC. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Participant, either directly or indirectly.

Although we expect that DTC, Euroclear and Clearstream Banking will agree to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among their respective participants, DTC, Euroclear and Clearstream Banking are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

Exchange of Global Notes for Definitive Notes

A Global Note is exchangeable for Notes in registered definitive form (“**Definitive Notes**”) if:

- (a) DTC notifies us that it is unwilling or unable to continue as depositary for the Global Notes or has ceased to be a clearing agency registered under the Exchange Act and, in either case, we thereupon fail to appoint a successor depositary within 90 days after the date of such notice; or
- (b) we, at our option, notify the Trustee in writing that we elect to cause the issuance of Definitive Notes.

In all cases, Definitive Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the restrictive legend referred to in “*Notice to Investors*,” unless we determine otherwise in compliance with the requirements of the Indenture.

For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so requires, in the case of a transfer or exchange of Definitive Notes, a holder thereof may effect such transfer or exchange by presenting and surrendering such Notes at, and obtaining new Definitive Notes from, the office of the Luxembourg Paying Agent, in the case of a transfer of only a part of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note registered and not transferred will be delivered at the office of the Luxembourg Paying Agent, and in the case of any lost, stolen, mutilated or destroyed Definitive Note, a holder thereof may obtain a new Definitive Note from the Luxembourg Paying Agent.

Exchange of Definitive Notes for Global Notes

If issued, Definitive Notes may not be exchanged or transferred for beneficial interests in a Global Note except upon consummation of an exchange offer. See “*Notice to Investors*”.

Exchange of Definitive Notes for Definitive Notes

If issued, Definitive Notes may be exchanged or transferred by presenting or surrendering such Definitive Notes at the office of the registrar with a written instrument of transfer in form satisfactory to such registrar, duly executed by the holder of the Definitive Notes or by its attorney, duly authorised in writing. If the Definitive Notes being exchanged or transferred have restrictive legends, such holder must also provide a written certificate (in the form provided in the Indenture) to the effect that such exchange or transfer will comply with the appropriate transfer restrictions applicable to such Notes.

Exchanges Between the Global Notes

Beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note if such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A and the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a person whom the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A, purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in the Rule 144A Global Note may be transferred to a person within the United States and who takes delivery in the form of an interest in the Regulation S Global Note only if the transferor first

delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S.

Transfers involving an exchange of a beneficial interest in one of the Global Notes for a beneficial interest in another Global Note will be effected in DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Global Note representing the beneficial interest that is transferred and a corresponding increase in the principal amount of the other Global Note. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

Same-Day Settlement and Payment

The Notes represented by the Global Notes will be eligible to trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Definitive Notes would also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream Banking participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream Banking participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream Banking) immediately following the settlement date of DTC.

DTC has advised us that cash received in Euroclear or Clearstream Banking as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream Banking participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream Banking cash account only as of the business day for Euroclear or Clearstream Banking following DTC's settlement date.

Replacement, Transfer and Exchange

If any note at any time is mutilated, destroyed, stolen or lost, such note may be replaced at the cost of the applicant at the office of the Trustee or the office of the registrar. The applicant for a new note must, in the case of any mutilated note, surrender such note to the Trustee or the registrar, as applicable, and, in the case of any lost, destroyed or stolen note, furnish evidence satisfactory to the Trustee or the registrar, as applicable, of such loss, destruction or theft, together with such indemnity as the Trustee or the registrar, as applicable, and we may require.

Citigroup Global Markets Deutschland AG will act as registrar and Notes may be presented for registration of Transfer and exchange at its office indicated on the back cover page of this Offering Memorandum.

A holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and we may require a holder to pay any transfer tax or similar governmental charge required by law. The Issuer and the registrar are not required to transfer or exchange any note selected for redemption. Also, the Issuer and the registrar are not required to transfer or exchange any note for a period of 15 days before a selection of Notes to be redeemed.

TAXATION

United States Federal Income Tax Considerations

The following is a description of the principal U.S. federal income tax consequences to a U.S. Holder (as defined below) of the acquisition, ownership and disposition of the Notes. This description only applies to Notes held as capital assets and does not discuss all the tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- tax exempt organisations;
- real estate investment trusts;
- regulated investment companies;
- grantor trusts;
- persons that have a functional currency other than the U.S. dollar;
- persons that will hold a Note through partnerships or other pass through entity;
- dealers or traders in securities or currencies;
- certain former citizens or long term residents of the United States; or
- persons that will hold the Notes as part of a position in a “straddle” or as a part of a “hedging”, “conversion” or other risk reduction transaction for U.S. federal income tax purposes.

Moreover, this description does not address the U.S. federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership or disposition of Notes and does not address the U.S. federal income tax treatment of holders that do not acquire Notes as part of the initial distribution at their issue price, which will equal the first price at which a substantial amount of Notes is sold for money to the public (not acting in the capacity of underwriters, placement agents or wholesalers). Each prospective purchaser should consult its tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, holding and disposing of Notes.

This description is based on the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), existing, proposed and temporary U.S. Treasury Regulations (the “**Regulations**”) and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing are subject to change (possibly with retroactive effect) or differing interpretations which could affect the tax consequences described herein.

For purposes of this description, a “**U.S. Holder**” is a beneficial owner of the Notes who for U.S. federal income tax purposes is:

- an individual citizen or resident of the United States;
- a corporation (or any other entity that is treated as a corporation for U.S. federal income tax purposes) organised in or under the laws of the United States or any political subdivision thereof (including the District of Columbia);
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (1)(a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control, or (2) that was in existence on August 20, 1996 and that validly elects under applicable Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its tax advisor as to the tax consequences of holding the Notes.

Persons considering the purchase of the Notes should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdictions.

U.S. Internal Revenue Service Circular 230 Disclosure

Pursuant to U.S. Internal Revenue Service Circular 230, we hereby inform you that the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written to support the promotion or marketing of the Notes. Each taxpayer should seek advice based on their particular circumstances from an independent tax advisor.

Certain Contingent Payments

In certain circumstances, the Issuer may be obligated to make contingent payments on the Notes as described under “*Description of Notes—Optional Redemption*” and “*Description of Notes—Change of Control*”. Under the contingent payment debt instrument Regulations (“**CPDI Regulations**”), the possibility of a contingent payment on a Note may be disregarded if the likelihood of the contingent payment, as of the date the Notes are issued, is remote or incidental. We do not intend to treat the possibility of the contingent payments on the Notes as subjecting the Notes to the CPDI Regulations. It is possible, however, that the Internal Revenue Service (“**IRS**”) may take a different position regarding the possibility of such contingent payments, in which case, if the position of the IRS were sustained, the timing, amount and character of income recognised with respect to a Note may be different than described herein and a U.S. Holder may be required to recognise income significantly in excess of payments received and may be required to treat as interest income all or a portion of any gain recognised on the disposition of any Note. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments. U.S. Holders should consult their tax advisors regarding the potential application of the CPDI Regulations to the Notes.

Interest and OID

The Notes may be treated as having been issued with original issue discount (“**OID**”). An obligation generally is treated as having been issued with OID if its “stated redemption price at maturity” exceeds its issue price, described above, by more than the “OID de minimis amount”. The OID de minimis amount equals $\frac{1}{4}$ of 1% of the debt instrument’s stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity. The “stated redemption price at maturity” of a note is the sum of all payments required to be made on the note other than “qualified stated interest” payments. The term “qualified stated interest” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate.

You are required to include qualified stated interest payments (including any additional amounts with respect thereto as described under “*Description of Notes—Additional Amounts*”) in income as interest when you accrue or receive those payments (in accordance with your accounting method for tax purposes). It is expected that the stated interest on the Notes will be treated as qualified stated interest. Therefore, stated interest paid to you on a Note will be includible in your gross income as ordinary interest income at the time it accrues or is received, in accordance with your usual method of tax accounting. In addition, if the Notes are issued with OID, you will be required to include OID in income before you receive the associated cash payment, regardless of your accounting method for tax purposes. The amount of the OID, if any, that you should include in income is the sum of the daily accruals of the OID for the Note for each day during the taxable year (or portion of the taxable year) in which you held the Note. The daily portion is determined by allocating the OID, if any, for each day of the accrual period. An accrual period may be of any length and the accrual periods may even vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID, if any, allocable to an accrual period is equal to the difference between (1) the product of the “adjusted issue price” of the Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period) and (2) the amount of any qualified stated interest allocable to the accrual period. The “adjusted issue price” of a Note at the beginning of any accrual period is the sum of the issue price of the Note plus the amount of OID, if any, allocable to all prior accrual periods reduced by any payments you received on the Note that were not qualified stated interest. Under these rules, you will generally have to include in income increasingly greater amounts of OID in successive accrual periods. Under the applicable Regulations, a holder of a note with OID may elect to include in gross income all

interest that accrues on the note using the constant yield method. Once made with respect to the Note, the election cannot be revoked without the consent of the IRS. If you are a holder considering an election under these rules you should consult your tax advisor.

Interest and OID included in your gross income with respect to the Notes will be treated as foreign source income for U.S. federal income tax purposes. Subject to certain conditions and limitations, foreign taxes, if any, withheld on interest payments may be treated as foreign taxes eligible for credit or, alternatively, deduction against your U.S. federal income tax liability. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific “baskets” of income. For this purpose, the interest should generally constitute “passive category income”, or in the case of certain U.S. Holders, “general category income”. As an alternative to the tax credit, a U.S. Holder may elect to deduct such taxes (the election would then apply to all foreign income taxes such U.S. Holder paid in that taxable year). U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits.

We may redeem all or part of the Notes on or after 19 October 2013, in some cases, paying a specified premium (See “*Description of Notes—Optional Redemption*”). Regulations regarding notes issued with OID contain special rules for determining the maturity date and the stated redemption price at maturity of a debt instrument where the issuer of such debt instrument has an unconditional option to make payments under such debt instrument under an alternative payment schedule. Under such rules, it is assumed that the issuer of such debt instrument will exercise an option to redeem a debt instrument if such exercise will lower the yield to maturity of such debt instrument. Since the terms of our option to redeem the Notes after 19 October 2013, in some case, paying a specified premium would not lower the yield to maturity of the Notes, we will disregard this optional redemption provision in determining the amount or timing of any OID inclusions thereon.

Sale, Exchange or Disposition of the Notes

A U.S. Holder generally will recognise gain or loss on the sale, exchange or disposition of the Notes equal to the difference, if any, between the amount realised on such sale, exchange or disposition (less any amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income) and the U.S. Holder’s adjusted tax basis in the Notes.

Your adjusted tax basis in a Note will be the U.S. dollar value of the purchase price determined on the date of purchase increased by the amount of OID included in your gross income with respect to the Note under the rules discussed herein and decreased by the amount of any payment other than qualified stated interest with respect to the Note.

Gain or loss recognised by a U.S Holder upon the sale, exchange or disposition of the Notes will be capital gain or loss. In the case of a non-corporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income (other than certain dividends) if such U.S. Holder’s holding period for such Notes exceeds one year (i.e., such gain is long term capital gain). Gain or loss, if any, recognised by a U.S Holder generally will be treated as U.S. source gain or loss, as the case may be. The deductibility of capital losses is subject to limitations under the Code.

Additional Notes

The Issuer may issue Additional Notes as described under “*Description of Notes*”. These Additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the Additional Notes may be considered to have been issued with a different amount of OID than the original Notes. These differences may affect the market value of the original Notes if the Additional Notes are not otherwise distinguishable from the original Notes.

Backup withholding tax and information reporting requirements

U.S. backup withholding tax and information reporting requirements generally apply to certain payments to certain non corporate holders. Information reporting generally will apply to the distributions on, and to proceeds from the sale or redemption of, Notes made within the United States or by a U.S. payor or U.S. middleman to a holder of Notes, other than an exempt recipient, including a corporation, a payee that is not a U.S. person that provides an appropriate certification and certain other persons. A payor will be required to withhold backup withholding tax from any distributions on, or the proceeds from the sale or redemption of, Notes within the United States or by a U.S. payor or U.S. middleman to a holder, other

than an exempt recipient, if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. Payments within the United States, or by a U.S. payor or U.S. middleman, of principal and interest to a holder of a Note that is not a U.S. person will not be subject to backup withholding and information reporting requirements if an appropriate certification is provided by the holder to the payor, and the payor does not have actual knowledge or a reason to know that the certificate is incorrect. The backup withholding tax rate is 28% for taxable years through 2010.

Backup withholding is not an additional tax. You generally will be entitled to credit any amounts withheld under the backup withholding rules against your U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

The above description is not intended to constitute a complete analysis of all U.S. federal income tax consequences relating to the Notes. Prospective purchasers of Notes should consult their tax advisors concerning the tax consequences of their particular situations.

Kazakhstan

Prior to the Substitution Date

Under Kazakhstan law as presently in effect, payments of principal or interest on the Notes by the Issuer to an individual who is a tax non-resident of Kazakhstan or to a legal entity that is neither established in accordance with the legislation of Kazakhstan, nor has its actual governing body (place of actual management) in, nor maintains a permanent establishment in, Kazakhstan or otherwise has no legal taxable presence in Kazakhstan (together, “**Non-Kazakhstan Holders**”) will not be subject to taxation in Kazakhstan, and no withholding of any Kazakhstan tax will be required on any such payments. Interest payable by the Issuer to residents of Kazakhstan or to tax non-residents who maintain a permanent establishment in Kazakhstan (together, “**Kazakhstan Holders**”), other than to individuals, is subject to Kazakhstan income tax unless the Notes are listed, as at the date of accrual of interest, on the official list of a stock exchange operating in the territory of Kazakhstan.

In addition, gains realised by Non-Kazakhstan Holders derived from the disposal, sale, exchange or transfer of the Notes will not be subject to Kazakhstan income or profits tax. Any gains derived by Kazakhstan Holders in relation to Notes which are listed as at the date of sale on the official list of a stock exchange operating in the territory of Kazakhstan and sold through open trades on such stock exchange are not subject to Kazakhstan income tax.

Payments of interest to Non-Kazakhstan Holders under the Guarantee issued by Zhaikmunai will be subject to withholding tax at a rate of 15% unless reduced by an applicable double taxation treaty. Payments of interest under such Guarantee to Non-Kazakhstan Holders registered in countries with a favourable tax regime which appear in a list published from time to time by the Kazakhstan Government (these countries currently include Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta, Aruba, Singapore, Switzerland and others) will be subject to withholding of Kazakhstan tax at a rate of 20% unless reduced by an applicable double taxation treaty.

Payments of interest to Kazakhstan Holders under the Guarantees issued by Kazakhstan Guarantors, other than to Kazakhstan investment funds and certain other entities, will be subject to withholding tax at a rate of 15% (10% for legal entities from 1 January 2014 onwards).

Kazakhstan Guarantors will agree under their Guarantees in the Indenture to pay additional amounts (as defined in the Indenture) in respect of any such withholding, subject to certain exceptions set out in full in “*Description of Notes—Additional Amounts*”. Payments by Kazakhstan Guarantors to a Noteholder entitled to the benefits of a Kazakhstan Tax Treaty may be subject to a reduced rate of withholding tax.

Following the Substitution Date

Payments of interest on the Notes by Zhaikmunai to Non-Kazakhstan Holders will be subject to withholding tax at a rate of 15% unless reduced by an applicable double taxation treaty. Payments of interest on the Notes to Non-Kazakhstan Holders registered in countries with a favourable tax regime which appear in a list published from time to time by the Kazakhstan Government (these countries currently include Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta, Aruba, Singapore, Switzerland and others) will be subject to withholding of Kazakhstan tax at a rate of 20% unless reduced by an applicable double taxation treaty.

The withholding tax on interest would not apply if the Notes are, as at the date of accrual of interest, on the official list of a stock exchange operating in the territory of Kazakhstan.

Interest payable by Zhaikmunai to Kazakhstan Holders, other than to individuals (who are exempt) and Kazakhstan investment funds and certain other entities, will be subject to Kazakhstan withholding tax at a rate of 15% (10% from 1 January 2014 onwards) unless the Notes are listed, as at the date of accrual of interest, on the official list of a stock exchange operating in the territory of Kazakhstan.

Gains realised by Non-Kazakhstan Holders derived from the disposal, sale, exchange or transfer of the Notes will be subject to withholding tax at a rate of 15%. If the disposal of the Notes is made to a Kazakhstan Holder and the transferor is registered in a country with a favourable tax regime, gains derived from such a disposal are subject to withholding tax in Kazakhstan at the rate of 20%. However, Kazakhstan tax legislation does not define procedures to collect withholding tax where payment is made by a non-resident without taxable presence in Kazakhstan, and it is otherwise not clear if such non-resident may be treated as a tax agent for Kazakhstan tax purposes.

Any gains realised by Non-Kazakhstan Holders in relation to the Notes which are listed as of the date of sale on the official list of a stock exchange operating in the territory of Kazakhstan or a foreign stock exchange and sold through open trades on such stock exchanges are not subject to withholding tax. Also, the withholding tax on the gains may be reduced or eliminated under an applicable double taxation treaty.

Any gains derived by Kazakhstan Holders in relation to the Notes which are listed as of the date of sale on the official list of a stock exchange operating in the territory of Kazakhstan and sold through open trades on such stock exchange are not subject to Kazakhstan income tax.

Payments under the Guarantee by Condensate-Holding LLP

Payments of interest to Non-Kazakhstan Holders under the Guarantee issued by Condensate-Holding LLP will be subject to withholding tax at a rate of 15% unless reduced by an applicable double taxation treaty. Payments of interest under such Guarantee to Non-Kazakhstan Holders registered in countries with a favourable tax regime which appear in a list published from time to time by the Kazakhstan Government (these countries currently include Cyprus, Liechtenstein, Luxembourg, Nigeria, Malta, Aruba, Singapore, Switzerland and others) will be subject to withholding of Kazakhstan tax at a rate of 20% unless reduced by an applicable double taxation treaty.

Payments of interest to Kazakhstan Holders under the Guarantee, other than to Kazakhstan investment funds and certain other entities, will be subject to withholding tax at a rate of 15% (10% for legal entities from 1 January 2014 onwards).

Condensate-Holding LLP will agree under its Guarantee in the Indenture to pay additional amounts (as defined in the Indenture) in respect of any such withholding, subject to certain exceptions set out in full in “*Description of Notes—Additional Amounts*”. Payments by Condensate-Holding LLP to a Noteholder entitled to the benefits of a Kazakhstan Tax Treaty may be subject to a reduced rate of withholding tax.

The Netherlands

General

The following is a general summary of certain Netherlands tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective holders should consult with their tax advisors with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands national tax legislation and published regulations, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding tax

All payments of principal and/or interest made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on income and capital gains

Scope

Please note that the summary in this section does not describe the Netherlands tax consequences for:

- holders of Notes if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under The Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in The Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*)) and other entities that are exempt from Netherlands corporate income tax; and
- holders of the Notes who are individuals and receive or have received the Notes as employment income, deemed employment income or derived benefits from the Notes that are a remuneration or deemed to be a remuneration for activities performed by such holder or certain individuals related to such holder (as defined in The Netherlands Income Tax Act 2001).

Residents of the Netherlands

Generally speaking, if the holder of the Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes, any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to Netherlands corporate income tax at a rate of 25.5% (a corporate income tax rate of 20% applies with respect to taxable profits up to €200,000, the bracket for 2010).

If a holder of the Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (including the non resident individual holder who has made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

- the Notes are attributable to an enterprise from which the holder of the Notes derives a share of the profit, whether as an entrepreneur or as a person who has a co entitlement to the net worth of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or
- the holder of the Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Notes that are (otherwise) taxable as benefits from other activities (*resultaat uit overige werkzaamheden*). If the above mentioned conditions do not apply to the individual holder of the Notes, such holder will be taxed annually on a deemed income of 4% of his/her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year is the average of the fair market value of the investment assets less the allowable liabilities at the beginning of that year and the fair market value of the investment assets less the allowable liabilities at the end of that year. The Notes are included as investment assets. A tax free allowance may be available. An actual gain or loss in respect of the Notes is as such not subject to Netherlands income tax.

Non-residents of the Netherlands

A holder of Notes that is neither a resident nor deemed to be a resident in the Netherlands (and, if such holder is an individual, such holder has not made an election for the application of the rules of The Netherlands Income Tax Act 2001 as they apply to residents of the Netherlands) will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, provided that:

- such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and
- in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are (otherwise) taxable as benefits from other activities in the Netherlands.

Substitution

For the purposes of this subsection Taxes on income and capital gains, the Substitution may, depending on the facts and circumstances, result in a taxable disposal or deemed disposal of the Notes by a resident or non-resident holder of Notes who may be subject to Netherlands taxes on income or capital gains.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

- in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (“VAT”)

No Netherlands VAT will be payable by the holders of the Notes on any payment in consideration for the issue of the Notes or with respect to the payment of interest or principal by the Issuer under the Notes.

Other taxes and duties

No Netherlands registration tax, customs duty, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by the holders of the Notes in respect or in connection with the issue of the Notes or with respect to the payment of interest or principal by the Issuer under the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information arrangements or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

TRANSFER RESTRICTIONS

The Notes and the Guarantees have not been registered under the Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes and the Guarantees offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and outside the United States in reliance on Regulation S under the Securities Act.

Rule 144A Notes

Each purchaser of Rule 144A Notes (including each subsequent purchaser in resales) will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

1. It understands and acknowledges that the Notes and the Guarantees have not been registered under the Securities Act or any other applicable securities law, are being offered for resale in transactions not requiring registration under the Securities Act or any other securities law, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.
2. It is (a) a qualified institutional buyer within the meaning of Rule 144A (“**QIB**”); (b) not a broker-dealer that owns and invests on a discretionary basis less than \$25 million in securities of unaffiliated issuers; (c) not a participant-directed employee plan, such as a 401(k) plan; (d) acquiring such Notes for its own account, or for the account of one of more QIBs; (e) not formed for the purpose of investing in the Notes or the Issuer; (f) the purchaser, and each account for which it is purchasing, will hold and transfer an amount of Notes not less than \$150,000; and (g) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
3. It understands that the Issuer has the power under the Indenture to compel any beneficial owner of Rule 144A Notes that is in the United States and is not a QIB to sell its interest in the Rule 144A Notes, or may sell such interest on behalf of, or purchase such interest from, such owners at the price described in the legend below. The Issuer has the right to refuse to honor the transfer of an interest in the Rule 144A Notes to a person in the United States who is not a QIB. In addition, it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.
4. It acknowledges that neither the Issuer, the Guarantors nor the Initial Purchasers, nor any person representing any of them, has made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes.
5. It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property of the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

Each holder of Rule 144A Notes agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S

under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the other side of the security is completed and delivered by the transferor to the Trustee. Each purchaser acknowledges that each Rule 144A note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. IF THE BENEFICIAL OWNER HEREOF IS WITHIN THE UNITED STATES WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (A) IT IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE UNITED STATES, (B) IT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S. \$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (C) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN, (D) IT IS ACQUIRING SUCH SECURITIES FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF ONE OF MORE QUALIFIED INSTITUTIONAL BUYERS, (E) IT IS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE SECURITIES OR THE ISSUER, (F) THE PURCHASER, AND EACH ACCOUNT FOR WHICH IT IS PURCHASING, WILL HOLD AND TRANSFER IN AN AMOUNT OF NOT LESS THAN U.S. \$150,000, AND (G) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH SECURITIES HAS BEEN ADVISED, THAT THE SALE OF SUCH SECURITIES TO IT IS BEING MADE IN RELIANCE ON RULE 144A. THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS SECURITY IT IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S WHILE IT IS NOT A QUALIFIED INSTITUTIONAL BUYER, THE ISSUER MAY (A) COMPEL IT TO SELL ITS INTEREST IN

THIS SECURITY TO A PERSON (I) WHO IS A QUALIFIED INSTITUTIONAL BUYER AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS SECURITY IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OR (II) WHO IS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS SECURITY TO THE ISSUER OR AN AFFILIATE OF THE ISSUER OR TRANSFER ITS INTEREST IN THIS SECURITY TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNERS, (Y) 100% OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOR A TRANSFER OF AN INTEREST IN THIS SECURITY TO A U.S. PERSON WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER.

6. It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
7. It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.
8. It acknowledges that the Trustee will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
9. It understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Note. Before any interest in the 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, it will be required to provide a paying agent with a written certification as to compliance with applicable securities laws.

It acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

Regulation S Notes

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales, by accepting delivery of this Offering Memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
2. It understands that such Notes and the Guarantees have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act in an amount of not less than \$150,000 to a person whom it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or the account of a QIB and who takes delivery in the form of an interest in the Rule 144A Global Note (if applicable) or (b) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
3. The Issuer, the registrar, the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
4. It understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Note. Before any interest in such Notes or Guarantees may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, it will be required to provide a paying agent with a written certification as to compliance with applicable securities laws.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement dated as of 13 October 2010, the Initial Purchasers named below have agreed to purchase, and we have agreed to sell to the Initial Purchasers, the principal amount of the Notes as set forth below:

<u>Initial Purchasers</u>	<u>Principal Amount of Notes</u>
	\$
Citigroup Global Markets Limited	150,000,000
ING Bank N.V., London Branch	150,000,000
J.P. Morgan Securities Ltd.	150,000,000
Total	<u>450,000,000</u>

The Initial Purchasers shall make any offers or sales into the United States, to the extent necessary, through their U.S. broker dealer affiliates.

The purchase agreement provides that the obligation of the Initial Purchasers to purchase the Notes is subject to approval of legal matters by counsel and to other conditions. The Initial Purchasers must purchase all the Notes if they purchase any of the Notes.

The Notes and the Guarantees have not been and will not be registered under the Securities Act or qualified for sale under the securities laws of any state or jurisdiction outside the United States and may not be offered to, or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “*Notice to Investors*”.

We have been advised that the Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this Offering Memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. The price at which the Notes are offered may be changed at any time without notice.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

In each Relevant Member State, an offer to the public of any Notes may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any Notes may be made at any time under the following exemptions under the Prospectus Directive, if the Prospectus Directive has been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Initial Purchasers for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall result in a requirement for the publication by the Issuer, any Guarantor or the Initial Purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase any Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each Initial Purchaser represents and warrants that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes will constitute a new class of securities with no established trading market. Application has been made, through our listing agent, for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market. We cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Initial Purchasers have advised us that they currently intends to make a market in the Notes. However, they are not obligated to do so, and they may discontinue any market making activities with respect to the Notes at any time without notice. Please see "*Stabilisation*". In addition, market making activity will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, we cannot assure you that a liquid market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favourable. See "*Risk Factors—There is no established trading market for the Notes and no assurance that holders of the Notes will be able to sell their Notes*".

In connection with this offering, the Initial Purchasers are not acting for anyone other than us and will not be responsible to anyone other than us for providing the protections afforded to its clients nor for providing advice in relation to this offering.

Buyers of the Notes sold by the Initial Purchasers may be required to pay stamp duty taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set forth on the cover of this Offering Memorandum.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act.

Citigroup Global Markets Limited, ING Bank N.V., London Branch and J.P. Morgan Securities Ltd. and their respective affiliates perform various financial advisory, investment banking and commercial banking services from time to time for us and our affiliates for which they have received or may receive customary advisory fees and expense reimbursement.

LEGAL MATTERS

Certain legal matters are being passed upon for us by White & Case LLP with respect to matters of U.S. federal, New York State and Kazakh law. Certain legal matters will be passed upon for the Initial Purchasers by Linklaters LLP with respect to matters of U.S. federal and New York State law and by Baker & McKenzie-CIS Limited with respect to matters of Kazakh law.

INDEPENDENT AUDITORS

The consolidated financial statements of the Group as at and for the years ended 31 December 2009 and 2008 and the 2007 Combined Financial Statements included in this Offering Memorandum have been audited by Ernst & Young LLP as stated in their reports appearing herein.

The unaudited condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2010 included in this Offering Memorandum have been reviewed by Ernst & Young LLP in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity as stated in their report appearing herein.

The registered address of Ernst & Young LLP is Al Farabi Ave. Esentai Tower, 77/7, 050059 Almaty, Kazakhstan.

WHERE YOU CAN FIND MORE INFORMATION

Each purchaser of Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to the Offering Memorandum acknowledges that:

- such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the Initial Purchasers or any person affiliated with any of the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided pursuant to the first clause above, no person has been authorised to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorised by either us or the Initial Purchasers.

Upon request, we will provide you with copies of, the form of the Notes and Guarantee and any security documents. You may request copies of such document by contacting Ms Clare Calver at +322 734 7456.

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture that will govern the Notes, we will agree to furnish periodic information to the holders of the Notes. See “*Description of Notes—Certain covenants—Reports*”.

So long as the Notes are admitted to trading on the Euro MTF market and to listing on the Official List of the Luxembourg Stock Exchange, and the rules and regulations of such stock exchange so require, copies of such information will also be available for review during the normal business hours on any business day at the specified office of the paying agent in Luxembourg.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

Application has been made for the Notes to be admitted to trading on the Euro MTF market and to listing on the Official List of the Luxembourg Stock Exchange, in accordance with the rules and regulations of such exchange.

Luxembourg Listing Information

For so long as the Notes are admitted to trading on the Euro MTF market and to listing on the Official List of the Luxembourg Stock Exchange and the rules and regulations of that exchange require, copies of the following documents in English may be inspected and obtained at the specified office of the paying agent in Luxembourg during normal business hours:

- organisational documents of the Issuer and the Guarantors;
- the financial statements included in this Offering Memorandum;
- any annual and interim financial statements or accounts of Zhaikmunai L.P. to the extent available;
- the Indenture which contains the terms of the Note Guarantee;
- the Purchase Agreement; and
- the Collateral documents.

The Issuer has appointed Dexia Banque Internationale à Luxembourg *société anonyme* as Luxembourg listing agent, Luxembourg transfer agent and Luxembourg paying agent, Citibank N.A. as principal paying agent, New York paying agent and transfer agent and Citigroup Global Markets Deutschland AG as registrar to make payments on, when applicable, and transfers of, the Notes. The Issuer reserves the right to vary such appointments in accordance with the terms of the Indenture.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the Issuer's best knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Clearing Information

The Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of DTC and assigned CUSIP numbers N97708AA4 and 98951QAA3, respectively. The ISIN for the Notes sold pursuant to Regulation S is USN97708AA49 Common Code 055131198 and the ISIN for the Notes sold pursuant to Rule 144A is US98951QAA31 Common Code 055131228.

Legal Information

The Issuer

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) duly incorporated under the laws of the Netherlands. Its registered office is at Zuidsingel 1, 3811 HA Amersfoort and it is registered with the communal register of Amersfoort under number 32171914. For information regarding its shareholders, please see "*The Issuer*". The Issuer has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the issuance of the Notes and was authorised by its shareholders' meeting on 12 October 2010 and by its Supervisory Board in its meetings dated 12 October 2010.

Financial Year and Accounts

The Issuer's financial year begins on January 1 and ends on 31 December of each year. It prepares and publishes annual audited financial statements. Any future published financial statements it prepares will be available, during normal business hours, at the offices of the Luxembourg Paying Agent. The Issuer does not prepare interim financial statements.

Annual General Meeting

The Issuer's annual general meeting of shareholders usually takes place in the commune of the registered office at the place specified in the convening notices before 30 June of each year.

Guarantor Legal Information

The Guarantors

Zhaikmunai LLP is a limited liability partnership established under the laws of Kazakhstan. Its registered office is at 59/2 Prospekt Evrazia, Uralsk, West Kazakshtan Oblast, 090000 Kazakhstan. It is registered under state re-registration certificate No. 6056-1926-TOO(IU) dated 11 August 2004 and assigned a business identification number: 970340003085. 45% of the partnership interests in Zhaikmunai are held by Claydon Industrial Limited and 55% are held by Condensate-Holding LLP. Zhaikmunai has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the Guarantee and the Security Agreements. The creation and issuance of the Note Guarantee and the execution of the Security Agreements were authorised by the extraordinary general meeting of participants of Zhaikmunai LLP held on 12 October 2010 and pursuant to Article 10 of the Zhaikmunai by-laws.

Zhaikmunai L.P. is a limited partnership registered under the laws of the Isle of Man. Its registered office is at 7th Floor Harbour Court, Lord Street, Douglas, Isle of Man IM1 4LN and it is registered with the Isle of Man Companies Registry under registration number 295P. For information regarding the equity holding of Zhaikmunai L.P., please see "*Significant Holders of Limited Partnership Interests and Common Units*". Zhaikmunai L.P. has obtained all necessary consents, approvals and authorisations in the jurisdiction of its formation in connection with the Guarantee and the Security Agreements. The creation and issuance of the Note Guarantee and the execution of the Security Agreements were authorised by its general partner and pursuant to Article 4.1(b)(vi) of Zhaikmunai L.P.'s by-laws, on 12 October 2010.

Frans van der Schoot B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) duly incorporated under the laws of the Netherlands on 29 November 1994 for an unlimited duration. Its number in the commercial register of Gooi, Eem- and Flevoland, the Netherlands is 16032335. Frans van der Schoot B.V. is a direct, wholly-owned subsidiary of Zhaikmunai L.P. The authorised share capital of Frans van der Schoot B.V. is EUR 18,152, divided into ordinary registered shares with a par value of EUR 1 each. Frans van der Schoot B.V. has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the Guarantee and the Security Agreements. The creation and issuance of the Note Guarantee and the execution of the Security Agreements were authorised by the board and shareholder of Frans van der Schoot B.V. and pursuant to Articles 16 and 24 respectively of Frans van der Schoot B.V. articles of association, on 12 October 2010.

Condensate-Holding LLP is a limited liability partnership established under the laws of Kazakhstan. Its registered office is at 59/2 Prospekt Evrazia, Uralsk, West Kazakshtan Oblast, 090000 Kazakhstan. It is registered under state re-registration certificate No. 1286-1426-TOO(IU) dated 11 August 2004 and assigned a business identification number: 970740003337. 100% of the participation interests in Condensate-Holding LLP are held by Jubilata Investments Limited. Condensate-Holding LLP has obtained all necessary consents, approvals and authorisations in the jurisdiction of its formation in connection with the Guarantee. The creation and issuance of the Note Guarantee was authorised by Jubilata Investments Limited as the sole participant of Condensate-Holding LLP and pursuant to Article 4 of Condensate-Holding LLP by-laws, on 12 October 2010.

Claydon Industrial Limited is a company limited by shares registered under the BVI Business Companies Act, 2004. It was incorporated on 8 April 2004 with company number 590631. Its registered office is at PO Box 146, Road Town, Tortola, British Virgin Islands. Claydon Industrial Limited is a direct, wholly-owned subsidiary of Zhaikmunai L.P. The authorised share capital of Claydon Industrial Limited is US\$50,000, divided into 50,000 shares with a par value of US\$1.00 each. The share capital is fully paid up. Claydon Industrial Limited has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the Guarantee. The creation and issuance of the Note Guarantee was authorised by the directors of Claydon Industrial Limited on 12 October 2010.

Jubilata Investments Limited is a company limited by shares registered under the BVI Business Companies Act, 2004. It was incorporated on 2 January 2001 with company number 423418. Its registered office is at PO Box 146, Road Town, Tortola, British Virgin Islands. Jubilata Investments Limited is a direct, wholly-owned subsidiary of Zhaikmunai L.P. The authorised share capital of Jubilata Investments Limited is

US\$50,000, divided into 50,000 shares with a par value of US\$1.00 each of which two shares are in issue and are fully paid up. Jubilata Investments Limited has obtained all necessary consents, approvals and authorisations in the jurisdiction of its incorporation in connection with the Guarantee. The creation and issuance of the Note Guarantee was authorised by the directors of Jubilata Investments Limited on 12 October 2010.

General

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in the Group's financial position since 30 June 2010 (the date of the Group's last unaudited financial statements incorporated herein); and
- the Group has not been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes except as otherwise disclosed in the Offering Memorandum, and, so far as the Group is aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

DEFINITIONS

The following definitions apply throughout this Offering Memorandum unless the context requires otherwise:

“1999 Amendments”	Law No. 467-1 “Concerning the Introduction of Amendments and Additions to Several Legislative Acts on the Subsoil and Petroleum Operations in the Republic of Kazakhstan” amending the Old Subsoil Law.
“2004-2005 Amendments”	Law No. 2-III on “Introduction of Amendments and Additions to Certain Legal Acts on Subsoil Use and Subsoil Operations” dated 1 December 2004 and Law No. 79-3 on “Introduction of Amendments and Additions to Certain Legal Acts on Subsoil Use and Performance of Petroleum Operations in Kazakhstan” dated 14 October 2005, amending the Old Subsoil Law.
“2007 Amendments”	Legislation adopted in October 2007 amending the Old Subsoil Law.
“2009 Ryder Scott Report”	The report prepared by Ryder Scott dated 1 July 2009 relating to the Group’s reserves and resources.
“Affiliate”	A person or entity that controls, is controlled by, or under common control with another entity or person.
“AMEC”	AMEC Earth and Environmental UK Ltd.
“Amery”	Amery Capital Limited of registered address P.O. Box 146, Road Town, Tortola, British Virgin Islands.
“Amersham”	Amersham Oil TO.
“Anti-Monopoly Agency”	The Kazakh anti-monopoly authority.
“Authorised Oil and Gas Agency”	The State’s authorised agency in the area of oil and gas, acting on the instructions of the President and the Government, currently, the MOG.
“BNP Paribas”	BNP Paribas (Suisse) S.A.
“BTA”	JSC BTA Bank (formerly known as JSC Bank TuranAlem).
“BVI”	British Virgin Islands
“Chinarevskoye Field”	The Chinarevskoye oil and gas condensate field.
“Claremont”	Claremont Holdings Limited of registered address Clinch’s House, Lord Street, Douglas, Isle of Man IM99 1RZ.
“Claremont Subscription”	The subscription by Claremont for 25,000,000 GDRs at a price of US\$4.00 per Common Unit pursuant to the Claremont Subscription Agreement.
“Claremont Subscription Agreement”	The conditional subscription agreement dated 29 July 2009 between Zhaikmunai L.P., the General Partner and Claremont.
“Claydon”	Claydon Industrial Limited of registered address Trident Chambers, Road Town, Tortola, British Virgin Islands.
“Combined Code”	Combined Code on Corporate Governance a set of principles of good corporate governance and provides a code of best practice aimed at companies listed on the London Stock Exchange.
“Common Units”	Limited partner interests each representing a fractional part of the rights and obligations of all limited partners of Zhaikmunai L.P.

“Competent Authority”	The State’s central executive agency, designated by the Government to act on behalf of the State to exercise rights relating to the execution and performance of subsoil use contracts, except for contracts for exploration and production of commonly occurring minerals. This was, until recently, the Ministry of Energy and Mineral Resources of Kazakhstan, which on 12 March 2010 was reorganised into the MOG with respect to the oil and gas industry.
“Competition Law”	The Kazakhstan Law “On Competition” (No 112-IV, dated 25 December 2008, which came into effect on 1 January 2009).
“Condensate-Holding”	Condensate-Holding LLP.
“Cost Oil”	Cost Oil denotes an amount of crude oil produced in respect of which the market value is equal to Zhaikmunai’s monthly expenses that may be deducted pursuant to the PSA (include all operating costs, exploration costs and development costs up to an annual maximum of 90% of the annual gross realised value of hydrocarbon production).
“CSCES”	The Kazakhstan Committee on State Control of Emergency Situations and Industry Safety (under the Ministry of Emergency Situations).
“Development Plans”	The development plans approved by the SCFD in March 2009.
“Directors” or “Board”	The directors of the General Partner.
“Disclosure and Transparency Rules”	The disclosure and transparency rules made by the Financial Authority under Section 73A of the Financial Services and Markets Act 2000 (as amended).
“DTC”	The Depositary Trust Company.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, taxes, depreciation and amortisation.
“EBRD”	European Bank for Reconstruction and Development.
“Environmental Code”	The Kazakhstan Environment Code (No 212, dated 9 January 2007, as amended).
“Euroclear”	Euroclear Bank S.A./N.V.
“Exchange Act”	The United States Securities Exchange Act of 1934, as amended.
“Executive Services Agreement”	The services agreement between ZGL and FvdS dated 1 September 2008 as amended and restated on 17 September 2009 for the provision of individual consultancy services to ZGL and its subsidiaries.
“Exploration Permit”	The geological allotment (Annex to the Licence) issued by the Competent Authority to Zhaikmunai.
“Financial Services Authority” or “FSA”	The Financial Services Authority of the United Kingdom.
“FSMA”	The Financial Services and Markets Act 2000 (as amended).
“FvdS”	Frans van der Schoot B.V.
“Gas Flaring Permits”	The permits granted to Zhaikmunai by the Competent Authority with respect to gas flaring.
“Gas Treatment Facility”	The facility constructed by KSS and Exterran for the treatment of all gas produced by Zhaikmunai in association with its crude oil production, as well as gas to be produced for commercial sales.

“Guarantee”	A full and unconditional guarantee, subject to local law limitations, of the Notes by the Gurantors.
“Guarantors”	Collectively, the guarantors of the Notes, being Claydon, Jubilata, FvdS, Zhaikmunai L.P., Condensate-Holding and Zhaikmunai.
“GDRs”	The global depositary receipts of Zhaikmunai L.P.
“General Partner”	ZGL in its capacity as general partner of Zhaikmunai L.P.
“Government”	The government of Kazakhstan.
“Group”	Zhaikmunai L.P. and, as the context requires, its direct and indirect consolidated subsidiaries.
“ICTA”	Income and Corporation Tax Act 1988.
“IFRS”	International Financial Reporting Standards.
“Independent Director”	The independent directors of the General Partner as defined in the Articles of Association of the General Partner.
“Initial Offer”	The offering of 10,000,000 Common Units in the form of GDRs (i) in the United States to QIBs in reliance on Rule 144A and (ii) outside the United States in reliance on Regulation S on 28 March 2008 which was followed by admission to trading of the GDRs to the Official List and to trading on the IOB on 2 April 2008.
“Initial Purchasers”	Citigroup Global Markets Limited, ING Bank N.V., London Branch and J.P. Morgan Securities Ltd.
“Intergaz”	Intergaz Ltd.
“Investor”	An affiliate of funds managed by Baring Vostok Capital Partners Limited.
“IOB”	London Stock Exchange’s International Order Book.
“Issuer”	Zhaikmunai Finance B.V.
“Jubilata”	Jubilata Investments Limited of registered address Trident Chambers, Road Town, Tortola, British Virgin Islands.
“Kazakhstan”	The Republic of Kazakhstan.
“KazMunaiGas” or “KazMunaiGas EP”	JSC KazMunaiGas Exploration Production.
“KazRosGaz”	KazRosGaz LLP.
“KPO”	Karachaganak Petroleum Operations.
“KSS”	JSC OGCC KazStroyService.
“KTO”	JSC KazTransOil (a subsidiary of NC KazMunaiGas).
“KTZ”	JSC NC Kazakhstan Temir Zholy.
“Kyoto Protocol”	The Kyoto Protocol to the United Nations Framework Convention on Climate Change.
“Licence”	Licence series MG No. 253-D (Oil) issued to Zhaikmunai by the Government on May 26, 1997.
“Licencing Law”	The Kazakhstan Law “On Licensing” (No. 214, dated 11 January 2007, as amended, which came into effect on 9 August 2007).
“Listing Rules”	The listing rules made by the Financial Services Authority under section 73A of the FSMA.
“London Stock Exchange” or “LSE”	London Stock Exchange plc.

“MEP”	The Kazakhstan Ministry of Environmental Protection.
“MINT”	The Kazakhstan Ministry of Industry and New Technologies.
“Mirabaud”	Mirabaud Securities LLP.
“MOG”	The Ministry of Oil and Gas of Kazakhstan, the State’s central executive agency, acting based upon its Regulations approved by the Resolution of the Government (No. 254, dated 20 May 2010), which is currently the Competent Authority in oil and gas and the Authorised Oil and Gas Agency.
“NBK”	National Bank of Kazakhstan.
“NC KMG”	Joint-stock company National Company KazMunaiGas.
“New Subsoil Law”	The most recent Kazakhstan Law “On Subsoil and Subsoil Use” (No. 291-IV, dated 24 June 2010).
“Old Subsoil Law”	The Kazakhstan Law “On Subsoil and Subsoil Use” (No. 2828, dated 27 January 1996, as amended), recently replaced with the New Subsoil Law.
“Order”	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
“Partnership Act”	The Partnership Act 1909 of the Isle of Man.
“Partnership Agreement”	The amended and restated partnership agreement in respect of Zhaikmunai L.P. dated 27 August 2009 amongst the General Partner and the limited partners stated therein.
“Personnel Agreement”	The service agreement for the provision of personnel between Amersham and Zhaikmunai dated 25 October 2006.
“Placing”	The issue of 45,000,000 Common Units on a non-preemptive basis to placees procured by the Managers pursuant to the Placing Agreement.
“Placing Agreement”	The underwriting and placing agreement dated 29 July 2009 amongst Zhaikmunai L.P., ZGL, ING, Mirabaud, Renaissance Securities (Cyprus) Limited and FirstEnergy Capital.
“PRMS”	2007 Petroleum Resources Management System, which are a set of definitions and guidelines designed to provide a common reference for the international petroleum industry, sponsored by the Society for Petroleum Engineers, the American Association of Petroleum Geologists, World Petroleum Council and the Society for Petroleum Evaluation Engineers.
“Probel”	Probel Capital Management N.V.
“Production Permit”	The mining allotment (Annex to the Licence), issued by the Competent Authority to Zhaikmunai.
“Profit Oil”	Profit Oil is the difference between Cost Oil and the total amount of crude oil produced each month, which is shared between the State and Zhaikmunai.
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, including any relevant implementing measure in each Relevant Member State.
“PSA”	Contract for additional exploration, production and production sharing of crude oil hydrocarbons in the Chinarevskoye oil and gas condensate field in the West-Kazakhstan oblast No. 81, dated October 31, 1997, as amended, between Zhaikmunai and the Competent Authority (currently the MOG), representing Kazakhstan.

“PSA Law”	Kazakhstan Law No. 68-III “On Production Sharing Agreements for Constructing Offshore Petroleum Operations”, dated 8 July 2005.
“QIB”	A qualified institutional buyer as defined in Rule 144A.
“RSA”	The New Hampshire Revised Statutes of the State of New Hampshire, USA.
“Regulation S”	Regulation S under the Securities Act.
“Relationship Agreement”	The relationship agreement between Zhaikmunai L.P., Thyler, ZGL and Claremont dated 28 March 2008.
“Relevant Member State”	A Member State of the European Economic Area which has implemented the Prospectus Directive.
“Rule 144A”	Rule 144A under the Securities Act.
“Ryder Scott”	Ryder Scott Company, L.P.
“Saipem”	Saipem S.p.A.
“Scoulton”	Scoulton Holdings Limited of registered address Trident Chambers, Road Town, Tortola, British Virgin Islands.
“SEC”	The United States Securities and Exchange Commission.
“Securities Act”	The United States Securities Act of 1933, as amended.
“State”	Kazakhstan.
“State Acceptance Commission”	The State Acceptance Commission of the Republic of Kazakhstan which is the competent body authorised to, among other things, confirm that permanent operations can commence for certain facilities, including the Gas Treatment Facility.
“State Share”	The share of hydrocarbon production due (in cash or kind) to Kazakhstan under the PSA.
“Takeover Code”	The UK City Code on Takeovers and Mergers.
“TCO”	A joint venture between Chevron Texaco, Exxon Mobil, Lukarco and NC KMG.
“Tenge” or “KZT”	The lawful currency of Kazakhstan.
“Thyler”	Thyler Holdings Limited of registered address Trident Chambers, Road Town, Tortola, British Virgin Islands.
“UNGG”	AO Uralskneftegazgeologia.
“US Dollars” or “US\$”	The lawful currency of the United States of America.
“Water Code”	The Water Code of Kazakhstan (No. 481, dated 9 July 2003, as amended).
“WUP” or “Water Use Permit”	The permit granted by the relevant Government authority with respect to water use pursuant to the Water Code.
“Zhaikmunai”	Zhaikmunai LLP, the operating company of the Group.
“Zhaikmunai Group Limited” or “ZGL”	Zhaikmunai Group Limited of registered office at 7th Floor Harbour Court, Lord Street, Douglas, Isle of Man IM1 4LN.

GLOSSARY OF TECHNICAL AND OTHER TERMS

The following are definitions of certain oil and gas terms and abbreviations used in this Offering Memorandum:

“3-D seismic survey”	Seismic survey that is acquired, processed and interpreted to yield a three-dimensional picture of the subsurface.
“API”	An indication of density of crude oil or other liquid hydrocarbons as measured by a system recommended by the American Petroleum Institute, API, measured in degrees relative to the specific gravity scale. The higher the API gravity measure, the lighter the compound.
“associated gas”	Gas, which occurs in crude oil reservoirs in a gaseous state.
“bbl”	Abbreviation for barrel, which is 42 US gallons.
“bpd”	Barrels per day.
“boe”	Barrels of crude oil equivalent.
“contingent resources”	Deposits that are estimated, on a given date, to be potentially recoverable from known accumulations but that are not currently considered commercially recoverable.
“DAF”	Sales made on delivery at frontier terms.
“FCA”	Sales made under free carrier terms.
“FCA Uralsk”	Sales made under free carrier terms according to which Zhaikmunai delivers to the terminal in Uralsk and transportation risk and risk of loss are transferred to the buyer after delivery to the carrier.
“field”	An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structure feature and/or stratigraphic condition.
“FOB”	Sales made under free on board terms.
“gas”	Petroleum that consists principally of light hydrocarbons. It can be divided into lean gas, primarily methane but often containing some ethane and smaller quantities of heavier hydrocarbons (also called sales gas), and wet gas, primarily ethane, propane and butane as well as smaller amounts of heavier hydrocarbons; partially liquid under atmospheric pressure.
“gas condensate”	The mixture of liquid hydrocarbons that results from condensation of petroleum hydrocarbons existing initially in a gaseous phase in an underground reservoir.
“gross”	Gross oil and gas wells or gross acres are the total number of wells or acres in which the Group has an interest, without regard to the size of that interest.
“hydrocarbons”	Compounds formed from the elements hydrogen (H) and carbon (C), which may be in solid, liquid or gaseous form.
“LPG”	Liquefied petroleum gas.
“m”	Metre.
“mboe”	Thousands of barrels of crude oil equivalent.
“mmbbl”	Millions of barrels.
“mmboe”	Millions of barrels of crude oil equivalent.
“oil”	Crude oil and condensate.

“operator”	The individual or company responsible for conducting oil and gas exploration, development and production activities on an oil and gas lease or concession on its own behalf and, if applicable, for other working interest owners, generally pursuant to the terms of a joint operating agreement or comparable agreement.
“petroleum”	Hydrocarbons, whether solid, liquid or gaseous. The proportion of different compounds in a petroleum find varies from discovery to discovery. If a reservoir primarily contains light hydrocarbons, it is described as a gas field. If heavier hydrocarbons predominate, it is called an oil field. An oil field may feature free gas above the oil and contain a quantity of light hydrocarbons, also called associated gas.
“possible reserves”	Additional reserves that are less certain to be recovered than probable reserves, as defined by the PRMS.
“probable reserves”	Those unproved reserves which analysis of geological and engineering data suggests they are more likely than not to be recovered, as defined by PRMS.
“production well”	A well that is producing oil or gas, or one that is capable of production.
“prospective resources”	Quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.
“proved reserves”	Reserves which by analysis of geological and engineering data, are estimated with reasonable certainty to be commercially recoverable from a given date forward, from known reservoirs under current economic conditions, operating methods and government Regulations as defined by PRMS. Proved reserves can either be producing or non-producing.
“recovery”	The second stage of hydrocarbon production during which an external fluid such as water or gas is injected into the reservoir to maintain reservoir pressure and displace hydrocarbons towards the wellbore.
“reservoir”	A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.
“royalty”	An interest in an oil and gas property entitling the owner to a share of oil or gas production free of costs of production.
“seismic”	The use of shock waves generated by controlled explosions of dynamite or other means to ascertain the nature and contour of underground geological structures.
“sidetrack well”	A well or borehole that runs partly to one side of the original line of drilling.
“SPE”	Society of Petroleum Engineers.
“tonne”	Metric tonne.
“workover”	Routine maintenance or remedial operations on a producing well in order to maintain, restore or increase production.

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Zhaikmunai LP

Interim Condensed Consolidated Financial Statements (Unaudited)

For the six months ended June 30, 2010

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the participants of Zhaikmunai LP:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Zhaikmunai LP and its subsidiaries (“the Group”) as at 30 June 2010 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

2 September 2010

Ernst & Young LLP
Almaty, Kazakhstan

ZHAIKMUNAI LP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<u>In thousands of US dollars</u>	<u>Note</u>	<u>June 30, 2010 (unaudited)</u>	<u>December 31, 2009 (audited)</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	864,952	770,953
Restricted cash		21,486	21,358
Advances for equipment and construction works		21,259	27,399
Derivative financial instrument	10	38	98
		<u>907,735</u>	<u>819,808</u>
Current Assets			
Inventories		7,447	3,477
Trade receivables		4,133	13,878
Prepayments and other current assets		18,009	22,663
Income tax prepayment		9,040	5,599
Cash and cash equivalents		74,192	137,375
		<u>112,821</u>	<u>182,992</u>
TOTAL ASSETS		<u>1,020,556</u>	<u>1,002,800</u>
EQUITY AND LIABILITIES			
Partnership Capital and Reserves			
Partnership capital	12	366,942	366,942
Retained earnings and translation reserve		130,404	110,827
		<u>497,346</u>	<u>477,769</u>
Non-Current Liabilities			
Long term borrowings		359,817	356,348
Abandonment and site restoration liabilities		3,777	3,373
Due to Government of Kazakhstan		6,323	6,363
Employee share option plan		5,992	7,025
Deferred tax liability		87,959	76,659
		<u>463,868</u>	<u>449,768</u>
Current Liabilities			
Trade payables	9	51,219	66,381
Current portion of Due to Government of Kazakhstan		1,017	1,028
Other current liabilities		7,106	7,854
		<u>59,342</u>	<u>75,263</u>
TOTAL EQUITY AND LIABILITIES		<u>1,020,556</u>	<u>1,002,800</u>

The accounting policies and explanatory notes on pages F-9 through F-17 are an integral part of these interim condensed consolidated financial statements

Chief Executive Officer of Zhaikmunai Group Ltd.
Acting as the General Partner of Zhaikmunai LP

Kai Uwe Kessel

Chief Financial Officer of Zhaikmunai Group Ltd.
Acting as the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of US dollars	Notes	Three months ended June 30,		Six months ended June 30,	
		2010 (unaudited)	2009 (unaudited)	2010 (unaudited)	2009 (unaudited)
Sales of crude oil:					
Export sales		32,885	25,006	72,075	43,085
Domestic sales		1,153	1,357	2,579	1,595
		<u>34,038</u>	<u>26,363</u>	<u>74,654</u>	<u>44,680</u>
Cost of sales	5	(9,661)	(8,814)	(20,733)	(18,705)
Gross profit		<u>24,377</u>	<u>17,549</u>	<u>53,921</u>	<u>25,975</u>
General and administrative expenses . . .	6	(7,901)	(10,747)	(13,671)	(14,184)
Selling and oil transportation expenses . .		(1,186)	(1,528)	(3,505)	(2,847)
Finance costs	7	(310)	(2,265)	(654)	(3,498)
Foreign exchange gain/(loss)		(304)	(10,940)	126	(12,624)
Gain/(loss) on derivative financial instrument	10	1,816	(6,126)	(60)	(15,433)
Interest income		43	—	58	—
Other expenses		(84)	(130)	(395)	(234)
Profit/(loss) before Income Tax		<u>16,451</u>	<u>(14,187)</u>	<u>35,820</u>	<u>(22,845)</u>
Income tax (expense)/benefit	8	(10,325)	19,995	(16,243)	2,744
Total comprehensive income/(loss), net of tax		<u>6,126</u>	<u>5,808</u>	<u>19,577</u>	<u>(20,101)</u>

The accounting policies and explanatory notes on pages F-9 through F-17 are an integral part of these interim condensed consolidated financial statements

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Jan-Ru Muller

ZHAIKMUNAI LP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of US dollars	Notes	Six months ended June 30,	
		2010 (unaudited)	2009 (unaudited)
Cash flow from operating activities:			
Profit/(loss) before income tax		35,820	(22,845)
Adjustments for:			
Depreciation and amortization		8,248	7,162
Finance costs	7	654	3,498
Interest income		58	—
(Reversal)/accrual of share option expenses		(1,033)	1,267
Loss on hedging contract at fair value	10	60	15,433
Operating profit before working capital changes		43,807	4,515
Changes in working capital:			
(Increase)/decrease in inventories		(3,970)	269
Decrease/(increase) in trade receivables		9,745	(6,593)
(Increase)/decrease in prepayments and other current assets		(1,998)	5,947
(Decrease)/increase in trade payables		(19,855)	10,503
(Decrease)/increase in other current liabilities		(748)	477
Payment of obligation to Government of Kazakhstan		(530)	(258)
Cash generated from operations		26,451	14,860
Income tax paid		(1,779)	(1,024)
Net cash flows from operating activities		24,672	13,836
Cash flow from investing activities:			
Interest received		(58)	—
Purchases of property, plant and equipment	3	(71,258)	(24,918)
Net cash used in investing activities		(71,316)	(24,918)
Cash flow from financing activities:			
Proceeds from sale of derivative financial instrument	10	—	48,200
Purchase of derivative financial instrument		—	(7,700)
Interest paid		(16,458)	(8,526)
Realized hedging gain		—	5,417
Transfer (to)/from restricted cash		(128)	2,000
Net cash (used in)/provided by financing activities		(16,586)	39,391
Effects of exchange rate changes on cash and cash equivalents		47)	—
Net increase in cash and cash equivalents		(63,230)	28,309
Cash and cash equivalents at the beginning of period		137,375	11,887
Cash and cash equivalents at the end of period		74,192	40,196

The accounting policies and explanatory notes on pages F-9 through F-17 are an integral part of these interim condensed consolidated financial statements

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Jan-Ru Muller

ZHAIKMUNAI LP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<u>In thousands of US dollars</u>	<u>Partnership capital</u>	<u>Retained earnings</u>	<u>Translation reserve</u>	<u>Total</u>
As of January 1, 2009 (audited)	92,072	126,296	3,299	221,667
Total comprehensive loss for the period (unaudited)	—	(20,101)	—	(20,101)
As of June 30, 2009 (unaudited)	92,072	106,195	3,299	201,566
As of December 31, 2009 (audited)	366,942	107,528	3,299	477,769
Total comprehensive income for the period (unaudited)	—	19,577	—	19,577
As of June 30, 2010 (unaudited)	366,942	127,105	3,299	497,346

*The accounting policies and explanatory notes on pages F-9 through F-17 are an integral part of
these interim condensed consolidated financial statements*

Chief Executive Officer of Zhaikmunai Group Ltd.
Acting as the General Partner of Zhaikmunai LP

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Acting as the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Zhaikmunai LP is a Limited Partnership formed on 29 August 2007 pursuant to the Partnership Act 1909 of the Isle of Man. Zhaikmunai LP is registered in the Isle of Man with registered number 295P.

These interim condensed consolidated financial statements include the results of the operations of Zhaikmunai L.P. (“Zhaikmunai LP”) and its wholly owned subsidiaries Frans Van Der Schoot B.V. (“FVDS”), Claydon Industrial Limited (“Claydon”), Zhaikmunai Finance B.V. (“Zhaikmunai Finance”), Jubilata Investments Limited (“Jubilata”), Zhaikmunai LLP (“the Partnership”) and Condensate Holdings LLP (“Condensate”). Zhaikmunai LP and its subsidiaries are hereinafter referred to as “the Group”. The Group’s operations comprise of a single operating segment and are primarily conducted through its oil and gas producing entity Zhaikmunai LLP located in Kazakhstan. The Group is ultimately indirectly controlled through Thyler Holdings Limited (“Thyler”), by Frank Monstrey. The General Partner of Zhaikmunai LP is Zhaikmunai Group Limited, which is responsible for the management of the Group.

The Partnership was established in 1997 for the purpose of exploration and development of the Chinarevskoye oil and gas condensate field in the Western Kazakhstan Region. The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the “Contract”) dated October 31, 1997, as amended, in accordance with the license MG No. 253D (the “License”) for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field between the State Committee of Investments of the Republic of Kazakhstan and the Partnership.

The Group was formed through a reorganization of entities under common control on March 28, 2008 to facilitate the listing of GDRs on the LSE. On March 28, 2008 Zhaikmunai LP listed 40,000,000 Global Depositary Receipts (‘GDRs’) on the London Stock Exchange (‘LSE’), 30,000,000 of which were issued to Claremont Holdings Limited, a subsidiary of Thyler, after the reorganisation and 10,000,000 which were sold to other investors at US\$10 per GDR, representing 9.09% of the equity interests in the Group.

On September 15, 2009, Zhaikmunai LP raised an additional US\$300 million through the sale of 75,000,000 new common units in the form of GDRs at US\$4 per GDR. 25,000,000 of these GDRs were placed with Claremont Holdings Limited. Claremont Holdings Limited is indirectly controlled by Frank Monstrey.

The registered address of the Zhaikmunai L.P. is: 7th Floor, Harbour Court, Lord Street, Douglas, Isle of Man, IM1 4LN.

These interim condensed consolidated financial statements were authorized for issue by Kai-Uwe Kessel, Chief Executive Officer of the General Partner of Zhaikmunai LP and by Jan-Ru Muller, Chief Financial Officer of the General Partner of Zhaikmunai LP on September 2, 2010.

Licence terms

The term of the license of the Partnership originally included a 5 year exploration period and a 25 year production period. The exploration period was initially extended for additional 4 years and then for further 2 years according to the supplements to the Contract dated January 12, 2004 and June 23, 2005, respectively. In accordance with the supplement dated June 5, 2008, Tournaisian North reservoir entered into production period as at January 1, 2007. Following additional commercial discoveries during 2008, the exploration period under the license, other than for the Tournaisian horizons, was extended for an additional 3 year period with a new expiry on May 26, 2011.

The extensions to the exploration periods have not changed the license term, which will expire in 2031.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended June 30, 2010 have been prepared in accordance with IAS 34 and on a historical cost basis, except for financial instruments, and should be read in conjunction with the Group’s consolidated annual financial statements for the year ended December 31, 2009.

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2. BASIS OF PREPARATION (Continued)

Significant accounting policies

The accounting policies applied in preparation of these interim condensed consolidated financial statements are consistent with those applied in preparation of the annual consolidated financial statements for the year ended December 31, 2009, except for the adoption of new standards and interpretations as of January 1, 2010, noted below.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2010:

- IFRS 3R Business Combinations

The Group has adopted the revised standard. The adoption of the revised standard did not have a material impact on the financial position and performance of the Group.

- IAS 27 Consolidated and Separate Financial Statements—amendment

The Group has adopted the revised standard. The adoption of the revised standard did not have any impact on the financial position and performance of the Group.

The following new standards, amendments to standards and IFRIC are mandatory for the first time for the financial year beginning January 1, 2010, but are not currently relevant for the Group:

- IFRS 1 First-time Adoption of International Financial Reporting Standards—Additional Exemptions for First-time Adopters
- IFRS 2 Group Cash-settled Share-based Payment Transactions
- IAS 39 Eligible hedged items
- IFRIC 17 Distributions of Non-cash Assets to Owners

The Group has not early adopted any other standard, interpretation or amendment that were issued but are not yet effective.

Seasonality of operations

The Group's operating expenses are subject to seasonal fluctuations, with higher expenses for various field repair and maintenance services, in the latter part of the year. These fluctuations are mainly due to the fact that these services are usually performed in warmer months of the year.

3. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2010, the Group had net additions of property, plant and equipment of US\$102,247 thousand (Six months ended June 30, 2009: US\$138,029 thousand). These additions included capitalised interest of US\$20,790 thousand (Six months ended June 30, 2009: US\$9,269 thousand) and abandonment and site restoration assets of US\$229 thousand (Six months ended June 30, 2009: US\$1,851 thousand).

4. BORROWINGS

Facility Agreement with BNP Paribas

On December 12, 2007 the Partnership entered into a US\$550 million senior secured facility agreement between BNP Paribas (Suisse) S.A. ("BNP Paribas Facility"), as a facility agent, and the Partnership, as a borrower, and Zhaikmunai LP as a guarantor. Initially, the BNP Paribas Facility comprised three tranches of US\$200 million, US\$200 million and US\$150 million.

On August 27, 2009, an amendment agreement was concluded to reduce the size of the syndicated facility to US\$382 million and increasing the rate of interest (over LIBOR and mandatory costs) to 7% from 3%,

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

4. BORROWINGS (Continued)

4% and 5% for tranches one, two and three, respectively. The amendment was treated as a non-substantial change to the existing Facility and the related amendment arrangement fees of US\$14,480 thousand were added to the initial Facility arrangement fees.

The total outstanding principal balance of the liability under the loan facility as at June 30, 2010 is US\$381,677 thousand which is presented net of the amount of the facility arrangement fees of US\$21,860 thousand (December 31, 2009: US\$381,677 thousand and US\$25,329 thousand, respectively). The outstanding balance is repayable commencing September 30, 2011 in semi-annual instalments with the final payment being made on March 31, 2014. This is subject to further adjustment to reflect any changes to the borrowing base amount. In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals, and a cash sweep of 50% of debt or new equity issuance and 50% of the balance (in excess of US\$25 million in aggregate) of the Partnership's account held with a member of the syndicate (the Collection Account) and the Partnership's account held with a member of the syndicate into which the proceeds of the equity issue (Note 1) were paid. The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Partnership is required to give customary representations and warranties, repeated periodically and maintain certain financial covenants relating to profitability. Further, all export sale proceeds are paid into the Collection Account, and withdrawals from such account may only be made in accordance with the agreed banking case.

In accordance with the BNP Paribas Facility, the Partnership maintains a hedging programme under which it hedges a fixed volume of production at Brent crude oil price of US\$60 per bbl until December 31, 2010 (Note 10). The Partnership is additionally required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. From completion of the gas treatment unit, 100% of gas production and no less than 50% of projected LPG production are also required to be covered by off-take contracts. The Partnership's obligations under the BNP Paribas Facility are secured by various forms of security, including, (i) a pledge over 100% of the participatory interests in the Partnership; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the gas treatment facility; (v) assignment of the benefit of the Partnership's relevant existing and future insurance policies; (vi) pledges over all of its property, plant and equipment; and (vii) pledges over all of the issued capital of FVDS, Claydon and Jubilata.

The total Partnership's debt service reserve account, classified as restricted cash under the terms of the BNP Paribas Facility amounted to US\$19,078 thousand as at June 30, 2010 and 2009.

Further, all export sale proceeds are paid into the Partnership's account held with a member of the syndicate, and withdrawals from such account may be made in accordance with the Partnership's approved cashflow plan.

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

5. COST OF SALES

<u>In thousands of US dollars</u>	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation and amortization	3,897	3,108	7,978	7,362
Royalties	1,794	1,241	3,260	2,303
Payroll and related taxes	1,456	974	3,000	2,275
Repair, maintenance and other services	1,189	851	2,855	2,318
Other transportation services	1,687	310	2,055	735
Well workover costs	1,059	—	1,059	—
Materials and supplies	765	398	1,442	855
Management fees	498	716	988	992
Environmental levies	254	223	501	544
Government profit share	386	264	765	442
Change in oil stock	(3,514)	650	(3,599)	428
Other	190	79	429	451
	<u>9,661</u>	<u>8,814</u>	<u>20,733</u>	<u>18,705</u>

6. GENERAL AND ADMINISTRATIVE EXPENSES

<u>In thousands of US dollars</u>	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Management fees	2,956	3,084	4,721	4,081
Professional services	2,938	4,643	3,588	5,227
Equity option plan	(1,612)	1,379	(1,033)	1,267
Payroll and related taxes	1,361	657	2,196	1,339
Training	583	462	1,170	1,065
Business trip	479	9	542	70
Insurance fees	238	80	404	165
Other taxes	—	—	318	—
Communication	142	92	257	195
Bank charges	105	91	248	158
Lease payments	92	63	163	128
Sponsorship	119	55	182	78
Social program	75	65	150	130
Materials and supplies	34	31	64	53
Other	391	36	701	228
	<u>7,901</u>	<u>10,747</u>	<u>13,671</u>	<u>14,184</u>

7. FINANCE COSTS

<u>In thousands of US dollars</u>	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest expense on borrowings	—	2,072	—	3,036
Unwinding of discount on Due to Government	97	4	175	247
Unwinding of discount on Abandonment and Site Restoration Liability	213	189	479	215
	<u>310</u>	<u>2,265</u>	<u>654</u>	<u>3,498</u>

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

8. INCOME TAX

The income tax expense/(benefit) consisted of the following:

In thousands of US dollars	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income tax expenses comprise:				
—current income tax expense	1,998	(71)	4,943	8,882
—deferred income tax expense/(benefit)	8,327	(19,924)	11,300	(11,626)
Total income tax expense/(benefit)	10,325	(19,925)	16,243	(2,744)

The Group's profits are assessed for income taxes only in the Republic of Kazakhstan. A reconciliation of income tax expense applicable to profit before income tax using the Kazakhstani tax rate, applicable to the license, of 30% to income tax expense as reported in the Group's consolidated financial statements for the periods ended June 30 is as follows:

In thousands of US dollars	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit/(loss) before income tax	16,451	(14,187)	35,820	(22,845)
Statutory tax rate	30%	30%	30%	30%
Expected tax provision	4,935	(4,257)	10,746	(6,854)
Non-deductible interest expense on borrowings . .	3,464	773	6,330	2,246
Income taxed at different rate	946	393	946	(4,050)
Foreign exchange loss	209	3,282	116	3,787
Adjustments in respect of current income tax of previous year	(2,035)	—	(2,035)	—
Change of the tax base	1,925	(21,934)	(903)	—
Difference arising on Abandonment and Site Restoration liability and payables Due to Government	325	325	325	325
Other non-deductible expenses	556	1,423	718	1,802
Income tax expense/(benefit) reported in the interim condensed consolidated statement of comprehensive income	10,325	(19,995)	16,243	(2,744)

Deferred tax balances are calculated by applying the Kazakhstani statutory tax rates in effect at the respective balance sheet dates to the temporary differences between the tax and the amounts reported in the financial statements and are comprised of the following at June 30, 2010 and December 31, 2009:

In thousands of US dollars	June 30, 2010	December 31, 2009
	(unaudited)	(audited)
Deferred tax asset:		
Accounts payable and provisions	1,601	1,567
	1,601	1,567
Deferred tax liability:		
Crude oil inventory	—	(448)
Property, plant and equipment	(89,560)	(77,778)
Net deferred tax liability	(87,959)	(76,659)

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

8. INCOME TAX (Continued)

As at June 30, 2010 and 2009 the movements in the deferred tax liability were as follows:

<u>In thousands of US dollars</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
	(unaudited)	(unaudited)
Balance at January 1, ...	(76,659)	(56,940)
Current year (charge)/benefit to statement of comprehensive income	(11,300)	11,626
Balance at June 30, 2010 and 2009	<u>(87,959)</u>	<u>(45,314)</u>

9. TRADE PAYABLES

<u>In thousands of US dollars</u>	<u>June 30, 2010</u>	<u>December 31, 2009</u>
	(unaudited)	(audited)
Tenge denominated trade payables	9,703	8,556
US dollar denominated trade payables	39,132	52,930
Trade payables denominated in other currencies	2,384	4,895
	<u>51,219</u>	<u>66,381</u>

10. DERIVATIVE FINANCIAL INSTRUMENT

Pursuant to the terms of the BNP Paribas facility (Note 4) in 2008 the Partnership entered, at nil cost, into a hedging contract covering oil export sales commencing March 2008 through till December 2013 which was sold before expiration on March 31, 2009 and entered into a new hedging contract at cost of US\$7,700 thousand covering oil export sales of 967,058 bbl and 596,766 bbl in 2009 and 2010, respectively. The floor price for Brent crude oil under this hedging contract was fixed at price of US\$50 per bbl. The contract expired on June 30, 2010.

On March 12, 2010, the Partnership has entered, at nil cost, into an additional hedging contract covering oil export sales of 4,000 bbls/day running from March 2010 through December 2010. The counterparties ("Hedging Providers") to the hedging agreement are BNP Paribas, Natixis and Raiffeisen Zentralbank. Based on the new hedging contract the floor price for Brent crude oil is fixed at price of US\$60 per bbl. The ceiling price is set at a range from US\$89.25 per bbl to US\$100 per bbl such that the Partnership will receive all sales proceeds in excess of \$ 100 per bbl.

Gains and losses on the hedge contract, which do not qualify for hedge accounting, are taken directly to profit or loss.

<u>In thousands of US dollars</u>	<u>2010</u>	<u>2009</u>
	(unaudited)	(unaudited)
Hedging contract fair value at January 1	98	62,923
Proceeds from sale of hedging contract	—	(48,200)
Realized hedging gain	—	(5,416)
Unrealized hedging (gain)/loss	(38)	6,127
Loss on hedging contract	<u>60</u>	<u>15,433</u>
Purchase of hedging contract	—	7,700
Unrealized hedging gain/(loss)	38	(6,127)
Hedging contract at fair value at June 30	<u>38</u>	<u>1,573</u>

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

11. RELATED PARTY TRANSACTIONS

For the purpose of these interim condensed consolidated financial statements related parties transactions include mainly balances and transactions between the Group and the participants and/or their subsidiaries or associated companies.

Balances with related parties at the balance sheet dates and transactions with related parties for the respective periods follow.

<u>In thousands of US dollars</u>	<u>June 30, 2010</u>	<u>December 31, 2009</u>
	(unaudited)	(audited)
Trade payables		
Probel Capital Management B.V.	—	394
Amersham Oil LLP	82	498
Prolag BVBA	37	129
Total	<u>119</u>	<u>1,021</u>

<u>In thousands of US dollars</u>	<u>Six months ended June 30, 2010</u>	<u>2009</u>
	(unaudited)	(unaudited)
Cost of sales		
Probel Capital Management B.V.	5,493	4,349
Prolag BVBA	1,018	1,180
Amersham Oil LLP	639	555
Total	<u>7,149</u>	<u>6,084</u>

All related parties are companies and key management personnel, indirectly controlled by Frank Monstrey.

12. PARTNERSHIP CAPITAL

The ownership interests in Zhaikmunai LP consist of (a) Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in Zhaikmunai LP and (b) the interest of the General Partner. At any general meeting every holder of Common Units shall have one vote for each Common Unit of which he or she is the holder. Under the Partnership Agreement, distributions to limited partners will be made either as determined by the General Partner in its sole discretion or following the approval of a majority of limited partners provided such amount does not exceed the amount recommended by the General Partner. Any distributions to Zhaikmunai LP's limited partners will be made on a pro rata basis according to their respective partnership interests in Zhaikmunai LP and will be paid only to the recorded holders of Common Units. There were no distributions declared for the periods ended June 30 2010 and 2009.

As discussed in Note 1 on September 15, 2009, Zhaikmunai LP successfully raised an additional US\$300 million through the sale of 75,000,000 new common units in the form of GDRs at US\$4 per GDR. 25,000,000 of these GDRs were placed with Claremont Holdings Limited. Upon completion of the placing, the capital structure of the Partnership was as follows: Claremont Holdings Limited (67.57%) and other holders of GDRs (32.43%). The proceeds of the placing will supplement the Partnership's existing credit facilities and fund in part the capital expenditure programme for the Chinarevskoye field, in particular, the completion of the Gas Treatment Unit. The issuance costs amounted to US\$25,130 thousand.

As at June 30, 2010 and 2009, Zhaikmunai LP had 115,000,000 and 40,000,000 of GDR's issued, respectively. No new GDR's were issued during the six month periods ended June 30, 2010.

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

13. CONTINGENT LIABILITIES AND COMMITMENTS

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

The Kazakhstan economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The ongoing global financial crisis has resulted in capital markets and commodity price instability, significant deterioration of liquidity in the banking sector and tighter credit conditions within Kazakhstan. Consequently, the Kazakhstan Government has introduced a range of stabilization measures aimed at providing liquidity and supporting finance for Kazakhstan banks and companies.

While management believes it is taking appropriate measures to support the sustainability of the Partnership's business in the current circumstances, unexpected further deterioration in the areas described above could negatively affect the Partnership's results and financial position in a manner not currently determinable.

Legal actions

In the ordinary course of business, the Partnership is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Partnership.

The Partnership assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its consolidated financial statements only where it is probable that actual events giving rise to a liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in these condensed interim consolidated financial statements for any of the contingent liabilities mentioned above.

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at June 30, 2010. As at June 30, 2010 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Partnership's tax positions will be sustained.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and cleanup evolve, the Partnership may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental obligations

The Partnership may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Partnership may incur

ZHAIKMUNAI LP
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

13. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation. However, depending on any unfavorable claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Partnership's future results of operations or cash flow could be materially affected in a particular period.

Capital commitments

As at June 30, 2010 the Partnership had contractual capital commitments in amount of US\$25,761 thousand.

Operating leases

The Partnership entered into a cancellable lease agreement for the main administrative office in Uralsk in October 2007 for a period of 20 years for US\$15 thousand per month.

Social and education commitments.

As required by the Contract with the Government, the Partnership is obliged to spend: (i) US\$300 thousand per annum to finance social infrastructure and (ii) one percent from the capital expenditures incurred during the year for education purposes of the citizens of Kazakhstan on an annual basis until the end of the Contract.

Zhaikmunai LP

Consolidated Financial Statements

Year ended December 31, 2009

With Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Partners of Zhaikmunai LP:

We have audited the accompanying consolidated financial statements of Zhaikmunai LP and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

29 March 2010

Ernst & Young LLP
Almaty, Kazakhstan

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2009

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2009</u>	<u>2008</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	770,953	513,491
Derivative financial instrument	19	98	62,923
Restricted cash	7	21,358	—
Advances for equipment and construction works		27,399	75,385
		<u>819,808</u>	<u>651,799</u>
Current Assets			
Restricted cash	7	—	21,078
Inventories		3,477	3,589
Trade receivables	5	13,878	1,084
Prepayments and other current assets	6	22,663	28,081
Income tax prepayment		5,599	5,386
Cash and cash equivalents	7	137,375	11,887
		<u>182,992</u>	<u>71,105</u>
TOTAL ASSETS		<u>1,002,800</u>	<u>722,904</u>
EQUITY AND LIABILITIES			
Partnership capital and Reserves			
Partnership capital	8	366,942	92,072
Retained earnings and translation reserve		110,827	129,595
		<u>477,769</u>	<u>221,667</u>
Non-Current Liabilities			
Long term borrowings	9	356,348	—
Abandonment and site restoration liabilities	10	3,373	3,411
Due to Government of Kazakhstan	11	6,363	6,330
Employee share option plan	20	7,025	516
Deferred tax liability	18	76,659	56,940
		<u>449,768</u>	<u>67,197</u>
Current Liabilities			
Trade payables	12	66,381	60,953
Current portion of long term borrowings	9	—	365,439
Current portion of Due to Government of Kazakhstan	11	1,028	1,031
Other current liabilities	13	7,854	6,617
		<u>75,263</u>	<u>434,040</u>
TOTAL EQUITY AND LIABILITIES		<u>1,002,800</u>	<u>722,904</u>

The accounting policies and explanatory notes on pages F-25 through F-53 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2009

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2009</u>	<u>2008</u>
Sales of crude oil:			
Export sales		109,368	127,811
Domestic sales		6,665	8,101
		116,033	135,912
Cost of sales	14	(44,035)	(44,610)
Gross Profit		71,998	91,302
General and administrative expenses	15	(29,726)	(20,299)
Selling and oil transportation expenses	16	(5,692)	(24,212)
(Loss)/gain on hedging contract	19	(16,909)	64,780
Finance costs	17	(7,801)	(13,171)
Foreign exchange loss		(2,184)	(1,527)
Interest income		60	604
Other expenses		(1,611)	(665)
Other income		705	1,854
Profit before income tax		8,840	98,666
Income tax expense	18	(27,608)	(35,188)
(Loss)/profit for the year		(18,768)	63,478
Other comprehensive income:			
Exchange difference on translation to presentation currency		—	(702)
Total comprehensive (loss)/profit for the year		(18,768)	62,776

The accounting policies and explanatory notes on pages F-25 through F-53 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2009

In thousands of US Dollars	Note	2009	2008
Cash flow from operating activities:			
Profit before income tax		8,840	98,666
Adjustments for:			
Depreciation and amortization		16,615	8,045
Finance costs	17	7,801	13,171
Interest income		(60)	(604)
Loss/(gain) on hedging contract	19	16,909	(64,780)
Foreign exchange loss/(gain) on non-operating activities		—	3,649
Accrual of share option expenses		6,509	516
Loss on disposal of property, plant and equipment	4	1,567	443
Operating profit before working capital changes		58,181	59,106
Changes in working capital:			
Decrease/(increase) in inventories		90	(789)
(Increase)/decrease in trade receivables		(12,794)	8,444
Decrease/(increase) in prepayments and other current assets		5,414	(13,843)
Increase in trade payables		3,745	1,827
Payment of obligation to Government of Kazakhstan	11	(1,032)	(2,062)
Increase in other current liabilities		1,241	1,157
Cash generated from operations		54,845	53,840
Income tax paid		(8,911)	(9,617)
Net cash flows from operating activities		45,934	44,223
Cash flow from investing activities:			
Interest income		60	604
Purchases of property, plant and equipment		(200,733)	(195,800)
Net cash used in investing activities		(200,673)	(195,196)
Cash flow from financing activities:			
Repayment of borrowings		—	(246,353)
Finance costs paid		(26,608)	(32,344)
Proceeds from issue of Global Depositary Receipts	8	300,000	100,000
Transaction costs paid	8	(25,130)	(7,928)
Proceeds from borrowings	9	—	381,677
Transfer from/(to) restricted cash		(280)	(21,078)
Proceeds from sale of hedging contract	19	48,200	—
Realised hedging income	19	5,416	1,596
Purchase of hedging contract	19	(7,700)	—
Fees paid on arrangement of BNPP facility		(14,480)	(19,943)
Net cash provided by financing activities		279,418	155,627
Effects of exchange rate changes on cash and cash equivalents		809	(127)
Net increase in cash and cash equivalents		124,679	4,654
Cash and cash equivalents at the beginning of the year		11,887	7,360
Cash and cash equivalents at the end of the year	8	137,375	11,887

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
For the year ended December 31, 2009

Non cash transactions

Non-cash transactions, constituting the following, have been excluded from the consolidated statement of cash flows:

- Purchases of property, plant and equipment during the year ended December 31, 2009, included assets, works and services not yet paid for in the amount of US\$ 1,509 thousand (2008: US\$ 22,703 thousand).

The accounting policies and explanatory notes on pages F-25 through F-53 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2009

In thousands of US Dollars	Partnership capital	Retained earnings	Translation reserve	Total
As of December 31, 2007	<u>—</u>	<u>62,818</u>	<u>4,001</u>	<u>66,819</u>
Profit for the year	—	63,478	—	63,478
Other comprehensive loss	—	—	(702)	(702)
Total comprehensive income for the year	<u>—</u>	<u>63,478</u>	<u>(702)</u>	<u>62,776</u>
Issue of Global Depositary Receipts (Note 8) . . .	100,000	—	—	100,000
Transaction costs (Note 8)	(7,928)	—	—	(7,928)
As of December 31, 2008	<u>92,072</u>	<u>126,296</u>	<u>3,299</u>	<u>221,667</u>
Total comprehensive loss for the year	<u>—</u>	<u>(18,768)</u>	<u>—</u>	<u>(18,768)</u>
Issue of Global Depositary Receipts (Note 8) . . .	300,000	—	—	300,000
Transaction costs (Note 8)	(25,130)	—	—	(25,130)
As of December 31, 2009	<u>366,942</u>	<u>107,528</u>	<u>3,299</u>	<u>477,769</u>

The accounting policies and explanatory notes on pages F-25 through F-53 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

1. GENERAL

Zhaikmunai LP is a Limited Partnership formed on 29 August 2007 pursuant to the Partnership Act 1909 of the Isle of Man. Zhaikmunai LP is registered in the Isle of Man with registered number 295P.

These consolidated financial statements include the results of the operations of Zhaikmunai L.P. (“Zhaikmunai LP”) and its wholly owned subsidiaries Frans Van Der Schoot B.V. (“FVDS”), Claydon Industrial Limited (“Claydon”), Jubilata Investments Limited (“Jubilata”), Zhaikmunai LLP (“the Partnership”) and Condensate Holding LLP (“Condensate”). Zhaikmunai LP and its subsidiaries are hereinafter referred to as “the Group”. The Group’s operations comprise of a single operating segment and are primarily conducted through its oil and gas producing entity Zhaikmunai LLP located in Kazakhstan. The Group is ultimately indirectly controlled through Thyler Holdings Limited (“Thyler”), by Frank Monstrey. The General Partner of Zhaikmunai LP is Zhaikmunai Group Limited, which is responsible for the management of the Group (Note 9).

The Partnership was established in 1997 for the purpose of exploration and development of the Chinarevskoye oil and gas condensate field in the Western Kazakhstan Region. The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the “Contract”) dated October 31, 1997, as amended, in accordance with the license MG No. 253D (the “License”) for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field between the State Committee of Investments of the Republic of Kazakhstan and the Partnership.

The Group was formed through a reorganization of entities under common control on March 28, 2008 to facilitate the listing of GDRs on the LSE. On March 28, 2008 Zhaikmunai LP listed 40,000,000 Global Depositary Receipts (“GDRs”) on the London Stock Exchange (“LSE”), 30,000,000 of which were issued to Claremont Holdings Limited, a subsidiary of Thyler, after the reorganisation and 10,000,000 which were sold to other investors at US\$10 per GDR, representing 9.09% of the equity interests in the Group,

These consolidated financial statements have been prepared using the pooling of interest method and, as such, the consolidated financial statements have been presented as if the transfers of the ownership interests in Frans Van Der Schoot B.V., Claydon, Jubilata, Zhaikmunai LLP and Condensate to Zhaikmunai LP had occurred from the beginning of the earliest period presented.

On September 15, 2009, Zhaikmunai LP raised an additional US\$300 million through the sale of 75,000,000 new common units in the form of GDRs at US\$4 per GDR. 30,000,000 of these GDRs were placed with Claremont Holdings Limited. Claremont Holdings Limited is indirectly controlled by Frank Monstrey.

The registered address of the Zhaikmunai L.P. is: 7th Floor, Harbour Court, Lord Street, Douglas, Isle of Man, IM1 4LN.

These consolidated financial statements were authorized for issue by Kai-Uwe Kessel, Chief Executive Officer of the General Partner of Zhaikmunai LP and by Jan-Ru Muller, Chief Financial Officer of the General Partner of Zhaikmunai LP on March 29, 2010.

Licence terms

The term of the license of the Partnership originally included a 5 year exploration period and a 25 year production period. The exploration period was initially extended for an additional 4 years and then for a further 2 years according to the supplements to the Contract dated January 12, 2004 and June 23, 2005, respectively. In accordance with the supplement dated June 5, 2008, Tournasian North reservoir entered into production period as at January 1, 2007. Following additional commercial discoveries during 2008, the exploration period under the license, other than for the Tournasian horizons, was extended for an additional 3 year period with a new expiry on May 26, 2011.

The extensions to the exploration periods have not changed the license term, which will expire in 2031.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

1. GENERAL (Continued)

Royalty Payments

The Partnership is required to make monthly royalty payments throughout the entire production period, at the rates specified in the Contract.

Royalty rates depend on crude oil recovery levels and the phase of production and can vary from 2% to 7% of produced petroleum and natural gas.

Government “profit share”

The Partnership makes payments to the Government of its “profit share” as determined in the Contract. The “profit share” depends on crude oil production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. Government profit share is expensed as incurred and paid in cash.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared under the historical cost convention except for financial instruments which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Adopted accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended IFRS and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group.

- IFRS 2 Shared-based Payment—Vesting Conditions and Cancellation—effective January 1, 2009
- IFRS 7 Financial Instruments: Disclosures—effective January 1, 2009
- IFRS 8 Operating Segments—effective January 1, 2009
- IAS 1 Presentation of Financial Statements—effective January 1, 2009
- IAS 23 Borrowing Costs (Revised)—effective January 1, 2009
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation—effective January 1, 2009
- IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement—effective 30 June 2009
- IFRIC 13 Customer Loyalty Programs—effective 1 July 2008
- IFRIC 15 Agreements for the Construction of Real Estate—effective January 1, 2009
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation—effective 1 October 2008
- IFRIC 18 Transfer of Assets from Customers—effective 1 July 2009
- Improvements to IFRSs—May 2008

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

2. BASIS OF PREPARATION (Continued)

IFRS 2—Shared-based Payment (Revised)

The IASB issued an amendment to IFRS 2 which clarifies the definition of vesting conditions and prescribes the treatment for an award that is cancelled. The Group adopted this amendment as of January 1, 2009. It did not have an impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument recognized at fair value. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The Group's derivative instruments are measured at fair value as disclosed in related notes to the consolidated financial statements, and the liquidity risk disclosures are not significantly impacted by the amendments and presented in Note 23.

IFRS 8 Operating Segments

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group, since Group operates in one operating segment.

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Group has elected to present single statement.

IAS 23 Borrowing Costs

The standard has been revised to require capitalization of borrowing costs on qualifying assets disallowing the option of expensing borrowing costs. The Group's existing accounting policy was to capitalize borrowing costs on qualifying assets therefore; adoption of this standard did not have any effect on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation

These standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

Improvements to IFRSs

In May 2008 the Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The Group adopted those amendments and improvements to IFRSs which are applicable to its operating activities in 2009.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

2. BASIS OF PREPARATION (Continued)

IAS 1—Presentation of Financial Statements

Assets and liabilities classified as held for trading in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether management's expectations of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.

IAS 16—Property, plant and equipment

Replace the term “net selling price” with “fair value less costs to sell”. The Group amended its accounting policy accordingly, which did not result in any change in the financial position of the Group.

IAS 23—Borrowing costs

The definition of borrowing costs is revised to consolidate the two types of items that are considered components of ‘borrowing costs’ into one—the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

IAS 36—Impairment of Assets

When discounted cash flows are used to estimate ‘fair value less cost to sell’ additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate ‘value in use’. This amendment had no immediate impact on the consolidated financial statements of the Group because the recoverable amount of its cash generating units is currently estimated using ‘value in use’.

IAS 38—Intangible assets

Expenditure on advertising and promotional activities is recognized as expenses when the Group either has the right to access the goods or has received the service. This amendment has no impact on the Group because it does not enter into such promotional activities.

The reference to there being rarely, if ever, persuasive evidence to support an amortization method of intangible assets other than a straight-line method has been removed. The Group reassessed the useful lives of its intangible assets and concluded that the straight-line method was still appropriate.

IFRIC 9—Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement

This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss. This amendment has no impact on the Group financial position or profit and loss.

IFRIC 13—Customer Loyalty Programmes

IFRIC 13 requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

2. BASIS OF PREPARATION (Continued)

are redeemed. This amendment has no impact on the Group because it does not maintain any customer loyalty programmes.

IFRIC 15—Agreements for the Construction of Real Estate

The Interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors and provides guidance on whether the entity's arrangements fall within the scope of IAS 11 or IAS 18 and determining the timing of revenue recognition under these activities. This amendment has no impact on the Group as it did not enter into such activities.

IFRIC 16—Hedges of a Net Investment in a Foreign Operation

The Interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. This amendment has no impact on the Group as it did not enter into such activities.

IFRIC 18—Transfer of Assets from Customers

This Interpretation applies to the accounting for transfers of items of property, plant and equipment by entities that receive such transfers from their customers that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services, or to do both. This Interpretation also applies to agreements in which an entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment and the entity must then use the item of property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services, or to do both. As the Group is not receiving any items of property, plant and equipment or cash for these purposes, this Interpretation has no impact on the Group.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IAS 8 Accounting Policies, Change in Accounting Estimates and Error
- IAS 10 Events after the Reporting Period
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 31 Interest in Joint Ventures
- IAS 34 Interim Financial Reporting

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

2. BASIS OF PREPARATION (Continued)

- IAS 40 Investment Properties
- IAS 41 Agriculture

The management anticipates that the adoption of these standards and interpretations in future periods will have no material impact on the consolidated financial statements of the Group.

New accounting developments

The following IFRS, IFRIC interpretations and improvements to IFRS are not yet in effect for the year ended December 31, 2009:

- IFRS 3R Business Combinations
- IAS 27 Consolidated and Separate Financial Statements—amendment
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRS 9 Financial Instruments
- IAS 24 Related Party Disclosures—amendment
- IFRS 1 First-time Adoption of International Financial Reporting Standards—Additional Exemptions for First-time Adopters
- IFRS 2 Group cash-settled share-based payments transactions
- IAS 39 Eligible hedged items IAS 32
- Classifications of rights issues
- Improvements to IFRSs (April 2009)

Management does not expect the above standards and interpretations to have a material impact on the Group's financial position or results of operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimation and Assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material change to the carrying amounts of assets and liabilities are discussed below:

Oil and gas reserves

Oil and gas reserves are a material factor in the Partnership's computation of depreciation, depletion and amortization (the "DD&A"). The Partnership estimates its reserves of oil and gas in accordance with the methodology of the Society of Petroleum Engineers (the "SPE"). In estimating its reserves under SPE methodology, the Partnership uses long-term planning prices which are also used by management to make investment decisions about development of a field. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year end spot prices. Management believes that long-term planning price assumptions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves. All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability. Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data; availability of new data; or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for DD&A.

Impairment

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. The time value of money is determined based on weighted average cost of capital of the Group of 21% and 19% for 2009 and 2008, respectively. There were no impairment losses recognized by the Group during the years ended December 31, 2009 and 2008.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Abandonment and site restoration liabilities

The Partnership estimates future dismantlement and site restoration cost for oil and gas properties with reference to the estimates provided from either internal or external engineers after taking into consideration the anticipated method of dismantlement and the extent of site restoration required in accordance with current legislation and industry practice. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term risk-free interest rates for emerging market sovereign debt adjusted for risks specific to the Kazakhstan market. The Partnership reviews site restoration provisions at each balance sheet date and adjusts it to reflect the current best estimate in accordance with IFRIC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities". Estimating the future closure costs involves significant estimates and judgments by management. Significant judgments in

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

making such estimates include estimate of discount rate and timing of cash flow. The management made its estimate based on the assumption that cash flow will take place at the expected end of the licenses.

Management of the Partnership believes that the interest rates on its debt financing shall provide best estimates of applicable discount rate. The discount rate shall be applied to the nominal amounts the managements expect to spend on site restoration in the future. The Partnership estimates future well abandonment cost using current year prices and the average long-term inflation rate.

The long term inflation and discount rates used to determine the balance sheet obligation at December 31, 2009 were 5% and 10.88% respectively. Movements in the provision for decommissioning liability are disclosed in Note 10.

Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The functional currency of Zhaikmunai LP, FVDS, Claydon, Jubilata and Condensate is United States Dollar (the “US Dollar” or “US\$”). The functional currency of the Partnership until January 1, 2009 was the Kazakhstani Tenge (“Tenge” or “KZT”) which reflected the economic substance of the underlying events and circumstances of the entity at the time. Commencing January 1, 2009, the Partnership has changed its functional currency to the US\$ as a result of increased purchases of materials and other costs from foreign suppliers which were denominated in US\$. Moreover, the Group now has all of its financing in US Dollars. The increased volume of US\$ denominated transactions was treated as a change in circumstances surrounding the Partnership’s operating environment and the functional currency in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”.

The Group applied the translation procedures applicable to the new functional currency prospectively from the date of change. Accordingly, all items in the balance sheet as of January 1, 2009 have been translated into US\$ using the exchange rate as of that date, i.e. US\$ 1 = KZT 150.41. The resulting translated amounts for non-monetary items are treated as their historical cost.

The consolidated financial statements of the Group are presented in the United States Dollars (“USD”), which is also the functional currency of the Group’s entities.

Transactions and balances denominated in foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Consolidation

The consolidated financial statements comprise the financial statements of the Parent entity and its controlled subsidiaries (Note 1).

Inter-company transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases.

Purchases of controlling interests in subsidiaries from entities under common control

Purchases of controlling interests in subsidiaries from entities under common control are accounted for using the pooling of interests method.

The assets and liabilities of the subsidiary transferred under common control are recorded in these consolidated financial statements at the historical cost of the controlling entity. Any difference between the total book value of net assets and the consideration paid is accounted for in the consolidated financial statements as an adjustment to the shareholders' equity.

These consolidated financial statements, including corresponding figures, are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the controlling entity.

Property, Plant and Equipment

Exploration expenditure

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalized within property, plant and equipment (construction work-in-progress) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration and materials and fuel used, rig costs and payments made to contractors and asset retirement obligation fees. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. There was no exploration expenditure expensed during 2009 (2008: Nil).

Oil and gas properties

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, is capitalized within property, plant and equipment as oil and gas properties. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligation, if any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment.

All capitalized costs of oil and gas properties are amortized using the unit-of-production method based on estimated proved developed reserves of the field, except the Partnership depreciates its oil pipeline and oil loading terminal on a straight line basis over the life of the License. In the case of assets that have a useful life shorter than the lifetime of the field, in which case the straight line method is also applied.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Oil and Gas Reserves

Proved oil and gas reserves are estimated quantities of commercially viable hydrocarbons which existing geological, geophysical and engineering data show to be recoverable in future years from known reservoirs.

The Partnership uses the reserve estimates provided by an independent appraiser to assess the oil and gas reserves of its oil and gas fields. These reserve quantities are used for calculating the unit of production depreciation rate as it reflects the expected pattern of consumption of future economic benefits by the entity.

Impairment of non-financial assets

The Group assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Group makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Other Properties

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition or construction of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Buildings and Improvements	7-15
Vehicles	8
Machinery and Equipment	3-13
Other	3-10

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing Costs

The Group capitalizes borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalization include all assets under construction that are not being depreciated, depleted, or amortized, provided that work is in progress at that time. Qualifying assets mostly include wells and other oilfield infrastructure under construction. Capitalized borrowing costs are calculated by applying the capitalization rate to the expenditures on qualifying assets. The capitalization rate is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the period.

Inventories

Inventories are stated at the lower of cost or net realizable value ("NRV"). Cost of oil is determined on the weighted-average method and other inventories are also valued using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

Accounts Receivable

Accounts receivable are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for uncollectible amounts is made when collection of the full amount is no longer probable. These estimates are reviewed periodically, and as adjustments become necessary, they are reported as expense (credit) in the period in which they become known. Bad debts are written off when identified.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated financial information over the period of the borrowings using the effective interest method.

Gains and losses are recognized in the profit or loss when the liabilities are derecognized or impaired, as well as through amortization of the borrowings using the effective interest method.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Abandonment and site restoration (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term interest rates for emerging market debt adjusted for risks specific to the Kazakhstan market. The unwinding of the discount related to the obligation is recorded in finance costs. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. This asset is subsequently depreciated as part of the capital costs of the oil and gas properties on a unit-of-production basis.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the measurement of an existing decommissioning liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or changes to the discount rate:

- (a) are added to, or deducted from, the cost of the related asset in the current period. If deducted from the cost of the asset the amount deducted shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the profit or loss; and
- (b) if the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 23.

Derivative financial instruments and hedging

The Partnership uses a hedging contract for oil export sales to cover part of its risks associated with oil price fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of financial instruments contracts is determined by reference to market values for similar instruments.

Taxation

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Revenue Recognition

The Partnership sells crude oil under short-term agreements priced by reference to Platt's index quotations and adjusted for freight, insurance and quality differentials.

Revenue from the sale of crude oil is recognized when delivery has taken place and risks and rewards of ownership have passed to the customer.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Partnership and the amount of revenue can be reliably measured.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

4. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the year ended December 31, 2008 and 2009 was as follows:

In thousands of US Dollars	Oil and gas properties		Total oil and gas properties	Non oil and gas properties				Total non oil gas properties	Total
	Working assets	CIP		Buildings	Machinery & Equipment	Vehicles	Others		
Balance at December 31, 2007, net of accumulated depreciation	98,691	184,124	282,815	2,387	2,209	1,015	1,107	6,718	289,533
Additions	3,290	228,734	232,024	376	849	734	797	2,756	234,780
Transfers	73,546	(72,645)	901	264	(1,044)	—	(121)	(901)	—
Transferred to inventory	—	(37)	(37)	—	—	—	—	—	(37)
Disposal	—	(442)	(442)	—	(14)	—	(3)	(17)	(459)
Depreciation charge	(7,132)	—	(7,132)	(311)	(362)	(203)	(261)	(1,137)	(8,269)
Depreciation on disposal	—	—	—	—	14	—	2	16	16
Translation difference	(670)	(1,373)	(2,043)	(9)	(7)	(7)	(7)	(30)	(2,073)
Balance at December 31, 2008, net of accumulated depreciation	167,725	338,361	506,086	2,707	1,645	1,539	1,514	7,405	513,491
Additions	1,286	272,320	273,606	210	834	345	627	2,016	275,622
Transfers	212,529	(214,159)	(1,630)	90	1,566	—	(26)	1,630	—
Disposal	(485)	(212)	(697)	—	(402)	(70)	(398)	(870)	(1,567)
Depreciation charge	(15,376)	—	(15,376)	(393)	(209)	(295)	(320)	(1,217)	(16,593)
Balance at December 31, 2009, net of accumulated depreciation	365,679	396,310	761,989	2,614	3,434	1,519	1,397	8,964	770,953
At cost at December 31, 2008	222,275	338,361	560,636	3,538	2,754	2,232	2,178	10,702	571,338
Accumulated depreciation	(54,550)	—	(54,550)	(831)	(1,109)	(693)	(664)	(3,297)	(57,847)
Balance at December 31, 2008, net of accumulated depreciation	167,725	338,361	506,086	2,707	1,645	1,539	1,514	7,405	513,491
At cost at December 31, 2009	435,605	396,310	831,915	3,839	4,753	2,501	2,343	13,436	845,351
Accumulated depreciation	(69,926)	—	(69,926)	(1,225)	(1,319)	(982)	(946)	(4,472)	(74,398)
Balance at December 31, 2009, net of accumulated depreciation	365,679	396,310	761,989	2,614	3,434	1,519	1,397	8,964	770,953

Category “Oil and Gas properties” represents mainly wells, oil treatment facilities, oil transportation and other related assets.

The depletion rate for oil and gas working assets was 5.41% and 6.18% in 2009 and 2008, respectively. The unamortized costs of proved oil and gas properties include all capitalized costs net of accumulated amortization.

The Partnership engaged independent petroleum engineers to perform a reserves evaluation as at July 1, 2009. Depreciation has been calculated using the unit of production method based on these reserves estimates.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

A depreciation charge of US\$ 16,593 thousand has been charged to depreciation and amortization expense for 2009 plus US\$ 22 thousand which represent a release of depreciation from the cost of crude oil inventory (2008: US\$ 8,269 thousand and a deduction of US\$ 224 thousand, respectively).

The Partnership incurred borrowing costs including amortization of arrangement and other borrowing related fees of US\$ 32,865 thousand, and US\$ 31,558 thousand for the years ended December 31, 2009 and 2008. For the same periods, the Partnership capitalized borrowing costs totaling US\$ 26,440 thousand and US\$ 19,640 thousand, at capitalization rates of 7.7% and 9.75%, respectively.

5. TRADE RECEIVABLES

As at December 31, 2009 and 2008 trade receivables were denominated in US\$, were less than 30 days and were not impaired.

6. PREPAYMENTS AND OTHER CURRENT ASSETS

As at December 31, prepayments and other current assets comprised the following:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
VAT receivable	20,429	20,606
Advances paid	1,199	2,104
Receivable under hedging contract	—	2,613
Advance to Probel Capital Management B.V.	—	1,620
Other	1,035	1,138
	22,663	28,081

Advances paid consist primarily of prepayments made to service providers.

7. CASH AND CASH EQUIVALENTS

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Current accounts in US Dollars	134,988	7,345
Current accounts in Tenge	1,069	4,222
Cash accounts in other currencies	1,318	320
	137,375	11,887

No interest was earned on current accounts in 2009.

In addition the Partnership has restricted cash accounts representing the Partnership's pledges under the Facility agreement with BNP Paribas (Note 9) of US\$ 19,078 thousand and an additional liquidation fund deposit of US\$ 2,280 thousand with Sberbank in Kazakhstan.

8. PARTNERSHIP CAPITAL

The ownership interests in Zhaikmunai LP consist of (a) Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in Zhaikmunai LP and (b) the interest of the General Partner. At any general meeting every holder of Common Units shall have one vote for each Common Unit of which he or she is the holder. Under the Partnership Agreement, distributions to limited partners will be made either as determined by the General Partner in its sole discretion or following the approval of a majority of limited partners provided such amount does not exceed the amount recommended by the General Partner. Any distributions to Zhaikmunai LP's limited partners will be made on a pro rata basis according to their respective partnership interests in Zhaikmunai LP and will be paid

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

8. PARTNERSHIP CAPITAL (Continued)

only to the recorded holders of Common Units. There were no distributions declared for the years ended December 31, 2009 and 2008.

As discussed in Note 1 on September 15, 2009, Zhaikmunai LP successfully raised an additional US\$300 million through the sale of 75,000,000 new common units in the form of GDRs at US\$4 per GDR. 30,000,000 of these GDRs were placed with Claremont Holdings Limited. Upon completion of the placing, the capital structure of the Partnership was as follows: Claremont Holdings Limited (67.57%) and other holders of GDRs' (32.43%). The proceeds of the placing will supplement the Partnership's existing credit facilities and fund in part the capital expenditure programme for the Chinarevskoye field, in particular, the completion of the Gas Treatment Unit. The issuance costs amounted to US\$ 25,130 thousand.

The movements in GDR's during the years ended December 31, 2009 and 2008 were as follows:

	2009	2008
Balance at January 1, ...	40,000,000	—
Issued during the year	75,000,000	40,000,000
Balance at December 31, ...	115,000,000	40,000,000

9. BORROWINGS

Facility agreement with BNP Paribas

On December 12, 2007 the Partnership entered into a US\$ 550 million senior secured facility agreement between BNP Paribas (Suisse) S.A. ("BNP Paribas Facility"), as a facility agent, and the Partnership, as a borrower, and Zhaikmunai LP as a guarantor. Initially, the BNP Paribas Facility comprised three tranches of US\$ 200 million, US\$ 200 million and US\$ 150 million. As a result of lower than anticipated EBITDA at December 31, 2008 the Partnership was in breach of the covenants related to its EBITDA to interest expense and total indebtedness ratios. As a result of the breach, the loan was classified as current liabilities as at December 31, 2008. As at December 31, 2008 the Partnership had drawn down US\$381,677 thousand under the loan facility.

On August 27, 2009, an amendment agreement was concluded with the lenders providing for a waiver of the existing defaults, which was conditional, amongst other things, upon completion of the US\$300 million equity placing (Note 8) and in consideration for, inter alia, the lenders agreeing to reduce the size of the syndicated facility to US\$382 million and increasing the rate of interest (over LIBOR and mandatory costs) to 7% from LIBOR plus 3%, 4% and 5% for tranches one, two and three, respectively. The amendment was treated as a non-substantial change to the existing Facility and the related amendment arrangement fees of US\$14,480 thousand were added to the initial Facility arrangement fees.

The total amount outstanding principal balance of the liability under the loan facility as at December 31, 2009 is US\$ 381,677 thousand which is reduced by the amount of the facility arrangement fees of US\$ 25,329 thousand (2008: US\$ 381,677 thousand and US\$ 16,238 thousand, respectively). The outstanding balance is repayable commencing September 30, 2011 in semi-annual instalments with the final payment being made on December 31, 2014. This is subject to further adjustment to reflect any changes to the borrowing base amount. In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals, and a cash sweep of 50% of debt or new equity issuance and 50% of the balance (in excess of US\$ 25 million in aggregate) of the Partnership's account held with a member of the syndicate (the Collection Account) and (on and after December 31, 2010) the Partnership's account held with a member of the syndicate into which the proceeds of the equity issue (Note 1) were paid. The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Partnership is required to give customary representations and warranties, repeated periodically and maintain certain financial covenants relating to profitability. Further, all export sale proceeds are paid into the Collection Account, and withdrawals from such account may only be made in accordance with the agreed banking case.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

9. BORROWINGS (Continued)

In accordance with the BNP Paribas Facility, the Partnership maintains a hedging programme under which it hedges a fixed volume of production at Brent crude oil price of US\$ 60 per bbl until December 31, 2010 (Note 19). The Partnership is additionally required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. From completion of the gas treatment unit, 100% of gas production and no less than 50% of projected LPG production are also required to be covered by off-take contracts. The Partnership's obligations under the BNP Paribas Facility are secured by various forms of security, including, (i) a pledge over 100% of the participatory interests in the Partnership; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the gas treatment facility; (v) assignment of the benefit of the Partnership's relevant existing and future insurance policies; (vi) pledges over all of its property, plant and equipment; and (vii) pledges over all of the issued capital of FVDS, Claydon and Jubilata.

The total Partnership's debt service reserve account, classified as restricted cash under the terms of the BNP Paribas Facility amounted to US\$ 19,078 thousand as at December 31, 2009.

10. ABANDONMENT AND SITE RESTORATION LIABILITIES

The summary of changes in abandonment and site restoration liabilities during the years ended December 31 are as follows:

In thousands of US Dollars	2009	2008
Abandonment and site restoration liability as at January 1, ...	3,411	1,299
Unwinding of discount	314	271
Additional provision	152	271
Change in estimates	(504)	1,570
	3,373	3,411

The long-term inflation and discount rates used to determine the abandonment and site restoration liabilities at December 31, 2009 were 5.0% and 10.88% respectively (2008: 5.0% and 9.4%). The decrease in the discount rate used for estimation of the liability was treated as a change in estimates.

11. DUE TO GOVERNMENT OF KAZAKHSTAN

The amount due to Government of the Republic of Kazakhstan has been recorded to reflect the present value of a liability in relation to the expenditures made by the Government in the time period prior to signing the Contract that were related to exploration of the Contract territory and the construction of surface facilities in fields discovered therein and that are reimbursable by the Partnership to the Government during the production period. The total amount of liability due to Government as stipulated by the Contract is US\$ 25,000 thousand.

Repayment of this liability commenced in 2008 with the first payment of US\$ 1,030 thousand in March 2008 and with further payments by equal quarterly instalments of US\$ 258 thousand until May 26, 2031. The liability was discounted at 13%.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

11. DUE TO GOVERNMENT OF KAZAKHSTAN (Continued)

The balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Due to Government of Kazakhstan as at January 1, ...	7,361	8,379
Unwinding of discount	1,062	992
Paid during the year	(1,032)	(2,062)
Translation difference	—	52
	7,391	7,361
Less: current portion of due to Government of Kazakhstan	(1,028)	(1,031)
Due to Government of Kazakhstan	6,363	6,330

12. TRADE PAYABLES

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Tenge denominated trade payables	52,930	41,679
US dollar denominated trade payables	8,556	18,617
Trade payables denominated in other currencies	4,895	657
	66,381	60,953

13. OTHER CURRENT LIABILITIES

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Training accrual	4,602	3,049
Taxes payable, other than corporate income tax	1,420	1,950
Due to employees	1,005	491
Other	827	1,127
	7,854	6,617

14. COST OF SALES

<u>In thousands of US Dollar</u>	<u>2009</u>	<u>2008</u>
Depreciation and amortization	16,198	7,883
Repair, maintenance and other services	7,338	5,149
Royalties	5,740	5,705
Payroll and related taxes	5,516	4,661
Materials and supplies	2,262	3,855
Management fees	2,064	1,771
Other transportation services	1,367	1,681
Government profit share	1,112	1,125
Environmental levies	1,083	2,752
Well workover costs	148	6,355
Rent and operation of oil separation units	121	2,926
Other	1,086	747
	44,035	44,610

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

15. GENERAL AND ADMINISTRATIVE EXPENSES

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Management fees	8,561	5,385
Employee share option plan (Note 20)	6,509	516
Professional services	4,311	4,612
Payroll and related taxes	3,210	2,956
Training	2,774	2,501
Business travel	818	352
Insurance fees	543	724
Bank charges	503	588
Depreciation and amortization	417	162
Communication	403	395
Social program	300	300
Lease payments	291	268
Sponsorship	238	346
Materials and supplies	112	163
Other taxes	90	418
Other	646	613
	<u>29,726</u>	<u>20,299</u>

16. SELLING AND OIL TRANSPORTATION EXPENSES

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Oil export duty	—	15,086
Management fees	1,857	—
Transporting oil to the railway loading terminal costs	1,265	4,985
Payroll	1,029	—
Oil loading and storage costs	87	2,835
Other	1,454	1,306
	<u>5,692</u>	<u>24,212</u>

In 2008 Kazakhstan introduced an oil export duty on the major oil production companies in the Republic of Kazakhstan. In 2009 the oil export duty was reduced to 0%.

During 2009 the Group completed construction and commenced operation of an oil pipeline and oil loading terminal, which resulted in reduction of expenses related to oil transportation.

17. FINANCE COSTS

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Interest expense	6,035	11,481
Unwinding of discount on amounts Due to Government	1,062	992
Loan review fees	335	—
Unwinding of discount on Abandonment and Site Restoration Liability	314	261
Commitment fees on syndicated loan agreement	55	437
	<u>7,801</u>	<u>13,171</u>

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

18. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Income tax expenses comprise:		
—current income tax expense	7,889	4,193
—deferred income tax expense	19,719	30,995
Total income tax expense	27,608	35,188

The Group's profits are assessed for income taxes only in the Republic of Kazakhstan. A reconciliation of income tax expense applicable to profit before income tax using the Kazakhstani tax rate, applicable to the license, of 30% to income tax expense as reported in the Group's consolidated financial statements for the years ended December 31 is as follows:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Profit before income tax	8,840	98,666
Statutory tax rate	30%	30%
Expected tax provision	2,654	29,600
Non-deductible interest expense on borrowings	5,893	4,686
Adjustments in respect of current income tax of previous year	—	(1,116)
Employee share option plan	1,953	—
Foreign exchange loss	610	460
Difference arising on Abandonment and Site Restoration Liability and payables Due to Government	282	263
Change of the tax base	20,266	—
Effect of income taxed at different rate	(4,443)	—
Other non-deductible expenses	393	1,295
Income tax expense reported in the accompanying consolidated financial statements	27,608	35,188

Deferred tax balances are calculated by applying the Kazakhstani statutory tax rates in effect at the respective reporting dates to the temporary differences between the tax and the amounts reported in the consolidated financial statements and are comprised of the following at December 31:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Deferred tax asset:		
Accounts payable and provisions	1,567	1,413
	1,567	1,413
Deferred tax liability:		
Crude oil inventory	(448)	(551)
Hedging contract at fair value	—	(18,877)
Property, plant and equipment	(77,778)	(38,925)
Net deferred tax liability	(76,659)	(56,940)

As at December 31, the movements in the deferred tax liability were as follows:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Balance at January 1, ...	(56,940)	(26,191)
Current year charge to statement of income	(19,719)	(30,995)
Balance at December 31, ...	(76,659)	(56,940)

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

19. DERIVATIVE FINANCIAL INSTRUMENT

Pursuant to the terms of the BNP Paribas facility (Note 9) in 2008 the Partnership entered, at nil cost, into a hedging contract covering oil export sales commencing March 2008 through till December 2013 which was sold before expiration on March 31, 2009.

On March 31, 2009, the Partnership entered into a new hedging contract at cost of US\$ 7,700 thousand covering oil export sales of 967,058 bbl and 596,766 bbl in 2009 and 2010, respectively. The floor price for Brent crude oil under this hedging contract was fixed at price of US\$ 50 per bbl.

Gains and losses on the hedge contract, which do not qualify for hedge accounting, are taken directly to profit or loss.

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Hedging contract fair value at December 31	62,923	—
Proceeds from sale of hedging contract	(48,200)	—
Realized hedging gain	(5,416)	(1,596)
Hedging loss/(gain)	7,602	(63,184)
Loss/(gain) on hedging contract	16,909	(64,780)
Purchase of hedging contract	7,700	—
Unrealized hedging (loss)/gain	(7,602)	63,184
Translation difference	—	(261)
Hedging contract at fair value	98	62,923

20. EMPLOYEE SHARE OPTION PLAN

Employees (including senior executives and executive directors) of members of the Group receive remuneration in the form of equity-based payment transactions, whereby employees render services as consideration for share appreciation rights, which can only be settled in cash ('cash-settled transactions').

The cost of cash-settled equity-based employee compensation is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until vesting with the recognition of a corresponding liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in the statement of comprehensive income.

The equity-based payment plan is described below. There have been no cancellations or modifications to any of the plans during 2009.

During 2008 and 2009, 2,732,958 equity appreciation rights (SARs) were granted to senior employees and executive directors of members of the Group, which can only be settled in cash. These generally vest over a five year period from the date of grant, so that one fifth of granted SARs vests on each of the five anniversaries from the date of grant date. The contractual life of the SARs is ten years. The fair value of the SARs is measured at the grant date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted. SARs are exercisable at any time after vesting (but not before 1 July 2011) till the end of the contractual life and give its holder a right to a difference between the market value of the Group's GDRs at the date of exercise and a stated base value. The services received and a liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in profit or loss as part of the employee benefit expenses arising from cash-settled share-based payment transactions. On December 30, 2009 the Board of Directors of the general partner of Zhaikmunai LP approved an adjustment in the number of SAR's and in their base value to US\$4 as a result of the September 2009 GDR placement.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

20. EMPLOYEE SHARE OPTION PLAN (Continued)

The carrying amount of the liability relating to 2,732,958 of SARs at December 31, 2009 is US\$ 7,025 thousand (2008: US\$ 516 thousand). During the year ended December 31, 2009 1,081,006 were earned of which 690,748 were fully vested (2008: earned—380,822, fully vested—Nil).

The following table illustrates the number (No.) and exercise prices (EP) of, and movements in, equity options during the year:

	December 31, 2009		December 31, 2008	
	No.	EP, US Dollar	No.	EP, US Dollar
Outstanding at the beginning of period	2,500,000	10	—	—
Granted	232,958	4	2,500,000	10
Exercised	—	—	—	—
Outstanding at the end of period	2, 732,958	4	2,500,000	10
Exercisable at the end of period	—	—	—	—

The following table lists the inputs to the models used for the plan for the year ended December 31, 2009:

In thousands of US Dollars	2009	2008
Dividend yield (%)	0	0
Expected volatility (%)	86	87
Risk-free interest rate (%)	3.2	3.2
Expected life (years)	3.5	7.2
Option turnover (%)	10	10
Price trigger	2	2

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

21. RELATED PARTY TRANSACTIONS

For the purpose of these consolidated financial statements transactions with related parties mainly comprise transactions between the Group and the participants and/or their subsidiaries or associated companies.

Accounts receivable from related parties at December 31 consisted of the following:

Trade receivables and advances

Probel Capital Management N.V.	—	1,620
Total	—	1,620

Accounts payable to related parties as at December 31 consisted of the following:

In thousands of US Dollars	2009	2008
Trade payables		
Amersham Oil LLP	498	108
Prolag BVBA	129	—
Probel Capital Management N.V.	394	163
Total	1,021	271

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

21. RELATED PARTY TRANSACTIONS (Continued)

During the year ended December 31, 2009 and 2008 the Group had the following transactions with related parties:

<u>In thousands of US Dollars</u>	<u>2009</u>	<u>2008</u>
Management fees and consulting services		
Amersham Oil LLP	1,746	1,245
Prolag BVBA	2,184	—
Probel Capital Management N.V.	9,215	5,987
Total	<u>13,145</u>	<u>7,232</u>

Management fees are payable in accordance with the Technical Assistance Agreements signed between the Partnership, Amersham Oil LLP and Probel Capital Management NV relate to the rendering of geological, geophysical, drilling, scientific, technical and other consultancy services.

Annual remuneration of four key managers amounted to US\$ 200 thousand for 2009 (2008: four, US\$ 238 thousand). Other key management personnel were employed and paid by Amersham Oil LLP and Probel Capital Management and whose remuneration forms part of management fees and consulting services above.

All related parties are companies and key management personnel, indirectly controlled by Frank Monstrey.

22. CONTINGENT, COMMITMENTS AND OPERATING RISKS

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

The Kazakhstan economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The ongoing global financial crisis has resulted in capital markets and commodity price instability, significant deterioration of liquidity in the banking sector and tighter credit conditions within Kazakhstan. Consequently, the Kazakhstan Government has introduced a range of stabilization measures aimed at providing liquidity and supporting finance for Kazakhstan banks and companies.

While management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances, unexpected further deterioration in the areas described above could negatively affect the Group's consolidated results and consolidated financial position in a manner not currently determinable.

Legal actions

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the consolidated financial condition or the consolidated results of future operations of the Group.

The Group assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its consolidated financial statements only where it is probable that actual events giving rise to a liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in these consolidated financial statements for any of the litigations mentioned above.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

22. CONTINGENT, COMMITMENTS AND OPERATING RISKS (Continued)

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at December 31, 2009. As at December 31, 2009 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and cleanup evolve, the Group may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental obligations

The Group may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Group may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation. However, depending on any unfavorable claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Group's future results of operations or cash flow could be materially affected in a particular period.

Capital commitments

As at December 31, 2009 the Group had contractual capital commitments in amount of US\$ 50,949 thousand (2008: US\$ 247,237 thousand) mainly in respect to the Partnership's oil field development activities and construction of a gas utilisation plant.

Operating leases

The Partnership entered into a cancellable lease agreement for the main administrative office in Uralsk in October 2007 for a period of 20 years for US\$ 15 thousand per month.

Social and education commitments

As required by the Contract with the Government, the Partnership is obliged to spend: (i) US\$ 300 thousand per annum to finance social infrastructure and (ii) one percent from the capital expenditures incurred during the year for education purposes of the citizens of Kazakhstan on an annual basis until the end of the Contract.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise bank loans, payables to Government of Kazakhstan, trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

development of the Chinarevskoye oil and gas condensate field and its operations. The Group's financial assets consist of trade and other receivables, cash and cash equivalents.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, liquidity risk, commodity price risk and credit risk. The Group's management reviews and agrees policies for managing each of these risks which are summarized below.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group is exposed to interest rate risk in 2009 and 2008 as rates of interest on its borrowings were floating for the whole term of such borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings.

<u>Increase/decrease interest rate</u>	<u>Effect on profit before tax for the year ended December 31, 2009</u>	<u>Effect on profit before tax for the year ended December 31, 2008</u>
In thousands of US Dollar		
+1.5%	(5,725)	(4,921)
-1.5%	5,725	4,921

Foreign Currency Risk

As a significant portion of the Group's operation is the Kazakhstani Tenge denominated, the Group's consolidated statement of financial position can be affected significantly by movements in the US Dollar/Tenge exchange rates. The Group mitigates the effect of its structural currency exposure by borrowing in US Dollars and denominating sales in US Dollars.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	<u>Change in Tenge to US\$ exchange rate</u>	<u>Effect on profit before tax</u>
2009		
US thousand dollar	+19.5%	(574)
US thousand dollar	-19.5%	574
2008		
US thousand dollar	+25%	(65,715)
US thousand dollar	+40%	(105,144)

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The table below summarizes the maturity profile of the Group's financial liabilities at December 31, 2009 and 2008 based on contractual undiscounted payments:

Year ended December 31, 2009	On demand	Less than 3 months	3-12 months	1-5 years	more than 5 years	Total
Borrowings	—	7,666	23,000	415,750	—	446,416
Trade payables	50,242	—	17,593	—	—	67,835
Employee share option plan	—	—	—	7,025	—	7,025
Other current liabilities	7,854	—	—	—	—	7,854
Due to Government of Kazakhstan	—	258	773	4,124	16,753	21,908
	<u>58,096</u>	<u>7,924</u>	<u>41,366</u>	<u>426,899</u>	<u>16,753</u>	<u>551,038</u>
Year ended December 31, 2008	On demand	Less than 3 months	3-12 months	1-5 years	more than 5 years	Total
Borrowings	381,677	—	—	—	—	381,677
Trade payables	60,028	—	—	—	—	60,028
Other current liabilities	5,906	—	—	—	—	5,906
Due to Government of Kazakhstan	—	258	773	4,124	17,784	22,939
	<u>447,611</u>	<u>258</u>	<u>773</u>	<u>4,124</u>	<u>17,784</u>	<u>470,550</u>

Capital management

Capital of Zhaikmunai LP consists of Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in Zhaikmunai LP and the interest of the General Partner. During the years ended December 31, 2009 and 2008, the Group did not have a formal capital management strategy.

Commodity Price Risk

The Group is exposed to the effect of fluctuations in price of crude oil, which is quoted in US Dollar on the international markets. The Group prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of crude oil prices in the future.

Other than the hedge arrangements described in Note 19 and Note 24 the Group does not hedge its exposure to the risk of fluctuations in the price of crude oil.

Credit Risk

Financial instruments, which potentially subject the Group to credit risk, consist primarily of accounts receivable and cash in banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Group considers that its maximum exposure is reflected by the amount of trade accounts receivable and advances.

The Group places its Tenge denominated cash with Sberbank, which has a credit rating of BA (positive) from Moody's rating agency and its US Dollar denominated cash with BNP Paribas with a credit rating of AA (positive) from Standard and Poor's rating agency for the year ended December 31, 2009. The Group does not guarantee obligations of other parties.

The Group sells oil and makes advance payments only to recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts and recoverability of prepayments made is not significant and thus risk of credit default is low.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2009

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair values of financial instruments

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale. As no readily available market exists for a large part of the Group's financial instruments, judgment is needed to arrive at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The Group's borrowings are at market rates of interest specific to those instruments and as such are stated at fair value. The Group's derivative is valued with a reference to a quoted market price in an active market. The fair value of other financial assets has been calculated using market interest rates.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The Group's financial instruments valued with a reference to quoted (unadjusted) prices include derivative financial instruments.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. The Group's financial instruments valued based on other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly include employee share options.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. The Group does not have any financial instruments valued using Level 3 hierarchy.

Management believes that the Group's carrying value of financial assets and liabilities consisting of cash and cash equivalents, trade accounts receivable and advances, derivative financial instruments, trade and other payables and obligations under debt instruments are not significantly different from their fair values at December 31, 2009 and 2008.

24. SUBSEQUENT EVENTS

On March 12, 2010, pursuant to the terms of the amended BNP Parisbas facility the Partnership has entered, at nil cost, into a new hedging contract covering oil export sales of 4,000 bbls/day running from March 2010 through December 2010. The counterparties ("Hedging Providers") to the hedging agreement are BNP Parisbas, Natixis and Raiffeisen Zentralbank. Based on the new hedging contract the floor price for Brent crude oil is fixed at price of US\$ 60 per bbl. The ceiling price is set at a range from US\$ 89.25 per bbl to US\$ 100 per bbl such that the Partnership will receive all sales proceeds in excess of \$100 per bbl.

Zhaikmunai LP

Consolidated Financial Statements

Year ended December 31, 2008

With Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Partners of Zhaikmunai LP:

We have audited the accompanying consolidated financial statements of Zhaikmunai LP and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 2 in the consolidated financial statements, which describes that the Group breached loan covenants as of 31 December 2008 and management's plans to restructure the Group's debt. Because of the breach in covenants the loan is classified in current liabilities, which exceed current assets by US\$ 363,451 thousand as of 31 December 2008. The Company's dependence on refinancing its debt indicates the existence of a material uncertainty, which may cast a significant doubt about the Group's ability to continue as a going concern.

30 April 2009

Ernst & Young LLP
Almaty, Kazakhstan

ZHAIKMUNAI LP
CONSOLIDATED BALANCE SHEET
As at December 31, 2008

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2008</u>	<u>2007</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	513,491	289,533
Hedging contract at fair value	19	62,923	—
Advances for equipment and construction works		75,385	70,475
		<u>651,799</u>	<u>360,008</u>
Current Assets			
Restricted cash	7	21,078	—
Inventories		3,589	2,496
Trade receivables	5	1,084	9,530
Prepayments and other current assets	6	28,081	14,351
Income tax prepayment		5,386	—
Cash and cash equivalents	7	11,887	7,360
		<u>71,105</u>	<u>33,737</u>
TOTAL ASSETS		<u>722,904</u>	<u>393,745</u>
EQUITY AND LIABILITIES			
Partnership capital and Reserves			
Partnership capital	8	92,072	—
Retained earnings and translation reserve		129,595	66,819
		<u>221,667</u>	<u>66,819</u>
Non-Current Liabilities			
Long term borrowings	9	—	203,982
Abandonment and site restoration liabilities	10	3,411	1,299
Due to Government of Kazakhstan	11	6,330	6,317
Deferred tax liability	18	56,940	26,191
		<u>66,681</u>	<u>237,789</u>
Current Liabilities			
Trade payables	12	60,953	36,066
Current portion of long term borrowings	9	365,439	45,521
Current portion of Due to Government of Kazakhstan	11	1,031	2,062
Other current liabilities	13	7,133	5,488
		<u>434,556</u>	<u>89,137</u>
TOTAL EQUITY AND LIABILITIES		<u>722,904</u>	<u>393,745</u>

The accounting policies and explanatory notes on pages F-60 through F-85 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
CONSOLIDATED INCOME STATEMENT
For the year ended December 31, 2008

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2008</u>	<u>2007</u>
Sales of crude oil		135,912	108,490
Cost of sales	14	(44,610)	(37,401)
Gross Profit		91,302	71,089
General and administrative expenses	16	(20,299)	(12,542)
Selling and oil transportation expenses	15	(24,212)	(6,793)
Gain on hedging contract	19	64,780	—
Interest income		604	—
Finance costs	17	(13,171)	(6,841)
Foreign exchange (loss)/gain		(1,527)	6,247
Other income		1,189	820
Profit before income tax		98,666	51,980
Income tax expense	18	(35,188)	(15,650)
Net income		63,478	36,330

The accounting policies and explanatory notes on pages F-60 through F-85 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2008

	Note	2008	2007
Cash flow from operating activities:			
Profit before income tax		98,666	51,980
Adjustments for:			
Depreciation and amortization		8,045	6,126
Borrowing expenses		11,918	6,454
Interest income		(604)	—
Unrealized gain on hedging contract	19	(63,184)	—
Unwinding of discount on due to Government of Kazakhstan	17	992	964
Revision of contractual obligation to Government of Kazakhstan	11	—	(679)
Unrealized foreign exchange loss/(gain), net		3,649	(6,560)
Unwinding of discount on abandonment and site restoration liability	17	261	102
Write-off of property, plant and equipment	4	443	685
Operating profit before working capital changes		60,186	59,072
Changes in working capital:			
(Increase)/decrease in inventories		(789)	739
Decrease/(increase) in trade receivables		8,444	(3,641)
Increase in prepayments and other current assets		(13,843)	(8,036)
Increase in trade payables		1,827	3,347
Payment of obligation to Government of Kazakhstan	11	(2,062)	—
Increase in other current liabilities		1,673	3,151
Cash generated from operations		55,436	54,632
Income tax paid		(9,617)	(6,399)
Net cash flows from operating activities		45,819	48,233
Cash flow from investing activities:			
Purchases of property, plant and equipment		(195,800)	(173,105)
Interest income received		604	—
Net cash used in investing activities		(195,196)	(173,105)
Cash flow from financing activities:			
Repayment of borrowings		(246,353)	(3,966)
Interest paid		(32,344)	(18,312)
Proceeds from issue of Global Depositary Receipts	8	100,000	—
Transaction costs paid	8	(7,928)	—
Proceeds from borrowings	9	381,677	151,444
Fees paid on arrangement of BNPP facility	9	(19,943)	—
Net cash provided by financing activities		175,109	129,166
Effects of exchange rate changes on cash and cash equivalents		(127)	234
Net increase in cash and cash equivalents		25,732	4,294
Cash and cash equivalents at the beginning of the year		7,360	2,832
Cash and cash equivalents at the end of the year	8	32,965	7,360

The accounting policies and explanatory notes on pages F-60 through F-85 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2008

	Partnership capital	Retained earnings	Translation reserve	Total
As of December 31, 2006	—	26,488	1,704	28,192
Translation difference	—	—	2,297	2,297
Net income	—	36,330	—	36,330
As of December 31, 2007	—	62,818	4,001	66,819
Translation difference	—	—	(702)	(702)
Issue of Global Depositary Receipts (Note 8) . . .	100,000	—	—	100,000
Transaction costs (Note 8)	(7,928)	—	—	(7,928)
Net income	—	63,478	—	63,478
As of December 31, 2008	92,072	126,296	3,299	221,667

The accounting policies and explanatory notes on pages F-60 through F-85 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2008

1. GENERAL

Zhaikmunai LP is a Limited Partnership formed on 29 August 2007 pursuant to the Partnership Act 1909 of the Isle of Man. The Partnership is registered in the Isle of Man with registered number 295P.

These consolidated financial statements include the results of the operations of Zhaikmunai L.P. (“Zhaikmunai LP”) and its wholly owned subsidiaries Frans Van Der Schoot B.V. (“FVDS”), Claydon Industrial Limited (BVI) (“Claydon”), Jubilata Investments Limited (BVI) (“Jubilata”), Zhaikmunai LLP (“the Partnership”) and Condensate Holding LLP (“Condensate”). Zhaikmunai LP and its subsidiaries are hereinafter referred to as “the Group”. The Group’s operations are primarily conducted through its oil and gas producing entity Zhaikmunai LLP located in Kazakhstan. The Group is ultimately indirectly controlled through Thyler Holdings Limited, by Frank Monstrey. The General Partner of the Zhaikmunai LP is Zhaikmunai Group Limited, which is responsible for the management of the Group.

The Partnership was established in 1997 for the purpose of exploration and development of the Chinarevskoye oil and gas condensate field in the Western Kazakhstan Region. The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the “Contract”) dated October 31, 1997 in accordance with the license MG No. 253D (the “License”) for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field between the State Committee of Investments of the Republic of Kazakhstan and the Partnership.

On March 28, 2008 Zhaikmunai LP listed 10,000,000 Global Depository Receipts (‘GDRs’) at US\$10 per GDR, representing 9.09% of the participating rights of the Group, on the London Stock Exchange (‘LSE’).

The Group was formed through a reorganization of entities under common control on March 28, 2008 to enable the listing of GDRs on the LSE. These consolidated financial statements have been prepared using the pooling of interest method and, as such, the financial statements have been presented as if the transfers of the Group interests in Frans Van Der Schoot B.V., Claydon, Jubilata, Zhaikmunai LLP and Condensate had occurred from the beginning of the earliest period presented.

The registered address of the Zhaikmunai L.P. is: Anglo International House, Lord Street, Douglas, IM1 4LN.

These consolidated financial statements were authorized for issue by Kai-Uwe Kessel, Chief Executive Officer of the General Partner of Zhaikmunai LP and by Jan-Ru Muller, Chief Financial Officer of the General Partner of Zhaikmunai LP on April 30, 2009.

Licence terms

The term of the license of the Partnership originally included a 5 year exploration period and a 25 year production period. The exploration period was initially extended for additional 4 years and then for further 2 years according to the supplements to the Contract dated January 12, 2004 and June 23, 2005, respectively. In accordance with the supplement dated June 5, 2008, Tournaisian North reservoir entered into production period as at January 1, 2007. Following additional commercial discoveries during 2008, the exploration period under the license, other than for the Tournasian horizons, was extended for an additional 3 year period with a new expiry on May 26, 2011.

The extensions to the exploration periods have not changed the license term, which will expire in 2031.

Royalty Payments

The Partnership is required to make monthly royalty payments throughout the entire Production Period, at the rates specified in the Contract.

Royalty rates depend on crude oil recovery levels and the phase of production and can vary from 2% to 6% and 2% to 7% of produced petroleum and natural gas, respectively.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

1. GENERAL (Continued)

Government “profit share”

The Partnership makes payments to the Government of its “profit share” as determined in the Contract. The “profit share” depends on crude oil production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. Government profit share is expensed as incurred.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention except for financial instruments.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Going Concern

These consolidated financial statements have been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and realization of assets and settlement of liabilities in the ordinary course of business.

As at December 31, 2008, with respect to the senior secured facility (‘Facility Agreement’) (Note 9), the Partnership was in breach of the covenants related to its EBITDA to interest expense and EBITDA to total indebtedness ratios. As at the date of approval of these consolidated financial statements, BNP Paribas has not waived their right to demand immediate repayment of the loans under the Facility Agreement, which as at December 31, 2008 amounted to US\$ 382 million. The Group would not have sufficient funds to repay the loan in the event the lenders exercise this right, which raises uncertainty as to whether the company can continue as a going concern.

Management believes the going concern basis of preparation to be appropriate as the Group is currently in advanced discussions with possible finance providers to secure US\$ 300 million of financing and in connection therewith is also negotiating with BNP Paribas for a restructuring of the existing Facility Agreement such that the Group would no longer be in breach of covenants in the Facility Agreement.

Under these scenarios, cashflow forecasts prepared by the Group indicate the Group will be able to pay its debts as and when they fall due.

Adopted accounting standards and interpretations

The Group has adopted the following new and amended IFRS and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group.

- IAS 23 Borrowing costs—amendment
- IFRIC 11/IFRS 2 Partnership and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 14/IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

2. BASIS OF PREPARATION (Continued)

IAS 23—Amended—Borrowing costs

This standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. This standard was early adopted by the Group and has no effect on the financial position or performance of the Group.

IFRIC 11/IFRS 2—Partnership and Treasury Share Transactions

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The amendment of its accounting policy had no impact on the financial position or performance of the Partnership.

IFRIC 12—Service Concession Arrangements

The IFRIC issued IFRIC 12 in November 2006. This interpretation applies to service concession operators and explains how to account for the obligations taken and rights received in service concession arrangements. The Group has no such concessions, therefore this interpretation has no impact on the Group.

IFRIC 14/IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC Interpretation 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 Employee Benefits. The Group does not have defined benefit schemes, therefore the adoption of this interpretation had no impact on the financial position or performance of the Group.

New accounting developments

The following IFRS and IFRIC interpretations are not yet in effect as at December 31, 2008:

- IFRS 1 First-time Adoption of International Financial Reporting Standards—amendment
- IFRS 2 Share-based Payment—Vesting Conditions and Cancellations—amendment
- IFRS 7 Financial Instruments: Disclosures—amendment “Improving Disclosures about Financial Instruments”
- IFRS 3R Business Combinations
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements—amendment
- IAS 27R Consolidated and Separate Financial Statements
- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements—Puttable Financial Instruments and Obligations Arising on Liquidation—amendments
- IAS 39 Financial Instruments: Recognition and Measurement—Eligible Hedged Items—amendment
- IFRIC 13 Customer Loyalty Programs
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-Cash Assets to Owners
- IFRIC 18 Transfer of Assets from Customers

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

2. BASIS OF PREPARATION (Continued)

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements

The amendments to IFRS 1 allows an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. Both revisions will be effective for financial years beginning on or after 1 January 2009. The revision to IAS 27 will have to be applied prospectively. The new requirements affect only the parent's separate financial statement and do not have an impact on the consolidated financial statements.

IFRS 2—Share-based Payment—Vesting Conditions and Cancellations

Amendments to IFRS 2—Vesting Conditions and Cancellations was issued in January 2008 and become effective for annual period on or after 1 January 2009. The amendment clarifies that vesting conditions are service conditions and performance conditions only. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. These amendments will have no impact on the financial position or performance of the Group as the Group has not made any share based payments during 2008.

IFRS 3R—Business Combinations and IAS 27R Consolidated and Separate Financial Statements

The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to take advantage of this possibility.

IFRS 8—Operating Segments

IFRS 8 was issued in November 2006 and becomes effective for financial years beginning on or after 1 January 2009. This standard requires disclosure of information about the Group's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. This standard will have no impact on the financial position or performance of the Group, as the Group has a single reportable segment.

IAS 1—Revised Presentation of Financial Statements

The revised Standard was issued in September 2007 and becomes effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

2. BASIS OF PREPARATION (Continued)

IAS 32—Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements—Puttable Financial Instruments and Obligations Arising on Liquidation

These amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for financial years beginning on or after 1 January 2009. The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfil a number of specified features. The amendments to the standards will have no impact on the financial position or performance of the Group, as the Group has not issued such instruments.

IAS 39—Financial Instruments: Recognition and Measurement—Eligible Hedged Items

These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group.

IFRS 7—Financial Instruments: Disclosures—amendment “Improving Disclosures about Financial Instruments”

Amendments to IFRS 7 “Improving Disclosures about Financial Instruments” were issued in March 2009 and become effective for periods beginning on or after 1 January 2009 with early application permitted. These amendments improve disclosures of financial instruments and will have no impact on the financial position or performance of the Group but will result in more detailed disclosures regarding measurement of the fair value of financial instruments.

IFRIC 15—Agreement for the Construction of Real Estate

IFRIC 15 was issued in July 2008 and becomes effective for financial years beginning on or after 1 January 2009. The interpretation is to be applied retrospectively. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the interpretation provides guidance on how to determine whether an agreement is within the scope of IAS 11 or IAS 18. IFRIC 15 will not have an impact on the consolidated financial statement because the Group does not conduct such activity.

IFRIC 16—Hedges of a Net Investment in a Foreign Operation

IFRIC 16 was issued in July 2008 and becomes effective for financial years beginning on or after 1 October 2008. The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. IFRIC 16 will not have an impact on the consolidated financial statement because the Group does not conduct such activity.

IFRIC 17—Distributions of Non-cash Assets to Owners

IFRIC 17 was issued in November 2008 and becomes effective for financial years beginning on or after 1 July 2009 with early application permitted. This interpretation should be applied prospectively. IFRIC 17 provides guidance on accounting for distributions of non-cash assets to owners. As such it provides guidance on when to recognise a liability, how to measure it and the associated assets, and when to derecognise the asset and liability and the consequences of doing so. IFRIC 17 will have no impact on the financial position or performance of the Group, as the Group does not distribute non-cash assets to its owners.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

2. BASIS OF PREPARATION (Continued)

IFRIC 18—Transfers of Assets from Customers

IFRIC 18 was issued in January 2009 and becomes effective for financial years beginning on or after 1 July 2009 with early application permitted, provided valuations were obtained at the date those transfers occurred. This interpretation should be applied prospectively. IFRIC 18 provides guidance on accounting for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services or to do both. The interpretation clarifies the circumstances, in which the definition of an asset is met, the recognition of the asset and its measurement on initial recognition, the identification of the separately identifiable services, the recognition of revenue and the accounting for transfers of cash from customers. IFRIC 18 will have no impact on the financial position or performance of the Group, as the Group does not receive assets from customers.

The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the consolidated financial statements of the Group.

In May 2008 the Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The Group adopted those amendments and improvements to IFRSs which are applicable to its operating activities in 2008.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimation and Assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material change to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Oil and gas reserves

Oil and gas reserves are a material factor in the Partnership's computation of depreciation, depletion and amortization (the "DD&A"). The Partnership estimates its reserves of oil and gas in accordance with the methodology of the Society of Petroleum Engineers (the "SPE"). In estimating its reserves under SPE methodology, the Partnership uses long-term planning prices which are also used by management to make investment decisions about development of a field. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year end spot prices. Management believes that long-term planning price assumptions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves. All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability. Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data; availability of new data; or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for DD&A.

Impairment

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. The time value of money is determined based on weighted average cost of capital of the Group. There were no impairment losses recognized by the Group during the years ended December 31, 2008 and 2007.

Foreign Currency Translation

The functional currency of the entities of the Group is the Kazakhstani Tenge (“Tenge” or “KZT”). Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The consolidated financial statements are presented in US Dollars (US\$), which is the presentation currency of the Group. As at the reporting date, the assets and liabilities are translated into the presentation currency of the Group at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to equity.

Consolidation

The consolidated financial statements comprise the financial statements of the Parent entity and its controlled subsidiaries (Note 1).

Inter-company transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases.

Minority interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholder’s equity.

The differences between the carrying values of net assets attributable to interests in subsidiaries acquired and the consideration given for such increases are charged or credited to retained earnings.

Purchases of controlling interests in subsidiaries from entities under common control

Purchases of controlling interests in subsidiaries from entities under common control are accounted for using the pooling of interests method.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The assets and liabilities of the subsidiary transferred under common control are recorded in these consolidated financial statements at the historical cost of the controlling entity. Any difference between the total book value of net assets and the consideration paid is accounted for in the consolidated financial statements as an adjustment to the shareholders' equity.

These consolidated financial statements, including corresponding figures, are presented as if a subsidiary had been acquired by the Group on the date it was originally acquired by the controlling entity.

Property, Plant and Equipment

Oil and Gas Properties

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalized within property, plant and equipment (construction work-in-progress) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration and materials and fuel used, rig costs and payments made to contractors. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off.

All capitalized costs of oil and gas properties are amortized using the unit-of-production method based on estimated proved developed reserves of the field, except in the case of assets that have a useful life shorter than the lifetime of the field, in which case the straight line method is applied.

Oil and Gas Reserves

Proved oil and gas reserves are estimated quantities of commercially viable hydrocarbons which existing geological, geophysical and engineering data show to be recoverable in future years from known reservoirs.

The Partnership uses the reserve estimates provided by an independent appraiser to assess the oil and gas reserves of its oil and gas fields. These reserve quantities are used for calculating the unit of production depreciation rate as it reflects the expected pattern of consumption of future economic benefits by the entity.

Impairment of non-financial assets

The Group assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Group makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Other Properties

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation is calculated on a straight—line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings and Improvements	7-15
Vehicles	8
Machinery and Equipment	3-13
Other	3-10

Borrowing Costs

The Group capitalizes borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalization include all assets under construction that are not being depreciated, depleted, or amortized, provided that work is in progress at that time. Qualifying assets mostly include wells and other oilfield infrastructure under construction. Capitalized borrowing costs are calculated by applying the capitalization rate to the expenditures on qualifying assets. The capitalization rate is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the period.

Inventories

Inventories are stated at the lower of cost or net realizable value ("NRV"). Cost of oil is determined on the weighted-average method and other inventories are also valued using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

Accounts Receivable

Accounts receivable are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for uncollectible amounts is made when collection of the full amount is no longer probable. These estimates are reviewed periodically, and as adjustments become necessary, they are reported as expense (credit) in the period in which they become known. Bad debts are written off when identified.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated financial information over the period of the borrowings using the effective interest method.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, as well as through amortization of the borrowings using the effective interest method.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Abandonment and site restoration (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term interest rates for emerging market debt adjusted for risks specific to the Kazakhstan market. The unwinding of the discount related to the obligation is recorded in finance costs. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This asset is subsequently depreciated as part of the capital costs of the oil and gas properties on a unit-of-production basis.

Changes in the measurement of an existing decommissioning liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or changes to the discount rate:

- (a) are added to, or deducted from, the cost of the related asset in the current period. If deducted from the cost of the asset the amount deducted shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the income statement; and
- (b) if the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

Financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Partnership determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Partnership commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments held for trading are recognized in profit or loss.

The Partnership assesses whether embedded derivatives are required to be separated from host contracts when the Partnership first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less.

Financial liabilities

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated as “at fair value through profit or loss”.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

Derivative financial instruments and hedging

The Partnership uses a hedging contract for oil export sales to cover part of its risks associated with oil price fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of financial instruments contracts is determined by reference to market values for similar instruments.

Taxation

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Trade and Other Payables

Trade and other payables are carried at fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Revenue Recognition

The Partnership sells crude oil under short-term agreements priced by reference to Platt's index quotations and adjusted for freight, insurance and quality differentials.

Revenue from the sale of crude oil is recognized when delivery has taken place and risks and rewards of ownership of the goods have passed to the customer.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Partnership and the amount of revenue can be reliably measured.

Expense Recognition

Expenses are accounted for at the time the actual flow of the related goods or services occur, regardless of when cash or its equivalent is paid, and are reported in the financial statements in the period to which they relate.

Social Tax and Deductions to Pension Fund

The Partnership contributes 21% of the gross income of employees as a Social tax to the Government of the Republic of Kazakhstan. Social tax and related staff costs are expensed as incurred.

The Partnership also withholds and contributes up to 10% from the salary of its employees as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits and the Partnership has no present or future obligation to pay its employees upon their retirement.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

4. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the year ended December 31, 2007 and 2008 was as follows:

In thousands of US Dollars	Oil and gas properties		Total oil and gas properties	Non oil and gas properties				Total non oil gas properties	Total
	Working assets	CIP		Buildings	Machinery & Equipment	Vehicles	Others		
Balance at December 31, 2006, net of accumulated depreciation . . .	55,409	76,243	131,652	1,960	530	904	804	4,198	135,850
Additions	185	148,589	148,774	285	555	230	478	1,548	150,322
Transfers	44,553	(46,250)	(1,697)	278	1,401	—	18	1,697	—
Disposal	—	(679)	(679)	—	—	(2)	(5)	(7)	(686)
Depreciation charge	(5,197)	—	(5,197)	(247)	(351)	(161)	(235)	(994)	(6,191)
Translation difference	3,741	6,221	9,962	111	74	44	47	276	10,238
Balance at December 31, 2007, net of accumulated depreciation . . .	98,691	184,124	282,815	2,387	2,209	1,015	1,107	6,718	289,533
Additions	3,290	228,734	232,024	376	849	734	797	2,756	234,780
Transfers	73,546	(72,645)	901	264	(1,044)	—	(121)	(901)	—
Transferred to inventory	—	(37)	(37)	—	—	—	—	—	(37)
Write off	—	(442)	(442)	—	(14)	—	(3)	(17)	(459)
Depreciation charge	(7,132)	—	(7,132)	(311)	(362)	(203)	(261)	(1,137)	(8,269)
Depreciation on write off	—	—	—	—	14	—	2	16	16
Translation difference	(670)	(1,373)	(2,043)	(9)	(7)	(7)	(7)	(30)	(2,073)
Balance at December 31, 2008, net of accumulated depreciation . . .	167,725	338,361	506,086	2,707	1,645	1,539	1,514	7,405	513,491
At cost at December 31, 2007 . . .	146,324	184,124	330,448	2,912	2,974	1,507	1,514	8,907	339,355
Accumulated depreciation	(47,633)	—	(47,633)	(525)	(765)	(492)	(407)	(2,189)	(49,822)
Balance at December 31, 2007, net of accumulated depreciation . . .	98,691	184,124	282,815	2,387	2,209	1,015	1,107	6,718	289,533
At cost at December 31, 2008 . . .	222,275	338,361	560,636	3,538	2,754	2,232	2,178	10,702	571,338
Accumulated depreciation	(54,550)	—	(54,550)	(831)	(1,109)	(693)	(664)	(3,297)	(57,847)
Balance at December 31, 2008, net of accumulated depreciation . . .	167,725	338,361	506,086	2,707	1,645	1,539	1,514	7,405	513,491

Category “Oil and Gas properties” represents mainly wells, oil treatment facilities and other related assets.

Category “Non Oil and Gas properties” represents mainly buildings, vehicles, machinery, equipment and other assets.

The Partnership calculates depreciation, depletion and amortization of oil and gas properties using the unit-of-production method. A depletion rate is computed by dividing the unamortized costs of proved oil and gas properties by the total estimated proved developed reserves. This depletion rate is applied to the physical units of oil and gas produced during the relevant period. The unamortized costs of proved oil and gas properties include all capitalized costs net of accumulated amortization.

The depletion rate for oil and gas working assets was 6.18% and 6.76% in 2008 and 2007 respectively. The unamortized costs of proved oil and gas properties include all capitalized costs net of accumulated amortization.

The Partnership engaged independent petroleum engineers to perform a reserves evaluation as at July 1, 2008. Depreciation has been calculated using the unit of production method based on these reserves estimates.

A depreciation charge of US\$ 8,269 thousand has been charged to depreciation and amortization expense for 2008 less US\$ 224 thousand which represent the effect of capitalization of depreciation as part of crude oil inventory (2007: US\$ 6,191 thousand and US\$ 65 thousand, respectively).

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

Additions to property, plant and equipment during the year ended December 31, 2008, included assets, works and services not yet paid for in the amount of US\$ 21,606 thousand (2007: US\$ 19,077 thousand).

The Partnership incurred borrowing costs including amortization of arrangement fee, of US\$ 31,558 thousand, and US\$ 19,414 thousand for the years ended December 31, 2008 and 2007, at the average interest rates of 8.6% and 13% per annum, respectively. For the same periods, the Partnership capitalized borrowing costs totaling US\$ 19,640 thousand and US\$ 12,960 thousand, respectively.

5. TRADE RECEIVABLES

As at December 31, trade receivables were denominated in US\$, are less than 30 days, and are not impaired.

6. PREPAYMENTS AND OTHER CURRENT ASSETS

As at December 31, prepayments and other current assets comprised the following:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
VAT receivable	20,606	11,561
Advances paid	2,104	1,644
Receivable under hedging contract	2,613	—
Advance to Probel Capital Management B.V.	1,620	—
Other	1,138	1,146
	28,081	14,351

Advances paid consist primarily of prepayments made to service providers.

7. CASH AND CASH EQUIVALENTS

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Current accounts in US Dollars	7,345	6,019
Current accounts in Tenge	4,222	1,341
Cash accounts in other currencies	320	—
	11,887	7,360

No interest is earned on current accounts.

In addition the Partnership has restricted cash accounts representing the Partnership's pledges under the Facility agreement with BNP Paribas (Note 9) of US\$ 19,078 thousand and a drilling contract of US\$ 2,000 thousand.

8. PARTNERSHIP CAPITAL

The ownership interests in Zhaikmunai LP consist of Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in the Zhaikmunai LP and the General Partner. At any general meeting every holder of Common Units shall have one vote for each Common Unit of which he or she is the holder. Under the Partnership Agreement, distributions to limited partners will be made either as determined by the General Partner in its sole discretion or following the approval of a majority of limited partners provided such amount does not exceed the amount recommended by the General Partner. Any distributions to the Zhaikmunai LP's limited partners will be made on a pro rata basis according to their respective partnership interests in the Zhaikmunai LP and will be paid only to the recorded holders of Common Units. There were no distributions declared for the years ended December 31, 2008 and 2007.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

8. PARTNERSHIP CAPITAL (Continued)

The issuance cost of listing the GDR's amounted to US\$ 7,928 thousand.

9. BORROWINGS

Borrowings, including interest accrued thereon, comprise the following as at December 31:

<u>In thousands of US Dollars</u>	<u>2008</u>		<u>2007</u>	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
Credit line due to Bank Turan Alem	—	—	38,793	203,982
Loan due to Blavin Holdings Limited	—	—	6,728	—
Credit line due to BNP Paribas	365,439	—	—	—
	365,439	—	45,521	203,982

Facility agreement with BNP Paribas

On December 12, 2007 the Partnership entered into a US\$ 550 million senior secured facility agreement between BNP Paribas ("Facility agreement"), as a facility agent, and the Partnership, as a borrower, and Zhaikmunai LP as guarantor. The Partnership drew down on March 7, 2008 approximately US\$ 291 million for (inter alia) the purpose of fully refinancing the BTA Facility and fully refinancing the loan from Blavin. The Partnership used the further proceeds of the BNP Paribas Facility to finance the construction of a gas treatment facility and otherwise towards developing the field. Initially, the BNP Paribas Facility comprised three tranches of US\$ 200 million, US\$ 200 million and US\$ 150 million. Drawdowns above US\$ 450 million are subject to certain conditions relating to syndication by BNP Paribas which have not been satisfied as of the date of this publication. As of December 31, 2008 the Partnership had drawn down US\$ 381 million.

The rate of interest payable on outstanding amounts under each tranche will be LIBOR plus mandatory cost plus, under tranche 1, a margin of 3%, under tranche 2, a margin of 4% and under tranche 3, a margin of 5%.

The total amount outstanding is repayable in accordance with the schedule, reducing the total commitments to zero by December 31, 2014. In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals, debt offerings and a cash sweep of 50% of the Partnership collected revenue (in excess of US\$ 25 million). The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Partnership is required to give customary representations and warranties, repeated periodically and certain covenants relating to profitability.

The Partnership maintains a hedging programme pursuant to which it hedges a minimum Brent crude oil price of US\$ 70 per bbl for at least 25% of the initial production profile, as assessed by BNP Paribas, for the NE and W Tournasian horizons for the period 2008 to 2013. The Partnership is additionally required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. Lastly, the Partnership is required to maintain annual oil and gas off-take contracts (gas sales to be commenced in 2010) with off-takers required to purchase 80% of total production and 100% of production available for export. The Partnership's obligations under the BNP Paribas Facility are secured by various forms of security, including, (i) a pledge over 100% of the participatory interests in the Partnership; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the gas treatment facility; and (v) assignment of the benefit of the Partnership's relevant existing and future insurance policies. The Partnership's restricted cash under the terms of the BNP Paribas Facility amounted to US\$ 19,078 thousand as at December 31, 2008 (Note 7).

As a result of lower than anticipated EBITDA at December 31, 2008 the Partnership was in breach of the covenant related to its EBITDA to interest expense and total indebtedness ratios. Consequently, BNP Paribas, pursuant to the loan agreement, has confirmed to the Partnership that they will not distribute the

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

9. BORROWINGS (Continued)

balance of US\$ 69 million at this time. However, the Partnership believes BNP Paribas will not call the loan as a result of the breach. The Partnership is also currently working with BNP Paribas, EBRD and other financial institutions to secure alternative funding of an amount of US\$ 300 million to finance the Partnership's ongoing capital expenditure program (Note 2).

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Principal amount as at December 31	381,677	—
Fees incurred on arrangement of BNPP facility	(19,943)	—
Amortization of arrangement fees	3,705	—
	<u>365,439</u>	<u>—</u>

10. ABANDONMENT AND SITE RESTORATION LIABILITIES

The summary of changes in abandonment and site restoration liabilities during the years ended December 31 are as follows:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Abandonment and site restoration liability as at January 1, ...	1,299	1,214
Unwinding of discount	271	102
Additional provision	271	410
Change in estimates	1,570	(427)
	<u>3,411</u>	<u>1,299</u>

The long-term inflation and discount rates used to determine the abandonment and site restoration liabilities at December 31, 2008 were 5.0% and 9.4%, respectively (2007: 5.0% and 13%).

11. DUE TO GOVERNMENT OF KAZAKHSTAN

The amount due to Government of the Republic of Kazakhstan has been recorded to reflect the present value of expenditures made by the Government in the time period prior to signing the Contract that were related to exploration of the Contract territory and the construction of surface facilities in fields discovered therein and that are reimbursable by the Partnership to the Government during the production period.

Repayment of this liability commenced in 2008 with the first payment of US\$ 1,030 thousand in March 2008 and with further payments by equal quarterly instalments of US\$ 258 thousand until May 26, 2031. The liability was discounted at 13%.

The total amount of liability due to Government as stipulated by the Contract is US\$ 25,000 thousand. The balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Due to Government of Kazakhstan as at January 1, ...	8,379	8,094
Unwinding of discount	1,044	964
Revision of contractual obligation	—	(679)
Paid during the year	(2,062)	—
	7,361	8,379
Less: current portion of due to Government of Kazakhstan	(1,031)	(2,062)
Due to Government of Kazakhstan	<u>6,330</u>	<u>6,317</u>

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

12. TRADE PAYABLES

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Tenge denominated trade payables	41,679	19,065
US dollar denominated trade payables	18,617	16,489
Trade payables denominated in other currencies	657	512
	60,953	36,066

13. OTHER CURRENT LIABILITIES

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Taxes payable, other than corporate income tax	1,950	2,892
Training accrual	3,049	1,687
Equity option plan (Note 20)	516	—
Due to employees	491	270
Other	1,127	639
	7,133	5,488

14. COST OF SALES

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Depreciation and amortization	7,883	6,126
Well workover costs	6,355	7,103
Royalties	5,705	5,265
Repair, maintenance and other services	5,149	4,453
Payroll and related taxes	4,661	3,048
Materials and supplies	3,855	2,800
Rent and operation of oil separation units	2,926	2,678
Environmental levies	2,752	913
Management fees	1,771	1,957
Other transportation services	1,681	1,243
Government profit share	1,125	994
Other	747	821
	44,610	37,401

15. SELLING AND OIL TRANSPORTATION EXPENSES

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Oil export duty	15,086	—
Transporting oil to the railway loading terminal costs	4,985	4,236
Oil loading and storage costs	2,835	1,621
Other	1,306	936
	24,212	6,793

In 2008 Kazakhstan introduced an oil export duty on the major oil production companies in the Republic of Kazakhstan. In 2009 the Partnership will not be subject to the oil export duty.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

16. GENERAL AND ADMINISTRATIVE EXPENSES

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Management fees	5,385	3,082
Professional services	4,612	1,978
Payroll and related taxes	2,956	2,187
Training	2,501	1,698
Bank charges	588	1,298
Equity option plan (Note 20)	516	—
Sponsorship	346	314
Communication	395	298
Social program	300	255
Insurance fees	724	211
Materials and supplies	163	197
Lease payments	268	187
Business trip	352	155
Other taxes	418	4
Other	775	678
	<u>20,299</u>	<u>12,542</u>

17. FINANCE COSTS, NET

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Interest expense	10,151	6,454
Amortization of fees incurred on arrangement of syndicated loan agreement	1,330	—
Revision of contractual obligation to Government (Note 11)	—	(679)
Commitment fees on syndicated loan agreement	437	—
Unwinding of discount on Abandonment and Site Restoration Liability	261	102
Unwinding of discount on amounts Due to Government	992	964
	<u>13,171</u>	<u>6,841</u>

18. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Income tax expenses comprise:		
—current income tax expense	4,193	6,382
—deferred income tax expense	30,995	9,268
Total income tax expense	<u>35,188</u>	<u>15,650</u>

The Group's profits are assessed for income taxes only in the Republic of Kazakhstan. A reconciliation of income tax expense applicable to profit before income tax using the Kazakhstani tax rate, applicable to the

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

18. INCOME TAX EXPENSES (Continued)

license, of 30% to income tax expense as reported in the Group's consolidated financial statements for the years ended December 31 is as follows:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Profit before income tax	98,666	51,980
Statutory tax rate	30%	30%
Expected tax provision	29,600	15,594
Non-deductible interest expense on borrowings	4,686	2,565
Adjustments in respect of current income tax of previous year	(1,116)	(2,128)
Foreign exchange loss/(gain)	460	(1,875)
Difference arising on on Abandonment and Site Restoration Liability and payables Due to Government	263	83
Other non-deductible expenses	1,295	1,411
Income tax expense reported in the accompanying financial statements	35,188	15,650

Deferred tax balances are calculated by applying the Kazakhstani statutory tax rates in effect at the respective balance sheet dates to the temporary differences between the tax and the amounts reported in the financial statements and are comprised of the following at December 31:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Deferred tax asset:		
Accounts payable and provisions	1,413	610
	1,413	610
Deferred tax liability:		
Crude oil inventory	(551)	(216)
Hedging contract at fair value	(18,877)	—
Property, plant and equipment	(38,925)	(26,585)
Net deferred tax liability	(56,940)	(26,191)

As at December 31, the movements in the deferred tax liability were as follows:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Balance at January 1, ...	(26,191)	(15,867)
Current year charge/(benefit) to translation reserve	246	(1,056)
Current year charge to statement of income	(30,995)	(9,268)
Balance at December 31, ...	(56,940)	(26,191)

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

19. HEDGING OF OIL EXPORT SALES

Pursuant to the terms of the BNP Paribas facility the Partnership has entered, at nil cost, into a hedging contract covering oil export sales commencing March 2008 through till December 2013.

<u>Year</u>	<u>Quantity Barrels ('bbls') per month</u>
2008	96,769
2009	107,639
2010	99,461
2011	96,956
2012	60,493
2013	48,384

The hedging contract specifies that on payment date, either

- (a) if the Floating Amount determined in respect of the preceding Calculation Period is positive, then the Partnership shall receive such Floating Amount from BNP Paribas; or
- (b) if the Floating Amount determined in respect of the preceding Calculation Period is negative, then BNP Paribas shall receive the absolute value of such Floating Amount from the Partnership.

The Floating Amount shall be determined as follows: Floating Amount = % [A-B]*Quantity where, A and B mean the following:

- (a) in the Calculation Periods from, and including, March 2008, to, and including, December 2009:
A = Max (0; 70—Floating Price); and
B = Max (0; Floating Price—123).
- (b) in the Calculation Periods from, and including, January 2010, to, and including, December 2013:
A = (70—Floating Price),
B = Min (0; 79—Floating Price).

The Floating Price is the arithmetic average of the settlement prices per barrel of Brent crude oil for each commodity business day in the calculation period, on the 1PE for the first nearby ICE Brent crude futures contract.

Gains and losses on the hedge contract, which do not qualify for hedge accounting, are taken directly to income statement.

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Realized hedging gain	1,596	—
Unrealized hedging gain	63,184	—
Gain on hedging contract	64,780	—
Unrealized hedging gain	63,184	—
Translation difference	(261)	—
Hedging contract at fair value	62,923	—

20. EQUITY-BASED TRANSACTIONS

Employees (including senior executives and executive directors) of members of the Group receive remuneration in the form of equity-based payment transactions, whereby employees render services as consideration for share appreciation rights, which can only be settled in cash ('cash-settled transactions').

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

20. EQUITY-BASED TRANSACTIONS (Continued)

The cost of cash-settled equity-based employee compensation is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until vesting with the recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

The expense recognised for employee services received during the year is shown in the following table:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Expense arising from cash-settled share-based payment transactions	516	—

The equity-based payment plan is described below. There have been no cancellations or modifications to any of the plans during 2008.

On March 27, 2008, 2,500,000 equity appreciation rights (SARs) were granted to senior employees and executive directors of members of the Group, which can only be settled in cash. These will vest over a five year period from the date of grant, so that one fifth of granted SARs vests on each of the five anniversaries from the date of grant date. The contractual life of the SARs is ten years. The fair value of the SARs is measured at the grant date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted. SARs are exercisable at any time after vesting till the end of the contractual life and give its holder a right to a difference between the market value of the Group's GDRs at the date of exercise and the IPO value of GDR's, which is 10 US Dollars. The services received and a liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in profit or loss as part of the employee benefit expenses arising from cash-settled share-based payment transactions.

The carrying amount of the liability relating to the SARs at December 31, 2008 is US\$ 516 thousand (2007: nil). No SARs had vested at December 31, 2008 (2007: Nil).

The following table illustrates the number (No.) and exercise prices (EP) of, and movements in, equity options during the year:

	<u>December 31, 2008</u>		<u>December 31, 2007</u>	
	<u>No.</u>	<u>EP, US Dollar</u>	<u>No.</u>	<u>EP, US Dollar</u>
Outstanding at the beginning of period	—	—	—	—
Granted	2,500,000	10	—	—
Exercised	—	—	—	—
Outstanding at the end of period	2,500,000	10	—	—
Exercisable at the end of period	—	—	—	—

The following table lists the inputs to the models used for the plan for the year ended December 31, 2008:

Dividend yield (%)	0
Expected volatility (%)	87
Risk -free interest rate (%)	3.2
Expected life (years)	7.2
Option turnover (%)	10
Price trigger	2

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

21. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements transactions with related parties mainly comprise transactions between the Group and the participants and/or their subsidiaries or associated companies.

Balances with related parties at the balance sheet dates and transactions with related parties for the respective years follow.

Accounts receivable from related parties at December 31 consisted of the following:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Trade receivables and advances		
Probel Capital Management B.V.	1,620	—
Total	<u>1,620</u>	<u>—</u>

Accounts payable to related parties as at December 31 consisted of the following:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Trade payables		
Amersham Oil LLP	108	81
Probel Capital Management B.V.	163	190
Total	<u>271</u>	<u>271</u>

During the year ended 31 December 2008 the Group had the following transactions with related parties:

<u>In thousands of US Dollars</u>	<u>2008</u>	<u>2007</u>
Management fees and consulting services		
Amersham Oil LLP	1,245	965
Probel Capital Management B.V.	5,987	4,121
Total	<u>7,232</u>	<u>5,086</u>

Management fees are payable in accordance with the Technical Assistance Agreements signed between the Partnership, Amersham Oil LLP and Probel Capital Management BV relate to the rendering of geological, geophysical, drilling, scientific, technical and other consultancy services.

Annual remuneration of four key managers amounted to US\$ 238 thousand for 2008 (2007: four, US\$ 199 thousand). Other key management personnel were employed and paid by Amersham Oil LLP, Frans Van Der Schoot B.V. and Probel Capital Management and whose remuneration forms part of management fees and consulting services above.

All related parties are companies indirectly controlled by Frank Monstrey.

22. CONTINGENT, COMMITMENTS AND OPERATING RISKS

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

The Kazakhstan economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The ongoing global financial crisis has resulted in capital markets and commodity price instability, significant deterioration of liquidity in the banking sector and tighter credit conditions within Kazakhstan. Consequently, the Kazakhstan Government has introduced a range of stabilization measures aimed at providing liquidity and supporting finance for Kazakhstan banks and companies.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

22. CONTINGENT, COMMITMENTS AND OPERATING RISKS (Continued)

While management believes it is taking appropriate measures to support the sustainability of the Partnership's business in the current circumstances, unexpected further deterioration in the areas described above could negatively affect the Partnership's results and financial position in a manner not currently determinable.

Legal actions

In the ordinary course of business, the Partnership is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Partnership.

The Partnership assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its consolidated financial information only where it is probable that actual events giving rise to a liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in these consolidated financial information for any of the contingent liabilities mentioned above.

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at December 31, 2008. As at December 31, 2008 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Partnership's tax positions will be sustained.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and cleanup evolve, the Partnership may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental obligations

The Partnership may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Partnership may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation. However, depending on any unfavorable claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Partnership's future results of operations or cash flow could be materially affected in a particular period.

Capital commitments

As at December 31, 2008 the Partnership had contractual capital commitments in amount of US\$ 247,237 thousand (2007: US\$ 186,148 thousand).

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

22. CONTINGENT, COMMITMENTS AND OPERATING RISKS (Continued)

Operating leases

The Partnership entered into a cancellable lease agreement for the main administrative office in Uralsk in October 2007 for a period of 20 years for US\$ 15 thousand per month.

Social and education commitments

As required by the Contract with the Government, the Partnership is obliged to spend: (i) US\$ 300 thousand per annum to finance social infrastructure and (ii) one percent from the capital expenditures incurred during the year for education purposes of the citizens of Kazakhstan on an annual basis until the end of the Contract.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Partnership's principal financial liabilities comprise bank loans, payables to Government of Kazakhstan, trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the development of the Chinarevskoye oil and gas condensate field and its operations. The Partnership's financial assets consist of trade and other receivables, cash and cash equivalents.

The main risks arising from the Partnership's financial instruments are interest rate risk, foreign exchange risk, liquidity risk, commodity price risk and credit risk. The Partnership's management reviews and agrees policies for managing each of these risks which are summarized below.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Partnership's long-term debt obligations with floating interest rates.

The Partnership was not exposed to interest rate risk in 2007 as rates of interest on its borrowings were fixed for the whole term of such borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Partnership's loss before tax through the impact on floating rate borrowings.

Increase/decrease interest rate In thousands of US Dollars	Effect on profit before tax for the year ended December 31, 2008	Effect on profit before tax for the year ended December 31, 2007
+1.5%	(4,921)	—
– 1.5%	4,921	—

Foreign Currency Risk

As significant portion of the Group's operation is the Kazakhstani Tenge denominated, the Group's balance sheet can be affected significantly by movements in the US Dollar/Tenge exchange rates. The Group mitigates the effect of its structural currency exposure by borrowing in US Dollars and denominating sales in US Dollars.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in Tenge to US\$ exchange rate	Effect on profit before tax
2008		
US thousand dollar	+25%	(65,715)
US thousand dollar	+40%	(105,144)
2007		
US thousand dollar	+5%	(6,934)
US thousand dollar	-5%	6,934

Liquidity Risk

Liquidity risk is the risk that the Partnership will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the Partnership's financial liabilities at December 31, 2008 based on contractual undiscounted payments:

Year ended December 31, 2008	On demand	Less than 3 months	3-12 months	1-5 years	more than 5 years	Total
Borrowings	381,677	—	—	—	—	381,677
Trade payables	60,028	—	—	—	—	60,028
Other current liabilities	5,906	—	—	—	—	5,906
Due to Government of Kazakhstan	—	258	773	4,124	17,784	22,939
	<u>447,611</u>	<u>258</u>	<u>773</u>	<u>4,124</u>	<u>17,784</u>	<u>470,550</u>
Year ended December 31, 2007	On demand	Less than 3 months	3-12 months	1-5 years	more than 5 years	Total
Borrowings	—	3,061	42,460	203,982	—	249,503
Trade payables	30,431	—	5,309	—	—	35,740
Other current liabilities	5,036	—	—	—	—	5,036
Due to Government of Kazakhstan	—	1,288	774	4,124	18,814	25,000
	<u>35,467</u>	<u>4,349</u>	<u>48,543</u>	<u>208,106</u>	<u>18,814</u>	<u>315,279</u>

As discussed in Note 9, the Partnership believes BNP Paribas will not call the outstanding balance of the loan of US\$ 381,677 thousand during 2009 and is in the process of obtaining a waiver from BNP Paribas in this respect.

Commodity Price Risk

The Partnership is exposed to the effect of fluctuations in price of crude oil, which is quoted in US Dollar on the international markets. The Partnership prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of crude oil prices in the future.

ZHAIKMUNAI LP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the year ended December 31, 2008

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Other than the hedge arrangement described in Note 19 the Partnership does not hedge its exposure to the risk of fluctuations in the price of crude oil. As at December 31, 2008 a US\$ 1 per barrel movement in the price of oil had a US\$ 2 million impact on the fair value of the hedge contract.

Credit Risk

Financial instruments, which potentially subject the Partnership to credit risk, consist primarily of accounts receivable and cash in banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Partnership considers that its maximum exposure is reflected by the amount of trade accounts receivable and advances.

The Partnership places its cash with Bank Turan Alem, which has a credit rating of BB (negative) and BNP Paribas with a relative credit rating of AA (negative) on long-term US Dollar deposits from Standard and Poor's rating agency for the year ended December 31, 2008. The Partnership does not guarantee obligations of other parties.

The Partnership sells oil and makes advance payments only to recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Partnership's exposure to bad debts and recoverability of prepayments made is not significant and thus risk of credit default is low.

Fair values of financial instruments

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale. As no readily available market exists for a large part of the Partnership's financial instruments, judgment is needed to arrive at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

Management believes that the Partnership's carrying value of financial assets and liabilities consisting of cash and cash equivalents, trade accounts receivable and advances, trade and other payables and obligations under debt instruments are not significantly different from their fair values at December 31, 2008 and 2007.

24. SUBSEQUENT EVENTS

On February 4, 2009 the Kazakhstan Tenge ("KZT") devalued against US\$ and other major currencies. The exchange rate before and after devaluation were 120 KZT/US\$ and 150 KZT/US\$, respectively.

On March 20, 2009 the Partnership has concluded an amendment to its export oil sales hedging contract with BNP Paribas, under which the minimum Brent crude oil price was set at US\$50 per bbl for at least 25% of the initial production profile for the NE and W Tournasian horizons for the period from March 2009 through to June 2010. The amendment to the contract has resulted in a cash payment of US\$ 40,500 thousand being made to the Partnership.

**Jubilata Investments Limited,
Claydon Industrial Limited and their subsidiaries
Condensate Holding LLP and
Zhaikmunai LLP**

Combined Financial Statements

December 31, 2007

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and shareholders of Zhaikmunai LP:

We have audited the accompanying special purpose combined financial statements of Claydon Industrial Limited and Jubilata Investments Limited and their subsidiaries Condensate Holding LLP and Zhaikmunai LLP. (together the "Combined Group"), which comprise the combined balance sheet as at 31 December 2007, and the combined income statement, combined statement of changes in equity and combined statement of cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes ("special-purpose combined financial statements").

Management's Responsibility for the Special-purpose Combined Financial Statements

Management is responsible for the preparation and presentation of the special-purpose combined financial statements in accordance with the basis of preparation described in Note 2. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of special purpose combined financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the special-purpose combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special-purpose combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose combined financial statements for the year ended 31 December 2007 have been prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

30 June 2008

Ernst & Young LLP
Almaty, Kazakhstan

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
COMBINED BALANCE SHEET
As at December 31, 2007

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2007</u>	<u>2006</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	289,533	135,850
Advances for equipment and construction works		70,475	14,231
		360,008	150,081
Current Assets			
Inventories		2,496	3,014
Trade receivables	5	9,530	5,580
Prepayments and other current assets	6	14,973	5,787
Cash and cash equivalents	7	7,344	2,832
		34,343	17,213
TOTAL ASSETS		394,351	167,294
EQUITY AND LIABILITIES			
Share capital and Reserves			
Share capital	8	50	50
Retained earnings and translation reserve		68,190	28,142
		68,240	28,192
Non-Current Liabilities			
Long term borrowings	9	203,982	93,799
Abandonment and site restoration liabilities	10	1,299	1,214
Due to Government of Kazakhstan	11	6,317	8,094
Deferred tax liability	18	26,191	15,867
		237,789	118,974
Current Liabilities			
Trade payables	12	35,768	12,890
Current portion of long term borrowings	9	45,521	5,099
Current portion of Due to Government of Kazakhstan	11	2,062	—
Other current liabilities	13	4,971	2,139
		88,322	20,128
TOTAL EQUITY AND LIABILITIES		394,351	167,294

The accounting policies and explanatory notes on pages F-92 through F-112 are an integral part of these financial statements.

General Director of Jubilata Investments Limited _____

General Director of Claydon Industrial Limited _____

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
COMBINED INCOME STATEMENT
For the year ended December 31, 2007

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2007</u>	<u>2006</u>
Sales of crude oil		108,490	58,565
Cost of sales	14	(37,401)	(26,080)
Gross Profit		71,089	32,485
General and administrative expenses	16	(10,183)	(6,891)
Selling and oil transportation expenses	15	(6,793)	(4,042)
Finance costs	17	(6,841)	(2,194)
Foreign exchange gain		6,151	586
Profit before income tax		53,423	19,944
Income tax expense	18	(15,650)	(6,973)
NET INCOME		37,773	12,971

The accounting policies and explanatory notes on pages F-92 through F-112 are an integral part of these financial statements.

General Director of Jubilata Investments Limited _____

General Director of Claydon Industrial Limited _____

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
COMBINED STATEMENT OF CASH FLOWS
For the year ended December 31, 2007

<u>In thousands of US Dollars</u>	<u>Note</u>	<u>2007</u>	<u>2006</u>
Cash flow from operating activities:			
Profit before income tax		53,423	19,944
Adjustments for:			
Depreciation and amortization	14	6,126	14,590
Interest expense on borrowings	17	6,454	1,279
Unwinding of discount on due to Government of Kazakhstan . . .	11	964	762
Revision of contractual obligation to Government of Kazakhstan .	11	(679)	—
Unrealized foreign exchange (gain), net		(6,561)	(404)
Unwinding of discount on abandonment and site restoration liability	10	102	153
Write off of property, plant and equipment	4	686	—
Operating profit before working capital changes		60,515	36,324
Changes in working capital:			
Decrease/(Increase) in inventories		739	(1,601)
Increase in trade receivables		(3,641)	(3,316)
Increase in prepayments and other current assets		(8,658)	(4,706)
Increase in trade payables		3,049	9,545
Increase in other current liabilities		2,634	1,188
Cash generated from operations		54,638	37,434
Income tax paid		(6,399)	(9)
Net cash flows from operating activities		48,239	37,425
Cash flow from investing activities:			
Purchases of property, plant and equipment		(173,105)	(92,851)
Net cash used in investing activities		(173,105)	(92,851)
Cash flow from financing activities:			
Repayment of borrowings		(3,966)	(11,295)
Interest paid		(18,312)	(6,365)
Proceeds from borrowings		151,444	72,500
Net cash provided by financing activities		129,166	54,840
Effects of exchange rate changes on cash and cash equivalents		212	182
Net increase/(decrease) in cash and cash equivalents		4,300	(586)
Cash and cash equivalents at the beginning of the year		2,832	3,236
Cash and cash equivalents at the end of the year	7	7,344	2,832

The accounting policies and explanatory notes on pages F-92 through F-112 are an integral part of these financial statements.

General Director of Jubilata Investments Limited _____

General Director of Claydon Industrial Limited _____

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
COMBINED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2007**

	Share capital	Retained earnings	Translation reserve	Total
As at December 31, 2005	50	13,467	1,005	14,522
Translation difference	—	—	699	699
Net Income	—	12,971	—	12,971
As at December 31, 2006	50	26,438	1,704	28,192
Translation difference	—	—	2,275	2,275
Net Income	—	37,773	—	37,773
As at December 31, 2007	50	64,211	3,979	68,240

The accounting policies and explanatory notes on pages F-92 through F-112 are an integral part of these financial statements.

General Director of Jubilata Investments Limited _____

General Director of Claydon Industrial Limited _____

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION
For the year ended December 31, 2007**

1. GENERAL

This combined financial information represents the combination of the financial statements of Claydon Industrial Limited (BVI) (“Claydon”) and Jubilata Investments Limited (BVI) (“Jubilata”). These entities together own 100% of Zhaikmunai LLP (the “Partnership”), an oil and gas producing entity located in Kazakhstan and Condensate Holdings LLP. Both Claydon and Jubilata (jointly the “Combined Entity”) are ultimately indirectly controlled by Frank Monstrey. The immediate parent of the Combined Entity is Scoulton Holdings Limited (“Scoulton”).

The principal operation of the combined entity is the Partnership. The Partnership was established in 1997 for the purpose of exploration and development of Chinarevskoye oil and gas condensate field in the Western Kazakhstan Region. The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the “Contract”) dated October 31, 1997 in accordance with the license MG No. 253D (the “License”) for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field between the State Committee of Investments of the Republic of Kazakhstan and the Partnership.

This combined financial information has been prepared because the entity, which was used in the public offering, Zhaikmunai Limited Partnership (“Zhaikmunai LP”), a partnership formed in Isle of Man, acquired the beneficial ownership in the issued share capital in Claydon and Jubilata immediately following admission of Global Depositary Receipts (“GDRs”) to the official list of the United Kingdom Listing Authority on March 28, 2008. This special purpose combined financial information has been prepared on the basis that Claydon and Jubilata were under the ultimate indirect common control of Frank Monstrey from the beginning of the earliest period presented, i.e. January 1, 2006.

The registered address of Claydon is Trident Chambers, Road Town, Tortola, British Virgin Islands.

The registered address of Jubilata is Trident Chambers, Road Town, Tortola, British Virgin Islands.

This condensed combined financial information was authorised for issue by Montrond Incorporated and Bluebrook on June 10, 2008.

Licence terms

The term of the license of the Partnership originally included a 5 year exploration period and a 25 year production period. The exploration period was initially extended for an additional 4 years and then for a further 2 years according to the supplements to the Contract dated January 12, 2004 and June 23, 2005, respectively. In accordance with the supplement dated June 5, 2008 Tournaisian North reservoir entered into production period as at January 1, 2008.

The final exploration extension of 2 years did not change the license term, which will expire in 2031.

Royalty Payments

The Partnership is required to make monthly royalty payments throughout the entire Production Period, at the rates specified in the Contract.

Royalty rates depend on crude oil recovery levels and the phase of production and can vary from 2% to 6% of produced petroleum and natural gas.

Government ‘profit share’

The Partnership makes payments to the Government of its ‘profit share’ as determined in the Contract. The ‘profit share’ depends on crude oil production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. Government profit share is expensed as incurred.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)**

For the year ended December 31, 2007

2. BASIS OF PREPARATION

The basis of preparation and accounting policies used in preparing the combined financial information for the year ended December 31, 2007 are set out below. These accounting policies have been consistently applied in all material respects to the periods presented.

This combined financial information has been prepared in accordance with this basis of preparation and in conformity with International Financial Reporting Standards (“IFRSs”) except as described below. As discussed in Note 1, the parent entity, Zhaikmunai LP acquired beneficial interest in Claydon and Jubilata as at March 28, 2008. As a result, Claydon and Jubilata have been combined as described in the basis of combination below. The combined financial information does not constitute a set of general purpose financial statements under paragraph 3 of IAS 1 and consequently there is no explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1.

Basis of preparation

IFRSs do not provide for the preparation of combined financial information. The basis of preparation under which these accounts have been prepared results in the following material departures from IFRSs. In other respects IFRSs have been applied:

- IAS 27 “Consolidated and Separate Financial Statements” defines a group as a parent and its subsidiaries and further describe how consolidated financial statements are prepared. The historical financial information is prepared on a combined basis and therefore does not comply with the requirements of IAS 27.

The combined financial information is prepared on a basis that combines the results and assets and liabilities of Claydon and Jubilata and the companies which they, in aggregate, control by applying the principles underlying the consolidation procedures of IAS 27 for the year ended December 31, 2007. The underlying financial statements of Claydon and Jubilata have been prepared using the principles of IFRSs. Internal transactions between Claydon, Jubilata and their subsidiaries have been eliminated on combination.

This combined financial information is presented in US dollars and have been prepared on a historical cost basis, except for financial instruments.

Basis of combination

The combined financial information incorporates the results of Claydon and Jubilata and their subsidiaries. The results of the subsidiaries are included from the date on which effective control was acquired up to the date control ceased to exist. Subsidiaries are those enterprises controlled by Claydon and Jubilata regardless of the amount of shares owned or partnership interests held. Control exists when Claydon and/or Jubilata have the power, either directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are combined from the date on which control is transferred and cease to be combined from the date on which control is transferred to a third party. The financial statements of subsidiaries are prepared for the same reporting periods as Claydon and Jubilata using consistent accounting policies. All intercompany transactions and balances, including unrealized profits arising from transactions between Claydon and Jubilata and their subsidiaries, have been eliminated on combination.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
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2. BASIS OF PREPARATION (Continued)

Adopted accounting standards and interpretations

The following new standards, amendments to standards and interpretations are mandatory for the financial year ended December 31, 2007:

IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Partnership's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements.

While there has been no effect on the financial position or results, comparative information has been revised where needed.

IAS 1 Amended—Presentation of Financial Statements

This standard requires the Partnership to make new disclosures to enable users of the financial statements to evaluate the Combined Entity's objectives, policies, and processes for managing capital. These new disclosures are shown in Note 21.

IAS 23 Amended—Borrowing costs

This standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The amendment of standard has no effect on the financial position or performance of the Combined Entity as the Combined Entity already capitalized borrowing costs on qualifying assets (*Note 4*).

IFRIC 8 Scope of IFRS 2

This interpretation requires IFRS 2 to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. As there were no equity instruments issued as part of consideration, the interpretation had no impact on the financial position of the Combined Entity.

IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Combined Entity has no embedded derivatives, the interpretation had no impact on the financial position or performance of the Combined Entity.

IFRIC 10 Interim Financial Reporting and Impairment

IFRIC Interpretation 10 as of 1 January 2007 requires that an entity must not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Combined Entity has neither impairment losses previously recognized nor goodwill, the interpretation had no impact on the financial position or performance of the Combined Entity.

New accounting developments

The following IFRS and IFRIC interpretations are not yet in effect as at December 31, 2007:

- IFRS 2 "Share-based Payments—Vesting Conditions and Cancellations";
- IFRS 3 Business Combinations—amendment

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2. BASIS OF PREPARATION (Continued)

- IFRS 8 Operating Segments
- IAS 27 Consolidated and Separate Financial Statements—amendment
- IAS 32 Amendment “Financial Instruments: Presentation”
- IFRIC 11 IFRS 2—Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction.

The Combined Entity expects that the adoption of the pronouncements listed above will have no significant impact on the Partnership’s results of operations and financial position in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimation and Assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material change to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Oil and gas reserves

Oil and gas reserves are a material factor in the Partnership’s computation of depreciation, depletion and amortization (the “DD&A”). The Partnership estimates its reserves of oil and gas in accordance with the methodology of the Society of Petroleum Engineers (the “SPE”). In estimating its reserves under SPE methodology, the Partnership uses long-term planning prices which are also used by management to make investment decisions about development of a field. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year end spot prices. Management believes that long-term planning price assumptions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability. Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data; availability of new data; or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for DD&A.

Foreign Currency Translation

The functional currency of Jubilata, Claydon and the foreign operations, Condensate LLP and Zhaikmunai LLP, is the Kazakhstani Tenge (“Tenge” or “KZT”). Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

taken directly to equity until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The combined financial information is presented in US Dollars, which is the presentation currency of the Combined Entity. As at the reporting date, the assets and liabilities are translated into the presentation currency of the Combined Entity at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to equity.

Property, Plant and Equipment

Oil and Gas Properties

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalized within property, plant and equipment (construction work-in-progress) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration and materials and fuel used, rig costs and payments made to contractors. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off.

All capitalized costs of oil and gas properties are amortized using the unit-of-production method based on estimated proved developed reserves of the field, except in the case of assets that have a useful life shorter than the lifetime of the field, in which case the straight line method is applied.

Oil and Gas Reserves

Proved oil and gas reserves are estimated quantities of commercially viable hydrocarbons which existing geological, geophysical and engineering data show to be recoverable in future years from known reservoirs.

The Partnership uses the reserve estimates provided by an independent appraiser to assess the oil and gas reserves of its oil and gas fields. These reserve quantities are used for calculating the unit of production depreciation rate as it reflects the expected pattern of consumption of future economic benefits by the entity.

Impairment of non-financial assets

The Combined Entity assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Combined Entity makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Other Properties

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Combined Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings and Improvements	7–15
Vehicles	5
Machinery and Equipment	3–13
Other	3–10

Borrowing Costs

The Combined Entity capitalizes borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalization include all assets under construction that are not being depreciated, depleted, or amortized, provided that work is in progress at that time. Qualifying assets mostly include wells and other oilfield infrastructure under construction. Capitalized borrowing costs are calculated by applying the capitalization rate to the expenditures on qualifying assets. The capitalization rate is the weighted average of the borrowing costs applicable to the Partnership borrowings that are outstanding during the period.

Inventories

Inventories are stated at the lower of cost or net realizable value ("NRV"). Cost is determined on the First-in-First-out ("FIFO") method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

Trade Receivables

Accounts receivable are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for uncollectible amounts is made when collection of the full amount is no longer probable. These estimates are reviewed periodically, and as adjustments become necessary, they are reported as expense (credit) in the period in which they become known. Bad debts are written off when identified.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents are recognized and measured at the fair value of consideration received. Cash and cash equivalents consist of cash on hand and bank deposits that mature within ninety days from the date of origination and are free from contractual encumbrances.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the combined financial information over the period of the borrowings using the effective interest method.

Gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, as well as through amortization of the borrowings using the effective interest method.

Provisions

Provisions are recognized when the Combined Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Abandonment and site restoration (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Combined Entity has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term interest rates for emerging market debt adjusted for risks specific to the Kazakhstan market. The unwinding of the discount related to the obligation is recorded in finance costs. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This asset is subsequently depreciated as part of the capital costs of the oil and gas properties on a unit-of-production basis.

Changes in the measurement of an existing decommissioning liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or changes to the discount rate:

- (a) are added to, or deducted from, the cost of the related asset in the current period. If deducted from the cost of the asset the amount deducted shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the income statement; and
- (b) if the adjustment results in an addition to the cost of an asset, the Combined Entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Combined Entity tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

Financial Instruments

Derecognition of financial assets

The Combined Entity derecognizes a financial asset or a portion of a financial asset when, and only when, the Combined Entity loses control of the contractual rights that comprise the financial asset (or a portion of the financial asset). The Combined Entity loses such control if it has fully utilized the rights to benefits specified in a contract, the rights expire, or the Combined Entity surrenders those rights.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

The Combined Entity derecognizes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished—that is, when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Trade and Other Payables

Trade and other payables are carried the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Combined Entity.

Revenue Recognition

The Partnership sells crude oil under short-term agreements priced by reference to Platt's index quotations and adjusted for freight, insurance and quality differentials.

Revenue from the sale of crude oil is recognized when delivery has taken place and risks and rewards of ownership of the goods have passed to the customer.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Partnership and the amount of revenue can be reliably measured.

Expense Recognition

Expenses are accounted for at the time the actual flow of the related goods or services occur, regardless of when cash or its equivalent is paid, and are reported in the financial statements in the period to which they relate.

Social Tax and Deductions to Pension Fund

The Partnership contributes 21% of the gross income of employees as a Social tax to the Government of the Republic of Kazakhstan. Social tax and related staff costs are expensed as incurred.

The Partnership also withholds and contributes up to 10% from the salary of its employees as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits and the Partnership has no present or future obligation to pay its employees upon their retirement.

Related Parties

Related parties include the Combined Entity's shareholders, key management personnel, and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Combined Entity's shareholders or key management personnel.

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4. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the year ended December 31, 2007 was as follows:

In thousands of US dollars	Oil and gas properties		Total oil and gas properties	Non oil and gas properties			Others	Total non oil gas properties	Total
	Working assets	CIP		Buildings	Machinery & Equipment	Vehicles			
Balance at December 31, 2005, net of accumulated depreciation	37,120	21,999	59,119	731	425	397	232	1,785	60,904
Additions	1,297	82,355	83,652	1,289	219	616	469	2,593	86,245
Write off	—	—	—	—	(17)	—	(60)	(77)	(77)
Transfers	28,713	(28,918)	(205)	—	—	—	205	205	—
Transferred to inventory	—	—	—	—	—	—	(6)	(6)	(6)
Depreciation charge	(13,639)	—	(13,639)	(90)	(130)	(127)	(80)	(427)	(14,066)
Depreciation of write offs	—	—	—	—	10	—	36	46	46
Translation difference	1,918	807	2,725	30	23	18	8	79	2,804
Balance at December 31, 2006, net of accumulated depreciation	55,409	76,243	131,652	1,960	530	904	804	4,198	135,850
Additions	185	148,589	148,774	285	555	230	478	1,548	150,322
Transfers	44,553	(46,250)	(1,697)	278	1,401	—	18	1,697	—
Write off	—	(679)	(679)	—	—	(2)	(5)	(7)	(686)
Depreciation charge	(5,197)	—	(5,197)	(247)	(351)	(161)	(235)	(994)	(6,191)
Translation difference	3,741	6,221	9,962	111	74	44	47	276	10,238
Balance at December 31, 2007, net of accumulated depreciation	98,691	184,124	282,815	2,387	2,209	1,015	1,107	6,718	289,533
At cost at December 31, 2006	95,502	76,243	171,745	2,215	908	1,229	980	5,332	177,077
Accumulated depreciation	(40,093)	—	(40,093)	(255)	(378)	(325)	(176)	(1,134)	(41,227)
Balance at December 31, 2006, net of accumulated depreciation	55,409	76,243	131,652	1,960	530	904	804	4,198	135,850
At cost at December 31, 2007	146,324	184,124	330,448	2,912	2,974	1,507	1,514	8,907	339,355
Accumulated depreciation	(47,633)	—	(47,633)	(525)	(765)	(492)	(407)	(2,189)	(49,822)
Balance at December 31, 2007, net of accumulated depreciation	98,691	184,124	282,815	2,387	2,209	1,015	1,107	6,718	289,533

Category “Oil and Gas properties” represents mainly wells, oil treatment facilities and other related assets.

Category “Non Oil and Gas properties” represents mainly buildings and constructions, vehicles, machinery and equipment.

The Combined Entity calculates depreciation, depletion and amortization of oil and gas properties using the unit-of-production method. A depletion rate is computed by dividing the unamortized costs of proved oil and gas properties by the total estimated proved developed reserves. This depletion rate is applied to the physical units of oil and gas produced during the relevant period. The unamortized costs of proved oil and gas properties include all capitalized costs net of accumulated amortization.

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4. PROPERTY, PLANT AND EQUIPMENT (Continued)

The depletion rate for oil and gas working assets was 6.76% and 19.69% in 2007 and 2006 respectively.

The Partnership engaged independent petroleum engineers to perform a reserves evaluation as at July 1, 2007. Depreciation has been calculated using the unit of production method based on these reserves estimates.

As at December 31, 2006 machinery and equipment amounting to US Dollars 420 thousand were pledged in accordance with the loan agreement with Blavin Holdings Limited dated October 30, 2003 (*Note 9*), and oil and gas assets under construction amounting to US Dollars 56,790 thousand were pledged in accordance with the loan agreement with Bank Turan Alem dated July 7, 2005 (*Note 9*).

A depreciation charge of US Dollars 6,191 thousand has been charged to depreciation and amortization expense for 2007 less US Dollars 65 thousand of which represent the effect of capitalization of depreciation as part of crude oil inventory (2006: US Dollars 14,590 thousand and US Dollars 524 thousand, respectively).

The Partnership incurred borrowing costs of US Dollars 19,414 thousand and US Dollars 7,138 thousand for the years ended December 31, 2007 and 2006, at the average interest rates of 13% and 10.96% per annum, respectively. For the same periods, the Partnership capitalized borrowing costs totalling US Dollars 12,960 thousand and US Dollars 4,221 thousand.

5. TRADE RECEIVABLES

As at December 31, trade receivables were denominated in US Dollars and are less than 30 days.

6. PREPAYMENTS AND OTHER CURRENT RECEIVABLES

As at December 31, prepayments and other receivables comprised the following:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Advances paid	3,144	806
VAT receivable	11,561	4,894
Other	268	87
	<u>14,973</u>	<u>5,787</u>

Advances paid consist primarily of prepayments made to service providers.

7. CASH AND CASH EQUIVALENTS

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Current accounts in US Dollars	6,002	1,887
Current accounts in Tenge	1,334	930
Cash on hand in Tenge	8	15
	<u>7,344</u>	<u>2,832</u>

No interest is earned on current accounts.

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8. SHARE CAPITAL

The authorized share capital of the Combined Entity comprises 50,000 shares of Jubilata and 50,000 shares of Claydon with par value of US Dollar 1 each. At December 31, 2007 the share capital of the Combined Entity is presented as follows:

	Authorized, issued and paid shares (number of shares)	Issued shares (number of shares)	Share capital (thousands of US dollars)
Jubilata	50,000	2	—
Claydon	50,000	50,000	50
	100,000	50,002	50

9. BORROWINGS

Borrowings, including interest accrued thereon comprise the following as at December 31:

In thousands of US dollars	2007			2006		
	Current	Non-current	Total	Current	Non-current	Total
Credit line due to Bank Turan Alem	38,793	203,982	242,775	1,462	88,200	89,662
Loan due to Blavin Holdings Limited	6,728	—	6,728	3,637	5,599	9,236
	45,521	203,982	249,503	5,099	93,799	98,898

Credit line due to Bank Turan Alem

The General credit line agreement (“Credit Line”) signed between the Partnership and Bank Turan Alem (“the Bank”) on July 7, 2005 was provided to finance the development of the Chinarevskoye oil and gas condensate field. The Credit Line is repayable by monthly installments of US Dollars 460 thousand starting from January 25, 2008 and US Dollars 4,445 thousand from May 12, 2008 with final maturity on October 6, 2012. The total credit facility available under the Credit Line was US Dollars 246 million as at December 31, 2007. Interest on the credit line is set at 15% per annum. The interest rate can be varied at the discretion of Bank Turan Alem in the event that the Bank’s cost of capital changes. The carrying value of the loan approximates its fair value.

The Credit Line is secured by a 30% share in the Partnership held by Condensate Holding LLP, by future cash inflows into the Partnership’s bank accounts, with the Bank, up to US Dollars 50,000 thousand and by property, plant and equipment pledged by the Partnership of US Dollars 56,790 thousand.

Loan due to Blavin Holdings Limited

The loan agreement, dated May 20, 1999, was initially signed between First International Oil Company (the “FIOC”) and the Partnership. In accordance with an additional agreement, dated May 16, 2003, the right of claim was transferred by FIOC to Albatross Holding Ltd. In accordance with a Factoring Agreement, dated October 30, 2003, Albatross Holding Ltd transferred the right of claim to Blavin Holding Ltd. The loan was provided to finance exploration and development of the Chinarevskoye oil and gas condensate field. The loan is repayable in equal quarterly instalments of US Dollars 727 thousand during the period from January 1, 2004 to December 31, 2007 and US Dollars 1,682 thousand during the period from January 1, 2008 to December 31, 2008. Interest is set at the rate of 10% per annum and is to be paid in 2008 in equal quarterly instalments and is included within non-current portion of the borrowings.

As at December 31, 2007 machinery and equipment amounting to US Dollars 420 thousand were pledged in accordance with the loan agreement with Albatross Holding Ltd.

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10. ABANDONMENT AND SITE RESTORATION LIABILITIES

The summary of changes in abandonment and site restoration liabilities during the years ended December 31 follow:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Abandonment and site restoration liability as at January 1, ...	1,214	622
Unwinding of discount	102	153
Additional provision	410	310
Change in estimates	(427)	129
	<u>1,299</u>	<u>1,214</u>

The long-term inflation and discount rates used to determine the abandonment and site restoration liabilities at December 31, 2007 were 5.0% and 13% respectively (2006: 5.0% and 10.96%).

The Partnership increased the discount rate from 10.96% per annum to 13% per annum due to the fact that in September 2007 Bank Turan Alem increased the annual interest rate on the Credit Line from 12% to 15%, which affected the Partnership's incremental borrowing rate.

11. DUE TO GOVERNMENT OF KAZAKHSTAN

The amount due to Government of the Republic of Kazakhstan has been recorded to reflect the present value of expenditures made by the Government in the time period prior to signing the Contract that were related to exploration of the Contract territory and the construction of surface facilities in fields discovered therein and that are reimbursable by the Partnership to the Government during the production period.

Initially, reimbursement of this liability was scheduled to begin from May, 2008, from the end of phase two of the exploration period as described in *Note 1* "Licence terms". However, due to early commencement of commercial production from the first horizon, the Government of Kazakhstan reassessed the payment schedule making the Partnership liable for 2007 production. The reassessment resulted in requirement of the Partnership to make a first payment of US Dollars 1,031 thousand in March 2008 and with further reimbursement by equal quarterly instalments of US Dollars 257 thousand until May 26, 2031. The liability was discounted at 13%.

The total amount of liability due to Government as stipulated by the Contract is US Dollars 25,000 thousand. The balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Due to Government of Kazakhstan as at January 1, ...	8,094	7,332
Unwinding of discount	964	762
Revision of contractual obligation	(679)	—
	<u>8,379</u>	<u>8,094</u>
Less: Current Portion of Due to Government of Kazakhstan	<u>(2,062)</u>	<u>—</u>
Due to Government of Kazakhstan	<u>6,317</u>	<u>8,094</u>

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12. TRADE PAYABLES

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Tenge denominated trade payables	19,065	8,503
US dollar denominated trade payables	16,462	4,152
Trade payables denominated in other currencies	241	235
	35,768	12,890

13. OTHER CURRENT LIABILITIES

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Taxes payable, other than corporate income tax	2,892	1,103
Training accrual	1,687	378
Due to employees	270	81
Other	122	577
	4,971	2,139

14. COST OF SALES

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Well workover costs	7,103	1,703
Depreciation and amortization	6,126	14,590
Royalties	5,265	2,085
Repair, maintenance and other services	4,453	2,235
Payroll and related taxes	3,048	1,669
Materials and supplies	2,800	1,097
Rent and operation of oil separation units	2,678	687
Management fees (<i>Note 19</i>)	1,957	697
Other transportation services	1,243	62
Government profit share	994	510
Environmental levies	913	582
Other	821	163
	37,401	26,080

15. SELLING AND OIL TRANSPORTATION EXPENSES

Sales and transportation expenses consist primarily of costs in transporting oil to the railway loading terminal and costs of using the railway loading terminal. Staff costs related to sales are not significant.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007

16. GENERAL AND ADMINISTRATIVE EXPENSES

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Management fees (<i>Note 19</i>)	2,009	1,811
Payroll and related taxes	2,187	1,281
Training	1,698	881
Bank charges	1,298	583
Professional services	713	112
Sponsorship	314	299
Communication	298	186
Social program	255	250
Insurance fees	211	—
Materials and supplies	197	112
Lease payments	187	175
Business trip	155	167
Other taxes	4	542
Other	657	492
	<u>10,183</u>	<u>6,891</u>

17. FINANCE COSTS, NET

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Interest expense on borrowings	6,454	1,279
Unwinding of discount on amounts Due to Government of Kazakhstan (<i>Note 11</i>)	964	762
Revision of contractual obligation to Government of Kazakhstan (<i>Note 11</i>) .	(679)	—
Unwinding of discount on Abandonment and Site Restoration Liability (<i>Note 10</i>)	102	153
	<u>6,841</u>	<u>2,194</u>

18. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Income tax expenses comprise:		
—current income tax expense	6,382	9
—deferred income tax expense	9,268	6,964
Total income tax expense	<u>15,650</u>	<u>6,973</u>

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007

18. INCOME TAX EXPENSES (Continued)

A reconciliation of income tax expense applicable to profit before income tax at the statutory income tax rate of 30% to current income tax expense was as follows for the years ended December 31:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Profit before income tax	53,454	19,944
Statutory tax rate	30%	30%
Expected tax provision	16,036	5,983
Non-deductible interest expense on borrowings	2,565	700
Adjustments in respect of current income tax of previous year	(2,128)	—
Foreign exchange gain	(1,875)	(103)
Unwinding of discount on Abandonment and Site Restoration Liability and Due to Government	83	275
Withholding tax	—	167
Other	969	(49)
Income tax expense reported in the accompanying consolidated financial statements	15,650	6,973

Deferred tax balances are calculated by applying the statutory tax rates in effect at the respective balance sheet dates to the temporary differences between the tax and the amounts reported in the financial statements and are comprised of the following at December 31:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Deferred tax asset:		
Accruals	610	114
	610	114
Deferred tax liability:		
Property, plant and equipment	(26,585)	(15,959)
Crude oil inventory	(216)	(22)
Net deferred tax liability	(26,191)	(15,867)

In 2007, in accordance with the Licence terms, the Group commenced commercial production from the first horizon for income tax reporting purposes. Therefore, the Group considers its revenue from crude oil sales related to the first horizon as taxable revenue and its expenses related to the first horizon as deductible expenses, except those expenses, which are not deductible in accordance with the tax legislation of the Republic of Kazakhstan. This has resulted in a current year charge to income tax expense. Previously income tax was deferred.

As at December 31, the movements in the deferred tax liability were as follows:

	<u>2007</u>	<u>2006</u>
Balance at January 1, ...	(15,867)	(8,489)
Current year charge/(benefit) to translation reserve	(1,056)	(414)
Current year charge to statement of income	(9,268)	(6,964)
Balance at December 31, ...	(26,191)	(15,867)

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007

19. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements transactions with related parties mainly comprise transactions between the Combined Entity and the participants and/or their subsidiaries or associated companies.

Balances with related parties at the balance sheet dates and transactions with related parties for the respective years follow.

Accounts receivable from related parties at December 31 consisted of the following:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Trade receivables and advances		
Frans Van Der Schoot B.V.	1,500	—
Total	1,500	—

Accounts payable to related parties as at December 31 consisted of the following:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Trade payables		
Amersham Oil LLP	81	—
Probel Capital Management B.V.	190	—
Total	271	—

During the year ended 31 December 2007 the Combined Entity had the following transactions with related parties:

<u>In thousands of US Dollars</u>	<u>2007</u>	<u>2006</u>
Operating Expenses and General and Administrative Expenses incurred		
Amersham Oil LLP	965	—
Frans Van Der Schoot B.V.	904	—
Probel Capital Management B.V.	2,144	—
Tensor Asset Management B.V.	—	2,508
Total	4,013	2,508

Management fees are payable in accordance with the Technical Assistance Agreements signed between the Partnership, Amersham Oil LLP, Probel Capital Management BV and Frans Van Der Schoot B.V. and relate to the rendering of geological, geophysical, drilling, scientific, technical and other consultancy services.

Annual remuneration of four key managers amounted to US Dollars 199 thousand for 2007 (2006: four, US Dollars 143 thousand). Other key management personnel were employed and paid by Amersham Oil LLP, Frans Van Der Schoot B.V. and Probel Capital Management and whose remuneration forms part of the operating and general and administrative expenses above.

All related parties are companies indirectly controlled by Frank Monstrey.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007**

20. CONTINGENT, COMMITMENTS AND OPERATING RISKS

Description of Environment

The Kazakhstani economy, while deemed to be of market status beginning in 2002, continues to display certain traits consistent with that of a market economy in transition. These characteristics have in the past included higher than normal historical inflation, lack of liquidity in capital markets, and the existence of currency controls, which caused the national currency to be illiquid outside of Kazakhstan. The continued success and stability of the Kazakhstani economy will be significantly impacted by the government's continued actions with regard to supervisory, legal, and economic reforms.

Meanwhile, the Partnership's operations and financial position will continue to be affected by Kazakhstan political developments including the application of existing and future legislation and tax regulations. The likelihood of such occurrences and their effect on the Partnership could have a significant impact on the Partnership's ability to continue operations. As at December 31, 2007, the Partnership does not believe that any material matters exist relating to developing markets and the evolving fiscal and regulatory environment in Kazakhstan, including current pending or future governmental claims and demands, which would require adjustment to this combined financial information.

Capital Commitments

As at December 31, 2007 the Partnership had contractual capital commitments in amount of US Dollars 186,148 thousand (2006: US Dollars 28,500 thousand).

Operating leases

The Partnership entered into a lease agreement for the main administrative office in Uralsk in October 2006 for a period of 20 years for US Dollars 12 thousand per month.

Social and education commitments

As required by the Contract with the Government, the Partnership is obliged to spend: (i) US Dollars 250 thousand per annum to finance social infrastructure and (ii) one percent from the capital expenditures incurred during the year for education purposes of the citizens of Kazakhstan on an annual basis until the end of the Contract.

Contingent Liabilities

In the ordinary course of business, the Partnership is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Partnership.

The Partnership assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its combined financial information only where it is probable that actual events giving rise to a liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in this combined financial information for any of the contingent liabilities mentioned above.

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007**

20. CONTINGENT, COMMITMENTS AND OPERATING RISKS (Continued)

ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at December 31, 2007. As at December 31, 2007 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Partnership's tax positions will be sustained, except as provided for or otherwise disclosed in this combined financial information.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and cleanup evolve, the Partnership may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental

The Partnership may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Partnership may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation. However, depending on any unfavourable claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Partnership's future results of operations or cash flow could be materially affected in a particular period.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Partnership's principal financial liabilities comprise bank loans, payables to Government of Kazakhstan, trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the development of the Chinarevskoye oil and gas condensate field and its operations. The Partnership financial assets consist of trade and other receivables, cash and cash equivalents.

The main risks arising from the Partnership's financial instruments are interest rate risk, foreign exchange risk, liquidity risk, commodity price risk and credit risk. The Partnership's management reviews and agrees policies for managing each of these risks which are summarized below.

Interest Rate Risk

Interest rate risk is the risk of changes in the market interest rates, reducing the overall return on its investments and increasing the cash outflow on its borrowings. The Partnership is not exposed to interest rate risk as rates of interest on its borrowings are fixed for the whole term of such borrowings.

Foreign Currency Risk

As significant portion of the Combined Entity's operation is the Kazakhstani Tenge denominated, the Combined Entity's balance sheet can be affected significantly by movements in the US Dollar/Tenge exchange rates. The Combined Entity's mitigates the effect of its structural currency exposure by borrowing in US Dollars and denominating sales in US Dollars.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP**
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Combined Entity's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ decrease in USD to Tenge exchange rate	Effect on profit before tax
2007		
US dollar	+5%	(6,934)
US dollar	-5%	6,934
2006		
US dollar	+5%	(5,220)
US dollar	-5%	5,220

Liquidity Risks

Liquidity risk is the risk that the Partnership will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the Partnership's financial liabilities at December 31, 2007 based on contractual undiscounted payments:

Year ended December 31, 2007	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Borrowings	—	3,061	42,460	203,982	—	249,503
Trade payables	30,459	—	5,309	—	—	35,768
Other current liabilities	4,971	—	—	—	—	4,971
Due to Government of Kazakhstan		1,289	773	4,124	18,814	25,000
	35,430	4,350	48,542	208,106	18,814	315,242
Year ended December 31, 2006	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Borrowings	—	2,371	2,728	78,569	15,230	98,898
Trade payables	12,890	—	—	—	—	12,890
Other current liabilities	2,139	—	—	—	—	2,139
Due to Government of Kazakhstan	—	—	—	3,804	21,196	25,000
	15,029	2,371	2,728	82,373	36,426	138,927

Commodity Price Risk

The Partnership is exposed to the effect of fluctuations in price of crude oil, which is quoted in US dollars on the international markets. The Partnership prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of crude oil prices in the future.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007**

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Partnership does not hedge its exposure to the risk of fluctuations in the price of crude oil.

Credit Risk

Financial instruments, which potentially subject the Partnership to credit risk, consist primarily of accounts receivable and cash in banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Partnership considers that its maximum exposure is reflected by the amount of trade accounts receivable and advances.

The Partnership places its cash with Bank Turan Alem, which has a credit rating of BB (negative) on long-term US dollar deposits from Standard and Poor's rating agency for the year ended 31 December, 2007 (2006: BB (positive)). The Partnership does not guarantee obligations of other parties.

The Partnership sales oil and makes advance payments only to recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Partnership's exposure to bad debts and recoverability of prepayments made is not significant and thus risk of credit default is low.

Fair values of financial instruments

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale. As no readily available market exists for a large part of the Partnership's financial instruments, judgment is needed to arrive at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

Management believes that the Partnership's carrying value of financial assets and liabilities consisting of cash and cash equivalents, trade accounts receivable and advances, trade and other payables and obligations under debt instruments are not significantly different from their fair values at December 31, 2007.

22. SUBSEQUENT EVENTS

Facility agreement with BNP Paribas

The Partnership has entered into a US\$ 550,000,000 senior secured facility agreement with BNP Paribas as mandated lead arranger maturing no later than 31 December 2014 with the Partnership as borrower and Zhaikmunai LP and the Combined Entity as guarantors. The Partnership drew down on March 7, 2008 approximately US\$291 million for (inter alia) the purpose of fully refinancing the BTA Facility and fully refinancing the Blavin Loan. Thereafter the Partnership will use the proceeds of the BNP Paribas Facility to finance the construction of the Gas Treatment Facility and otherwise towards developing the field. The BNP Paribas Facility will comprise three tranches of US\$200 million, US\$200 million and US\$150 million. All customary documentary conditions precedent have been met. However, only approximately US\$341 million of the BNP Paribas Facility is available until not less than US\$90 million has been invested in Zhaikmunai. Furthermore (once the investment referred to above has taken place) the second US\$50 million of tranche 3 shall only become available upon a successful syndication (or if the Majority Lenders consent) and the final US\$50 million of tranche 3 shall only become available if there is a successful syndication and shall be exclusively dedicated to the funding of cost overruns.

The rate of interest payable on outstanding amounts under each tranche will be LIBOR plus mandatory cost plus, under tranche 1, a margin of 3%, under tranche 2, a margin of 4% and under tranche 3, a margin of 5%.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDING LLP AND ZHAIKMUNAI LLP
NOTES TO THE COMBINED FINANCIAL INFORMATION (Continued)
For the year ended December 31, 2007**

22. SUBSEQUENT EVENTS (Continued)

Facility agreement with BNP Paribas

The total amount outstanding is repayable in accordance with a reduction schedule, reducing the total commitments to US\$450 million on December 31, 2010 and reducing to zero by December 31, 2014. In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals, debt offerings and a cash sweep of 50% of the Partnership collected revenue (in excess of US\$25 million). The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Partnership will be required to give customary representations and warranties, repeated periodically, and certain covenants.

The Partnership will also be required to maintain a hedging programme pursuant to which it will hedge a minimum Brent crude oil price of US\$70 per bbl for at least 25% of the initial production profile, as assessed by BNP Paribas, for the NE and W Tournasian horizons for the period 2008 to 2013. The Partnership will additionally be required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. Lastly, the Partnership will be required to maintain annual oil and gas off-take contracts (gas to be commenced in 2010) with off-takers required to purchase 80% of total production and 100% of production available for export. The Partnership's obligations under the BNP Paribas Facility are secured by various forms of security, including, (i) a pledge over 100% of the participatory interests in the Partnership; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the Gas Treatment Facility; and (v) assignment of the benefit of the Partnership's relevant existing and future insurance policies.

As at date of these financial statements the Partnership has drawn down US Dollars 321,291 thousand on the facility.

Initial Public Offering

As discussed in Note 1, pursuant to the Initial Public Offering on March 28, 2008, part of the proceeds raised were used to fulfil the conditions in the BNP Paribas facility agreement as discussed above.

Gas Treatment Facility

As a result of various meetings with vendors during the first quarter of 2008, on April 10, 2008 an addendum to the contract with KSS was concluded. This resulted in the value of the contract, originally signed in August of 2007, increasing by US Dollars 45 million to a total of US Dollars 227 million.

The expanded scope of work includes an additional gas-condensate separation unit with a capacity of 23,000 bbl/day of free condensate as well as a complete sour condensate stabilization unit equally with a capacity of 23,000 bbl/day, that will produce approximately 20,000 bbl/day of stabilized condensate.

ISSUER FINANCIAL INFORMATION
(UNAUDITED)

ZHAIKMUNAI FINANCE B.V.
OPENING BALANCE SHEET

ASSETS

<i>Non-current Assets</i>	—	
<i>Current Assets</i>	—	
<i>Cash and cash equivalents</i>	18,000	
TOTAL ASSETS		<u>18,000</u>

EQUITY AND LIABILITIES

Capital and reserves	—	
Paid in capital	18,000	
Non-current liabilities		
Current liabilities	—	
TOTAL EQUITY AND LIABILITIES		<u>18,000</u>

ANNEX I

ZHAIKMUNAI LP

Estimated

Future Reserves and Income

Attributable to the Terms of the

Production Sharing Agreement Between

THE REPUBLIC of KAZAKHSTAN

And

ZHAIKMUNAI LLP

AS OF

JULY 1, 2009

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DISCUSSION

RESERVE DEFINITIONS

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September 18, 2009

Zhaikmunai LLP
59/2 Prospect Evrasia
City of Uralsk, 090002
Republic of Kazakhstan

Atten: Mr. Vyachesla Druzhinin

Gentlemen:

At your request, we have prepared an estimate of the reserves, future production and income attributable to the terms of the production sharing agreement between the Republic of Kazakhstan and Zhaikmunai LLP as of July 1, 2009. The subject properties are located in the Republic of Kazakhstan. The income data were estimated using Zhaikmunai LLP Corporate price policy.

As a result of both economic and political forces, there is significant uncertainty regarding the forecasting of future hydrocarbon prices. The recoverable reserves and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

Zhaikmunai LLP
Estimated Future Reserves and Income Attributable
to the Terms of the Production Sharing Agreement
Between the Republic of Kazakhstan and Zhaikmunai LLP
Zhaikmunai LLP Corporate Price Policy
As of July 1, 2009

	Proved			
	Developed			Total Proved
	Producing	Non- Producing	Undeveloped	
<u>Net Remaining Reserves</u>				
Oil/Condensate – Barrels	15,850,550	11,503,014	25,236,434	52,589,998
Plant Products – Barrels	2,651,534	6,311,647	9,825,830	18,789,011
Gas – MMCF	31,062	106,973	155,487	293,522
<u>Income Data \$M</u>				
Future Gross Revenue	\$1,035,857	\$1,091,676	\$2,101,500	\$4,229,033
Deductions	<u>527,240</u>	<u>467,729</u>	<u>978,363</u>	<u>1,973,331</u>
Future Net Income (FNI)	\$508,617	\$623,947	\$1,123,137	\$2,255,702
Discounted FNI @ 10%	\$274,405	\$346,515	\$541,971	\$1,162,891

Zhaikmunai LLP
Estimated Future Reserves and Income Attributable
to the Terms of the Production Sharing Agreement
Between the Republic of Kazakhstan and Zhaikmunai LLP
As of July 1, 2009

	Probable		
	<u>Non-Producing</u>	<u>Undeveloped</u>	<u>Total Probable</u>
<u>Net Remaining Reserves</u>			
Oil/Condensate – Barrels	32,516,653	100,133,060	132,649,713
Plant Products – Barrels	1,574,076	48,685,387	50,259,463
Gas – MMCF	16,927	797,209	814,136
<u>Income Data M\$</u>			
Future Gross Revenue	\$1,933,461	\$9,019,449	\$10,952,909
Deductions	<u>805,546</u>	<u>4,077,453</u>	<u>4,882,996</u>
Future Net Income (FNI)	\$1,127,915	\$4,941,996	\$6,069,913
Discounted FNI @ 10%	\$426,032	\$1,836,579	\$2,262,612

Zhaikmunai LLP
Estimated Future Reserves and Income Attributable
to the Terms of the Production Sharing Agreement
Between the Republic of Kazakhstan and Zhaikmunai LLP
As of July 1, 2009

	Proved + Probable			
	Developed		Undeveloped	Total PV&PB
	Producing	Non-Producing		
<u>Net Remaining Reserves</u>				
Oil/Condensate – Barrels	15,850,550	44,019,667	125,369,494	185,239,711
Plant Products – Barrels	2,651,534	7,885,723	58,511,217	69,048,474
Gas – MMCF	31,062	123,900	952,696	1,107,658
<u>Income Data M\$</u>				
Future Gross Revenue	\$1,035,857	\$3,025,138	\$11,120,949	\$15,181,943
Deductions	<u>527,240</u>	<u>1,273,274</u>	<u>5,055,815</u>	<u>6,856,327</u>
Future Net Income (FNI)	\$508,617	\$1,751,864	\$6,065,134	\$8,325,616
Discounted FNI @ 10%	\$274,405	\$772,547	\$2,378,550	\$3,425,502

Liquid hydrocarbons are expressed in standard 42 gallon barrels. All gas volumes are sales gas expressed in millions of cubic feet (MMCF) at the official temperature and pressure bases of the areas in which the gas reserves are located.

The following tables present the total gross production volumes expected from the Chinarevskoye Field from July 1, 2009 through the end of the License term.

Chinarevskoye Field
Estimated Gross Reserves
As of July 1, 2009
Proved

	<u>Producing</u>	<u>Non- Producing</u>	<u>Undeveloped</u>	<u>Total Proved</u>
Oil/Condensate – Barrels	17,451,204	12,760,428	28,308,475	58,520,107
Plant Products – Barrels	2,955,052	7,024,698	11,066,208	21,045,958
Gas– MMCF(after shrink)	35,750	123,473	176,199	335,422

Chinarevskoye Field
Estimated Gross Reserves
As of July 1, 2009

Probable

	<u>Producing</u>	<u>Non- Producing</u>	<u>Undeveloped</u>	<u>Total Probable</u>
Oil/Condensate – Barrels	0	37,462,628	116,025,078	153,487,706
Plant Products – Barrels	0	1,813,368	56,263,885	58,077,253
Gas– MMCF(after shrink)	0	19,452	918,261	937,713

Chinarevskoye Field
Estimated Gross Reserves
As of July 1, 2009
Proved and Probable

	<u>Producing</u>	<u>Non- Producing</u>	<u>Undeveloped</u>	<u>Total Proved+Probable</u>
Oil/Condensate – Barrels	17,451,204	50,223,056	144,333,553	212,007,813
Plant Products – Barrels	2,955,052	8,838,066	67,330,093	79,123,211
Gas– MMCF(after shrink)	35,750	142,925	1,094,460	1,273,135

The future gross revenue is after the deduction of royalties due to the Republic of Kazakhstan under the Production Sharing Agreement. The deductions comprise the normal direct costs of operating the wells, recompletion costs, drilling and completion costs, gas processing plant, other infrastructure costs, production bonus payments and abandonment costs. The future net income is before the deduction of income taxes by the Republic of Kazakhstan and general administrative overhead, and has not been

adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income. Liquid hydrocarbon reserves account for approximately 84 percent and gas reserves account for the remaining 16 percent of total future gross revenue from proved reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown on each estimated projection of future production and income presented in a later section of this report and in summary form as follows.

Discount Rate Percent	Discounted Future Net Income \$M As of July 1, 2009		
	Total Proved	Total Probable	Total Proved and Probable
12	\$1,037,444	\$1,881,290	\$2,918,734
15	\$881,883	\$1,432,213	\$2,314,096
20	\$686,030	\$911,795	\$1,597,826
25	\$544,209	\$574,026	\$1,118,235

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Possible Reserves

At your request we have included our estimate of the Possible Reserves.

Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.

In addition to the estimated 2P reserves, a significant additional appraisal and exploration potential exists in the Biski/Afoninski, Tournaisian, Givetian and in the Lower Permian.

The possible reserves (3P) estimated as of July 1, 2009 amount to 350.4 million barrels of liquids and 1,236 billion cubic feet of sales gas. A breakdown of the possible reserves estimated by Ryder Scott is provided in the following table.

Possible Reserves (Gross) as of July 1, 2009

	<i>Sales Gas</i> <i>(MMcf)</i>	<i>Plant Products</i> <i>(bbls)</i>	<i>Oil/Condensate</i> <i>(bbls)</i>	<i>TOTAL</i> <i>(boe)</i>
<i>Biski/Afoninski – North</i>	<i>325,200</i>	<i>38,100,000</i>	<i>17,700,000</i>	<i>110,000,000</i>
<i>Biski/Afoninski - West</i>	<i>422,400</i>	<i>49,500,000</i>	<i>23,000,000</i>	<i>142,900,000</i>
<i>Tournaisian – South</i>	<i>156,000</i>	<i>14,600,000</i>	<i>8,600,000</i>	<i>49,200,000</i>
<i>Tournaisian – West</i>	<i>246,000</i>	<i>164,000,000</i>	<i>19,300,000</i>	<i>224,300,000</i>
<i>Mullinski - West</i>	<i>82,800</i>	<i>9,400,000</i>	<i>5,700,000</i>	<i>28,800,000</i>
<i>Famennian -South</i>	<i>3,600</i>	<i>300,000</i>	<i>200,000</i>	<i>1,100,000</i>
<i>TOTAL</i>	<i>1,236,000</i>	<i>275,900,000</i>	<i>74,500,000</i>	<i>556,300,000</i>

In both the North and West areas of the Biski/Afoninski, there are large possible areas defined by seismic that extends beyond the control of the proved and probable areas.

The Tournaisian South has significant possible reserves since the calculation of proven and probable reserves only accounted for the rock volumes contained in the T1 gas condensate reservoir. The volumes associated with lower intervals are included in the possible reserves.

The Tournaisian West possible reserves are associated with most of the volume since only well 33 has tested hydrocarbons in the west area.

The Mullinski West was downgraded to possible reserves following the questionable test in well 33.

For the Famennian South possible reserves were assigned based on the successful test in well 31 combined with a lack of a current development plan.

Reserves Included in This Report

The proved reserves included herein conform to the definition approved by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE) as set forth in the 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System (SPE-PRMS), except that they are based on price and cost parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SPE-PRMS assumes that no change in current economic conditions will occur in the future. The probable reserves and possible reserves included herein conform to definitions of probable and possible reserves sponsored and approved by the SPE/AAPG/WPC/SPEE as set forth in the 2007 SPEE/WPC/AAPG/SPEE Petroleum Resources Management

System (SPE-PRMS) using the deterministic methodology. An abridged version of the SPE-PRMS definitions of proved, probable and possible reserves is included under the tab "Petroleum Reserves Definitions" in this report.

The probable reserves are less certain to be recovered than the proved reserves and reserves classified as possible are less certain to be recovered than those in the probable category. The reserves and income quantities attributable to the different reserve classifications that are included herein have not been adjusted to reflect the varying degrees of risk associated with them and thus are not comparable.

Because of the direct relationship between volumes of proved undeveloped reserves and development plans, we include in the proved undeveloped category only reserves assigned to undeveloped locations that we have been assured will definitely be drilled.

Estimates of Reserves

In general, the reserves included herein were estimated by performance methods or the volumetric method; however, other methods were used in certain cases where characteristics of the data indicated such other methods were more appropriate in our opinion. The reserves estimated by the performance method utilized extrapolations of various historical data in those cases where such data were definitive. This typically is the analysis of the change in production rates and production fluids ratios versus time and versus cumulative production as reservoir fluids are withdrawn providing valuable information to predict ultimate recoverable quantities. Reserves were estimated by the volumetric method in those cases where there were inadequate historical performance data to establish a definitive trend or where the use of production performance data as a basis for the reserve estimates was considered to be inappropriate. The volumetric method uses a geoscience description of the reservoir rock volume, the rock properties along with the reservoir fluid properties to calculate hydrocarbons in-place. Given estimates of the hydrocarbons in-place, that portion that can be recovered by a defined set of wells and operating conditions can be estimated based on analog field or well performance and/or simulation studies using the available reservoir information.

The reserves included in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered, and if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Moreover, estimates of reserves may increase or decrease as a result of future operations.

Future Production Rates

Initial production rates are based on the current producing rates for those wells now on production. Test data and other related information were used to estimate the anticipated initial production rates for those wells or locations which are not currently producing. If no production decline trend has been established, future production rates were held constant, or adjusted for market conditions where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied to depletion of the reserves. If a decline trend has been established, this trend was used as the basis for estimating future production rates. For reserves not yet on production,

sales were estimated to commence at an anticipated date furnished by Zhaikmunai LLP.

The future production rates from wells now on production may be more or less than estimated because of changes in marketing conditions or allowables set by regulatory bodies. Wells or locations which are not currently producing may start producing earlier or later than anticipated in our estimates of their future production rates.

Hydrocarbon Prices

The following hydrocarbon prices were provided by Zhaikmunai LLP and used in this report.

Future prices for oil and condensate were assumed to be \$50.00 per barrel for 2009, \$55.00 per barrel for 2010, \$60.00 per barrel for 2011 and thereafter.

Future prices for plant products were assumed to be \$24.00 per barrel for 2009, \$28.11 per barrel for 2010, \$31.42 per barrel for 2011 and thereafter.

The future gas price was assumed to be \$2.47 per thousand cubic feet (MCF) for the life of the properties.

Costs

Operating costs were based on information supplied by Zhaikmunai LLP. This information was based on current costs in the field and data from operations of other similar fields and feasibility studies carried out by independent Kazakh institutes. Operating costs were on both a fixed and variable basis and in our opinion represent the expected increased costs as production increased. They also include salary costs and adjustments to salary costs based on the number employees.

Transportation costs of \$14.94/bbl for oil/condensate and \$9.51/bbl LPG ("plant products" or "LPG") were supplied by Zhaikmunai LLP.

Development costs were supplied by Zhaikmunai LLP. Costs for drilling and completion of future wells were based on actual costs of similar wells. The costs for infrastructure were based on current estimates and/or the actual costs of similar projects. Development costs include costs associated with well drilling and completion, gas and oil pipeline construction, other infrastructure costs, costs for oil treatment facilities, gas processing plant, LPG terminal, LPG trucks for transportation, costs for camp construction, water injection and power generation, as well as facility and well abandonment costs. The development costs also included commissioning, management costs, insurances and contingencies.

General

Tables 1 through 139 present our estimated projection of production and income by years beginning July 1, 2009, by reserve category and wells.

The estimates of reserves presented herein are based upon a detailed study of the properties in which Zhaikmunai LLP holds the right to conduct its hydrocarbon production and exploration activities. Mr. Larry T. Nelms of Ryder Scott Company made a field examination of the property in June, 2009. No consideration was given in this report to potential environmental liabilities which may exist nor were any costs included for potential liability to restore and clean up damages, if any, caused by past operating practices. Zhaikmunai LLP has informed us that they have provided to us all of the accounts, records, geological and engineering data, and reports and other data required for this report. This report reflects the terms of the Production Sharing Agreement between the Republic of Kazakhstan and Zhaikmunai LLP. This report reflects the royalty payment to the Republic of Kazakhstan, the cost oil provisions, profit oil provisions and production bonus payments as set out in the Production Sharing Agreement.

Zhaikmunai LLP has assured us of their intent and ability to proceed with the development activities described in this report.

Neither we nor any of our employees have any interest in the subject properties and neither the employment to make this study nor the compensation is contingent on our estimates of reserves and future income for the subject properties.

This report was prepared for the exclusive use and sole benefit of Zhaikmunai LLP and may not be put to other use without our prior written consent for such use. The data, work papers, and maps used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.



Very truly yours,

RYDER SCOTT COMPANY, L.P.

James L. Baird, P.E.
Senior Vice President



April 8, 2010

Zhaikmunai LLP
59/2 Prospect Evrasia
City of Uraisk, 090002
Republic of Kazakhstan

Attn: Mr. Vyachesia Druzhinin

Gentlemen:

This letter corrects an error contained in our report dated September 18, 2009, of the reserves and future income of Zhaikmunai LLP, as of July 1, 2009. The error was in the table of possible reserves on page 5. Headings for possible plant products and oil/condensate were reversed. Below is a corrected table.

Possible Reserves (Gross) as of July 1, 2009

	<i>Sales Gas</i> (MMcf)	<i>Oil/Condensate</i> (bbls)	<i>Plant Products</i> (bbls)	<i>TOTAL</i> (boe)
<i>Biski/Afoninski – North</i>	325,200	38,100,000	17,700,000	110,000,000
<i>Biski/Afoninski - West</i>	422,400	49,500,000	23,000,000	142,900,000
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<i>Tournaisian – West</i>	246,000	164,000,000	19,300,000	224,300,000
<i>Mullinski - West</i>	82,800	9,400,000	5,700,000	28,800,000
<i>Famennian -South</i>	3,600	300,000	200,000	1,100,000
<i>TOTAL</i>	1,236,000	275,900,000	74,500,000	556,300,000

This letter was prepared for the exclusive use and sole benefit of Zhaikmunai LLP and may not be put to other use without our prior written consent for such use.

Very truly yours,

RYDER SCOTT COMPANY, L.P.

James L. Baird, P.E.
Senior Vice President

PETROLEUM RESERVES CLASSIFICATION AND DEFINITIONS

As Adapted From:

PETROLEUM RESOURCES MANAGEMENT SYSTEM (PRMS)

Sponsored and Approved by:

SOCIETY OF PETROLEUM ENGINEERS (SPE),

WORLD PETROLEUM COUNCIL (WPC)

AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)

SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)

PREAMBLE

The term “resources” is generally applied to all quantities of petroleum (recoverable and unrecoverable) naturally occurring on or within the Earth’s crust, discovered and undiscovered, plus those quantities already produced.

The term “reserves” is a subset of resources generally applied to the discovered quantities of petroleum anticipated to be commercially recoverable from known accumulations from a given date forward under defined conditions. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

The intent of the SPE, WPC, AAPG and SPEE in approving additional classifications beyond proved reserves is to facilitate consistency among professionals using such terms. In presenting these definitions, none of these organizations is recommending public disclosure of reserves classified as unproved. Public disclosure of the quantities classified as unproved reserves is left to the discretion of the countries or companies involved and should not be construed as replacing guidelines for public disclosures under the guidelines established by regulatory and/or other governmental agencies.

Estimation of reserves is done under conditions of uncertainty. The method of estimation is called deterministic if a single best estimate of reserves is made based on known geological, engineering, and economic data. The method of estimation is called probabilistic when the known geological, engineering, and economic data are used to generate a range of estimates and their associated probabilities. Identifying reserves as proved, probable, and possible has been the most frequent classification method and gives an indication of the probability of recovery. Because of the differences in uncertainty, caution should be exercised when aggregating reserves of different classifications.

Reserves estimates will generally be revised as additional geologic or engineering data becomes available or as economic conditions change. Reserves do not include quantities of petroleum being held in inventory, and may be reduced for usage or processing losses if required for financial reporting.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, the extraction method applied, or the degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

SPE-PRMS RESOURCE DEFINITIONS AND GUIDELINES

In March 2007, the SPE, WPC, AAPG, and SPEE jointly approved the "Petroleum Resources Management System" ("SPE-PRMS"). The SPE-PRMS consolidates, builds on, and replaces guidance previously contained in the 2000 "Petroleum Resources Classification and Definitions" and the 2001 "Guidelines for the Evaluation of Petroleum Reserves and Resources" publications.

Reference should be made to the full SPE-PRMS for the complete definitions and guidelines as the following definitions, descriptions and explanations rely wholly or in part on excerpts from the SPE-PRMS document (passages excerpted directly from the SPE-PRMS document are denoted in italics herein).

RESERVES

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

Reserves must satisfy four criteria: they must be discovered, recoverable, commercial and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status.

The SPE-PRMS is intended for application to all types of petroleum accumulations regardless of their in-place characteristics, extraction method applied, or degree of processing required. Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid phase.

PROVED RESERVES

Proved reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

Reserves are considered proved if their recovery is associated with a project sufficiently defined to establish its commercial viability. The commercial viability of a development project is dependent on a forecast of the conditions that will exist during the time period encompassed by the project's activities. Commerciality is not solely determined based on the economic status of a project, which refers to the situation where the income from an operation exceeds the expenses involved in, or attributable to, that operation. Conditions as noted in the SPE-PRMS include technological, economic, legal, environmental, social, and governmental factors. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions, transportation and processing infrastructure, fiscal terms and taxes.

Reserves may be classified as proved if it can be demonstrated that there is a firm intention to develop them and bring them to production. Intention may be demonstrated with funding/financial plans and declaration of commerciality based on realistic expectations of regulatory approvals and reasonable satisfaction of other conditions that would otherwise prevent the project from being developed and brought to production.

In general, quantities should not be categorized as proved reserves unless there is an expectation that the accumulation will be developed and placed on production within a reasonable time frame. In certain circumstances, reserves may be assigned even though development may not occur for some time. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. The SPE-PRMS recommends five years as a benchmark, but notes that a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for the classification as proved reserves should be clearly supported and documented.

Reserves are considered proved if there is high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

The area of the reservoir considered as proved includes (1) the area delineated by drilling and defined by fluid contacts, if any; and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.

In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for proved reserves.

Proved reserves can be categorized as developed or undeveloped. Developed reserves are expected quantities to be recovered from existing wells and facilities. Undeveloped reserves are expected quantities to be recovered through future investments. Reserves in undeveloped locations may be classified as proved provided (1) the locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive; and (2) interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled proved locations.

Reserves which are to be produced through the application of improved recovery methods include but may not be limited to waterflooding and gas injection for pressure maintenance, secondary processes, tertiary recovery processes and any other means of supplementing natural recovery processes. Improved recovery also includes thermal and chemical processes to improve the in-situ mobility of viscous forms of petroleum. Reserves are included in the proved classification when (1) there exists successful pilot testing within the subject reservoir or by comparison to a reservoir with analogous rock and fluid properties and where a similar established improved recovery project has been successfully applied, (2) the improved recovery project can be demonstrated to meet the same commerciality criteria as primary recovery projects and (3) the entity has committed to implement the project in a reasonable time frame (generally within 5 years; further delays should be clearly justified). Furthermore, reserves to be recovered through improved recovery methods that have yet to be established through routine, commercially successful applications are included in the proved classification only (1) after a favorable production response from the subject reservoir, and either (a) a representative pilot program; or (b) an installed program where the response provides support for the analysis on which the project is based.

For proved reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the proved area and the applied development program.

UNPROVED RESERVES

Unproved reserves are based on geoscience and/or engineering data similar to that used in estimates of proved reserves, but technical or other uncertainties preclude such reserves being classified as proved. Unproved reserves may be further categorized as probable reserves or possible reserves.

Based on additional data and updated interpretations that indicate increased certainty, portions of possible and probable reserves may be re-categorized as probable and proved reserves.

PROBABLE RESERVES

Probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

Probable reserves may be assigned to areas of a reservoir adjacent to proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for proved.

POSSIBLE RESERVES

Possible reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than probable reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of proved plus probable plus possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for probable.

RESERVES STATUS DEFINITIONS and GUIDELINES
As Adapted From:
PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)

Reserves status categories define the development and producing status of wells and reservoirs.

DEVELOPED RESERVES

Developed Reserves are expected quantities to be recovered from existing wells and facilities.

Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

- (1) completion intervals which are open at the time of the estimate but which have not yet started producing;*
- (2) wells which were shut-in for market conditions or pipeline connections; or*
- (3) wells not capable of production for mechanical reasons.*

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES

Undeveloped Reserves are quantities expected to be recovered through future investments.

Undeveloped Reserves are expected to be recovered from:

- (1) new wells on undrilled acreage in known accumulations;*
- (2) deepening existing wells to a different (but known) reservoir;*
- (3) from infill wells that will increase recovery; or*
- (4) where a relatively large expenditure (when compared to the cost of drilling a new well) is required to*
 - (a) recomplete an existing well; or*
 - (b) install production or transportation facilities for primary or improved recovery projects.*



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 1

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	3,425,387
								12.00% -	2,918,734
								15.00% -	2,314,096
								20.00% -	1,597,826
								25.00% -	1,118,235

CONTAINS PRODUCTION BONUS PAYMENTS

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	16	1,641,113	0	7,152	1,567,312	0	0	50.00	0.00
2010	26	7,509,270	1,173,674	37,665	7,085,823	1,107,106	29,983	55.00	2.47
2011	37	9,497,347	2,748,809	60,002	8,964,581	2,593,931	43,134	60.00	2.47
2012	49	11,350,928	2,859,726	60,004	10,707,239	2,697,272	43,107	60.00	2.47
2013	62	19,553,924	5,476,973	121,524	17,074,228	4,778,376	80,692	60.00	2.47
2014	68	20,554,297	5,643,900	122,318	17,324,299	4,761,344	78,519	60.00	2.47
2015	73	19,497,651	5,813,075	124,691	16,483,218	4,930,517	80,333	60.00	2.47
2016	78	19,828,357	6,782,055	135,500	16,590,012	5,682,759	85,229	60.00	2.47
2017	83	16,946,169	6,946,594	144,037	14,255,911	5,847,084	91,016	60.00	2.47
2018	85	14,833,763	6,485,931	131,476	12,673,550	5,543,649	84,249	60.00	2.47
2019	85	11,203,335	5,059,303	103,470	9,883,093	4,464,344	68,495	60.00	2.47
2020	85	9,269,597	4,337,356	89,468	8,088,740	3,785,981	58,746	60.00	2.47
2021	85	7,968,796	3,787,117	78,551	6,987,891	3,322,288	51,938	60.00	2.47
2022	85	6,926,108	3,346,776	69,738	6,098,679	2,948,302	46,354	60.00	2.47
2023	85	6,062,464	2,980,079	62,362	5,345,237	2,628,865	41,560	60.00	2.47
Sub-Total		182,643,119	63,441,368	1,347,958	159,129,813	55,091,818	883,355	59.68	2.47
Remainder		29,364,694	15,681,843	332,955	26,109,898	13,956,656	224,303	60.00	2.47
Total Future		212,007,813	79,123,211	1,680,913	185,239,711	69,048,474	1,107,658	59.72	2.47
Cumulative		9,490,406	0	23,623					
Ultimate		221,498,219	79,123,211	1,704,536					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	78,366	0	0	0	78,366	2,766	0	75,600
2010	389,720	31,121	74,050	0	494,891	18,734	4,207	471,950
2011	537,875	81,501	106,546	0	725,922	26,171	7,614	692,137
2012	642,434	84,748	106,480	0	833,662	32,449	6,875	794,338
2013	1,024,454	150,137	199,299	0	1,373,890	58,487	14,787	1,300,616
2014	1,039,458	149,601	193,953	0	1,383,012	60,421	14,665	1,307,926
2015	988,993	154,917	198,423	0	1,342,333	57,600	15,153	1,269,580
2016	995,401	178,553	210,518	0	1,384,472	58,584	17,053	1,308,835
2017	855,355	183,715	224,809	0	1,263,879	49,037	18,162	1,196,680
2018	760,412	174,181	208,095	0	1,142,688	42,472	16,893	1,083,323
2019	592,986	140,270	169,179	0	902,435	30,982	13,334	858,119
2020	485,325	118,956	145,102	0	749,383	24,098	11,160	714,125
2021	419,273	104,386	128,281	0	651,940	20,348	9,718	621,874
2022	365,921	92,636	114,512	0	573,069	17,356	8,602	547,111
2023	320,714	82,599	102,632	0	505,945	14,823	7,632	483,490
Sub-Total	9,496,687	1,727,321	2,181,879	0	13,405,887	514,328	165,855	12,725,704
Remainder	1,566,594	438,518	554,037	0	2,559,149	62,954	39,956	2,456,239
Total Future	11,063,281	2,165,839	2,735,916	0	15,965,036	577,282	205,811	15,181,943

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	20,913	0	234,320	23,416	278,649	-203,049	-203,049	-201,965	
2010	62,082	0	281,050	116,390	459,522	12,428	-190,621	10,694	
2011	80,073	0	391,470	158,600	630,143	61,994	-128,627	51,243	
2012	83,787	0	324,773	185,617	594,177	200,161	71,534	148,661	
2013	110,858	0	124,949	300,531	536,338	764,278	835,812	512,163	
2014	114,681	0	99,960	304,106	518,747	789,179	1,624,991	480,965	
2015	112,415	0	98,429	293,148	503,992	765,588	2,390,579	422,712	
2016	110,861	0	57,700	301,898	470,459	838,376	3,228,955	419,653	
2017	109,351	0	39,654	268,589	417,594	779,086	4,008,041	352,408	
2018	100,210	0	5,400	242,063	347,673	735,650	4,743,691	300,973	
2019	85,090	0	3,200	190,109	278,399	579,720	5,323,411	214,612	
2020	80,197	0	3,600	156,851	240,648	473,477	5,796,888	158,592	
2021	75,057	0	3,000	135,994	214,051	407,823	6,204,711	123,642	
2022	65,014	0	3,000	119,152	187,166	359,945	6,564,656	98,774	
2023	61,634	0	3,000	104,859	169,493	313,997	6,878,653	77,996	
Sub-Total	1,272,223	0	1,673,505	2,901,323	5,847,051	6,878,653		3,171,123	
Remainder	353,197	0	133,270	522,809	1,009,276	1,446,963	8,325,616	254,379	
Total Future	1,625,420	0	1,806,775	3,424,132	6,856,327	8,325,616		3,425,502	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 2

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PV AND PB
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	274,405
							12.00%	—	246,942
							15.00%	—	212,572
							20.00%	—	168,599
							25.00%	—	136,018

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	14	1,451,378	0	2,633	1,386,109	0	0	50.00	0.00
2010	13	2,707,076	197,665	5,512	2,547,489	186,010	4,617	55.00	2.47
2011	13	2,157,762	353,131	4,871	2,031,326	332,444	3,565	60.00	2.47
2012	13	1,742,711	307,834	4,247	1,641,991	290,039	3,111	60.00	2.47
2013	13	1,434,304	271,166	3,742	1,234,890	233,465	2,505	60.00	2.47
2014	13	1,196,528	240,319	3,314	1,025,215	205,913	2,206	60.00	2.47
2015	13	1,008,701	213,788	2,952	879,368	186,376	2,001	60.00	2.47
2016	13	857,567	190,771	2,631	734,576	163,410	1,752	60.00	2.47
2017	13	733,515	170,572	2,353	632,831	147,163	1,580	60.00	2.47
2018	13	630,959	152,674	2,108	554,044	134,059	1,439	60.00	2.47
2019	13	545,394	135,927	1,875	491,715	122,551	1,312	60.00	2.47
2020	13	471,560	118,238	1,631	420,879	105,530	1,134	60.00	2.47
2021	13	409,319	101,856	1,404	366,949	91,311	979	60.00	2.47
2022	13	357,407	87,905	1,213	321,395	79,048	848	60.00	2.47
2023	13	313,703	76,041	1,050	282,494	68,476	734	60.00	2.47
Sub-Total		16,017,884	2,617,887	41,536	14,551,271	2,345,795	27,783	58.17	2.47
Remainder		1,433,320	337,165	4,652	1,299,279	305,739	3,279	60.00	2.47
Total Future		17,451,204	2,955,052	46,188	15,850,550	2,651,534	31,062	58.32	2.47
Cumulative		8,966,316	0	13,667					
Ultimate		26,417,520	2,955,052	59,855					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	69,306	0	0	0	69,306	2,446	0	66,860
2010	140,111	5,229	11,400	0	156,740	7,174	665	148,901
2011	121,880	10,445	8,808	0	141,133	6,338	784	134,011
2012	98,519	9,113	7,685	0	115,317	5,005	672	109,640
2013	74,094	7,336	6,186	0	87,616	3,867	554	83,195
2014	61,513	6,469	5,456	0	73,438	3,125	481	69,832
2015	52,762	5,856	4,938	0	63,556	2,512	431	60,613
2016	44,074	5,135	4,330	0	53,539	1,983	379	51,177
2017	37,970	4,624	3,899	0	46,493	1,576	341	44,576
2018	33,243	4,212	3,552	0	41,007	1,256	310	39,441
2019	29,503	3,850	3,247	0	36,600	1,065	284	35,251
2020	25,252	3,316	2,796	0	31,364	897	245	30,222
2021	22,018	2,869	2,420	0	27,307	764	211	26,332
2022	19,283	2,484	2,094	0	23,861	654	184	23,023
2023	16,950	2,151	1,814	0	20,915	557	158	20,200
Sub-Total	846,478	73,089	68,625	0	988,192	39,219	5,699	943,274
Remainder	77,957	9,607	8,101	0	95,665	2,374	708	92,583
Total Future	924,435	82,696	76,726	0	1,083,857	41,593	6,407	1,035,857

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	18,151	0	64,452	20,709	103,312	-36,452	-36,452	-36,920
2010	17,879	0	35,831	39,828	93,538	55,363	18,911	50,319
2011	14,083	0	20,545	33,509	68,137	65,874	84,785	54,168
2012	10,521	0	15,067	27,290	52,878	56,762	141,547	42,238
2013	6,568	0	1,475	20,670	28,713	54,482	196,029	36,651
2014	5,538	0	908	17,275	23,721	46,111	242,140	28,080
2015	4,906	0	647	14,910	20,463	40,150	282,290	22,129
2016	3,967	0	400	12,528	16,895	34,282	316,572	17,105
2017	3,613	0	664	10,854	15,131	29,445	346,017	13,298
2018	3,280	0	463	9,553	13,296	26,145	372,162	10,689
2019	3,170	0	292	8,511	11,973	23,278	395,440	8,614
2020	3,043	0	327	7,292	10,662	19,560	415,000	6,553
2021	2,897	0	271	6,350	9,518	16,814	431,814	5,098
2022	2,485	0	270	5,554	8,309	14,714	446,528	4,039
2023	2,340	0	269	4,872	7,481	12,719	459,247	3,160
Sub-Total	102,441	0	141,881	239,705	484,027	459,247		265,221
Remainder	11,651	0	9,244	22,318	43,213	49,370	508,617	9,184
Total Future	114,092	0	151,125	262,023	527,240	508,617		274,405

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **3**

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PV AND PB
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	772,547
							12.00%	—	671,423
							15.00%	—	550,258
							20.00%	—	405,240
							25.00%	—	306,277

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	2	189,735	0	4,519	181,203	0	0	50.00	0.00
2010	7	1,763,624	522,745	14,521	1,661,633	491,971	11,229	55.00	2.47
2011	8	2,579,054	1,059,741	22,658	2,433,935	997,914	16,211	60.00	2.47
2012	8	2,935,589	713,049	13,901	2,769,493	671,996	9,936	60.00	2.47
2013	8	4,079,086	798,362	16,579	3,561,659	689,582	10,900	60.00	2.47
2014	8	4,455,655	714,132	14,397	3,755,283	609,103	9,390	60.00	2.47
2015	8	4,019,455	657,109	13,077	3,395,563	568,015	8,677	60.00	2.47
2016	8	3,653,204	602,386	11,947	3,058,532	512,841	7,819	60.00	2.47
2017	9	3,386,083	531,862	10,546	2,848,822	455,198	6,948	60.00	2.47
2018	8	3,048,960	470,469	9,264	2,605,114	409,400	6,210	60.00	2.47
2019	8	2,652,926	359,789	6,891	2,337,662	321,592	4,714	60.00	2.47
2020	8	2,389,182	323,453	6,179	2,081,809	286,092	4,188	60.00	2.47
2021	8	2,154,860	291,683	5,568	1,886,741	259,179	3,793	60.00	2.47
2022	8	1,945,519	263,636	5,035	1,710,517	235,075	3,440	60.00	2.47
2023	8	1,757,818	238,718	4,564	1,547,449	213,152	3,126	60.00	2.47
Sub-Total		41,010,750	7,547,134	159,646	35,835,415	6,721,110	106,581	59.72	2.47
Remainder		9,212,306	1,290,932	24,969	8,184,252	1,164,613	17,319	60.00	2.47
Total Future		50,223,056	8,838,066	184,615	44,019,667	7,885,723	123,900	59.77	2.47
Cumulative		524,090	0	9,956					
Ultimate		50,747,146	8,838,066	194,571					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	9,060	0	0	0	9,060	320	0	8,740
2010	91,390	13,829	27,735	0	132,954	4,553	1,663	126,738
2011	146,036	31,355	40,042	0	217,433	7,140	2,904	207,389
2012	166,170	21,114	24,539	0	211,823	8,387	1,793	201,643
2013	213,699	21,667	26,925	0	262,291	12,197	2,005	248,089
2014	225,317	19,138	23,193	0	267,648	13,102	1,730	252,816
2015	203,734	17,847	21,433	0	243,014	11,918	1,600	229,496
2016	183,512	16,113	19,310	0	218,935	10,730	1,448	206,757
2017	170,929	14,302	17,165	0	202,396	9,789	1,296	191,311
2018	156,307	12,864	15,336	0	184,507	8,723	1,161	174,623
2019	140,260	10,104	11,645	0	162,009	7,447	893	153,669
2020	124,908	8,989	10,345	0	144,242	6,317	788	137,137
2021	113,205	8,144	9,368	0	130,717	5,603	711	124,403
2022	102,631	7,386	8,500	0	118,517	4,968	644	112,905
2023	92,847	6,697	7,717	0	107,261	4,384	583	102,294
Sub-Total	2,140,005	209,549	263,253	0	2,612,807	115,578	19,219	2,478,010
Remainder	491,055	36,592	42,776	0	570,423	20,114	3,181	547,128
Total Future	2,631,060	246,141	306,029	0	3,183,230	135,692	22,400	3,025,138

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	2,762	0	19,230	2,707	24,699	-15,959	-15,959	-15,892
2010	15,959	0	65,331	29,504	110,794	15,944	-15	14,121
2011	23,269	0	79,776	45,853	148,898	58,491	58,476	47,872
2012	20,088	0	38,329	47,767	106,184	95,459	153,935	71,011
2013	20,436	0	2,045	59,769	82,250	165,839	319,774	111,466
2014	20,794	0	1,277	61,896	83,967	168,849	488,623	102,717
2015	19,320	0	798	56,132	76,250	153,246	641,869	84,385
2016	16,605	0	523	50,571	67,699	139,058	780,927	69,318
2017	16,059	0	2,263	46,891	65,213	126,098	907,025	56,869
2018	14,970	0	597	42,814	58,381	116,242	1,023,267	47,485
2019	14,047	0	308	37,983	52,338	101,331	1,124,598	37,465
2020	14,031	0	353	33,823	48,207	88,930	1,213,528	29,763
2021	13,888	0	298	30,652	44,838	79,565	1,293,093	24,102
2022	12,379	0	302	27,791	40,472	72,433	1,365,526	19,863
2023	12,055	0	306	25,146	37,507	64,787	1,430,313	16,082
Sub-Total	236,662	0	211,736	599,299	1,047,697	1,430,313		716,627
Remainder	71,758	0	20,471	133,348	225,577	321,551	1,751,864	55,920
Total Future	308,420	0	232,207	732,647	1,273,274	1,751,864		772,547

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AS OF JULY 1, 2009

TABLE 4

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PV AND PB
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	2,378,435
							12.00%	—	2,000,370
							15.00%	—	1,551,267
							20.00%	—	1,023,987
							25.00%	—	675,940

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	6	3,038,570	453,264	17,632	2,876,701	429,125	14,137	55.00	2.47
2011	16	4,760,531	1,335,937	32,473	4,499,320	1,263,573	23,358	60.00	2.47
2012	28	6,672,628	1,838,843	41,856	6,295,755	1,735,237	30,060	60.00	2.47
2013	41	14,040,534	4,407,445	101,203	12,277,679	3,855,329	67,287	60.00	2.47
2014	47	14,902,114	4,689,449	104,607	12,543,801	3,946,328	66,923	60.00	2.47
2015	52	14,469,495	4,942,178	108,662	12,208,287	4,176,126	69,655	60.00	2.47
2016	57	15,317,586	5,988,898	120,922	12,796,904	5,006,508	75,658	60.00	2.47
2017	61	12,826,571	6,244,160	131,138	10,774,258	5,244,723	82,488	60.00	2.47
2018	64	11,153,844	5,862,788	120,104	9,514,392	5,000,190	76,600	60.00	2.47
2019	64	8,005,015	4,563,587	94,704	7,053,716	4,020,201	62,469	60.00	2.47
2020	64	6,408,855	3,895,665	81,658	5,586,052	3,394,359	53,424	60.00	2.47
2021	64	5,404,617	3,393,578	71,579	4,734,201	2,971,798	47,166	60.00	2.47
2022	64	4,623,182	2,995,235	63,490	4,066,767	2,634,179	42,066	60.00	2.47
2023	64	3,990,943	2,665,320	56,748	3,515,294	2,347,237	37,700	60.00	2.47
Sub-Total		125,614,485	53,276,347	1,146,776	108,743,127	46,024,913	748,991	59.87	2.47
Remainder		18,719,068	14,053,746	303,334	16,626,367	12,486,304	203,705	60.00	2.47
Total Future		144,333,553	67,330,093	1,450,110	125,369,494	58,511,217	952,696	59.89	2.47
Cumulative		0	0	0					
Ultimate		144,333,553	67,330,093	1,450,110					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	158,219	12,063	34,916	0	205,198	7,007	1,879	196,312
2011	269,959	39,701	57,696	0	367,356	12,694	3,926	350,736
2012	377,745	54,521	74,255	0	506,521	19,056	4,410	483,055
2013	736,661	121,135	166,188	0	1,023,984	42,423	12,228	969,333
2014	752,628	123,993	165,304	0	1,041,925	44,193	12,454	985,278
2015	732,497	131,214	172,052	0	1,035,763	43,171	13,122	979,470
2016	767,814	157,305	186,878	0	1,111,997	45,871	15,226	1,050,900
2017	646,456	164,789	203,745	0	1,014,990	37,673	16,525	960,792
2018	570,863	157,106	189,206	0	917,175	32,491	15,421	869,263
2019	423,224	126,315	154,287	0	703,826	22,470	12,158	669,198
2020	335,163	106,650	131,962	0	573,775	16,885	10,127	546,763
2021	284,052	93,374	116,494	0	493,920	13,981	8,795	471,144
2022	244,006	82,766	103,917	0	430,689	11,734	7,775	411,180
2023	210,918	73,750	93,101	0	377,769	9,882	6,891	360,996
Sub-Total	6,510,205	1,444,682	1,850,001	0	9,804,888	359,531	140,937	9,304,420
Remainder	997,582	392,320	503,160	0	1,893,062	40,467	36,066	1,816,529
Total Future	7,507,787	1,837,002	2,353,161	0	11,697,950	399,998	177,003	11,120,949

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	150,638	0	150,638	-150,638	-150,638	-149,153	
2010	28,244	0	179,888	47,059	255,191	-58,879	-209,517	-53,746	
2011	42,720	0	291,149	79,236	413,105	-62,369	-271,886	-50,797	
2012	53,179	0	271,377	110,561	435,117	47,938	-223,948	35,412	
2013	83,854	0	121,429	220,093	425,376	543,957	320,009	364,045	
2014	88,349	0	97,775	224,934	411,058	574,220	894,229	350,169	
2015	88,189	0	96,984	222,106	407,279	572,191	1,466,420	316,198	
2016	90,289	0	56,777	238,798	385,864	665,036	2,131,456	333,230	
2017	89,679	0	36,727	210,845	337,251	623,541	2,754,997	282,241	
2018	81,960	0	4,340	189,697	275,997	593,266	3,348,263	242,799	
2019	67,873	0	2,600	143,614	214,087	455,111	3,803,374	168,532	
2020	63,123	0	2,920	115,736	181,779	364,984	4,168,358	122,277	
2021	58,271	0	2,431	98,991	159,693	311,451	4,479,809	94,442	
2022	50,151	0	2,428	85,809	138,388	272,792	4,752,601	74,872	
2023	47,240	0	2,425	74,840	124,505	236,491	4,989,092	58,753	
Sub-Total	933,121	0	1,319,888	2,062,319	4,315,328	4,989,092		2,189,274	
Remainder	269,788	0	103,556	367,143	740,487	1,076,042	6,065,134	189,276	
Total Future	1,202,909	0	1,423,444	2,429,462	5,055,815	6,065,134		2,378,550	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 5

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROVED RESERVES

**TOTAL
PROVED**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	1,162,891
								12.00% -	1,037,444
								15.00% -	881,883
								20.00% -	686,030
								25.00% -	544,209

CONTAINS PRODUCTION BONUS PAYMENT

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	16	1,641,113	0	7,152	1,567,312	0	0	50.00	0.00
2010	23	6,126,867	985,150	30,225	5,765,671	927,071	24,114	55.00	2.47
2011	27	6,729,735	2,027,258	40,697	6,335,406	1,908,475	29,185	60.00	2.47
2012	31	5,850,611	1,598,913	30,345	5,512,470	1,506,498	21,808	60.00	2.47
2013	32	6,897,615	2,146,474	44,700	5,938,635	1,848,049	29,252	60.00	2.47
2014	32	5,836,999	1,825,754	37,373	5,001,287	1,564,354	24,363	60.00	2.47
2015	34	4,327,668	1,767,118	34,635	3,772,777	1,540,536	22,834	60.00	2.47
2016	34	3,583,389	1,569,273	30,463	3,069,466	1,344,210	19,751	60.00	2.47
2017	34	2,900,155	1,315,039	25,766	2,502,083	1,134,544	16,870	60.00	2.47
2018	33	2,425,485	1,140,107	22,340	2,129,813	1,001,123	14,905	60.00	2.47
2019	33	1,977,093	945,641	18,353	1,782,502	852,568	12,548	60.00	2.47
2020	33	1,690,446	838,913	16,309	1,508,755	748,744	11,050	60.00	2.47
2021	33	1,453,205	746,649	14,559	1,302,778	669,365	9,912	60.00	2.47
2022	33	1,253,929	665,052	13,033	1,127,586	598,035	8,898	60.00	2.47
2023	33	1,085,000	592,059	11,675	977,054	533,155	7,989	60.00	2.47
Sub-Total		53,779,310	18,163,400	377,625	48,293,595	16,176,727	253,479	59.08	2.47
Remainder		4,740,797	2,882,558	58,099	4,296,403	2,612,284	40,043	60.00	2.47
Total Future		58,520,107	21,045,958	435,724	52,589,998	18,789,011	293,522	59.15	2.47
Cumulative		9,490,406	0	23,623					
Ultimate		68,010,513	21,045,958	459,347					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	78,366	0	0	0	78,366	2,766	0	75,600
2010	317,111	26,060	59,555	0	402,726	16,236	3,425	383,065
2011	380,125	59,964	72,089	0	512,178	19,767	5,374	487,037
2012	330,748	47,334	53,866	0	431,948	16,802	4,048	411,098
2013	356,318	58,066	72,254	0	486,638	18,600	5,343	462,695
2014	300,077	49,152	60,184	0	409,413	15,244	4,407	389,762
2015	226,367	48,404	56,397	0	331,168	10,775	4,192	316,201
2016	184,168	42,235	48,787	0	275,190	8,287	3,640	263,263
2017	150,125	35,647	41,666	0	227,438	6,230	3,093	218,115
2018	127,789	31,455	36,815	0	196,059	4,831	2,731	188,497
2019	106,950	26,788	30,996	0	164,734	3,861	2,311	158,562
2020	90,525	23,526	27,288	0	141,339	3,213	2,033	136,093
2021	78,167	21,031	24,484	0	123,682	2,713	1,820	119,149
2022	67,655	18,791	21,986	0	108,432	2,293	1,631	104,508
2023	58,623	16,751	19,727	0	95,101	1,929	1,459	91,713
Sub-Total	2,853,114	505,204	626,094	0	3,984,412	133,547	45,507	3,805,358
Remainder	257,785	82,078	98,904	0	438,767	7,852	7,240	423,675
Total Future	3,110,899	587,282	724,998	0	4,423,179	141,399	52,747	4,229,033

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	20,913	0	102,251	23,416	146,580	-70,980	-70,980	-70,825	
2010	47,238	0	116,414	94,955	258,607	124,458	53,478	111,711	
2011	53,201	0	128,243	112,801	294,245	192,792	246,270	157,258	
2012	40,876	0	115,515	96,683	253,074	158,024	404,294	117,454	
2013	39,298	0	8,422	106,298	154,018	308,677	712,971	207,609	
2014	34,119	0	5,153	89,596	128,868	260,894	973,865	158,882	
2015	27,734	0	32,782	71,016	131,532	184,669	1,158,534	101,398	
2016	22,243	0	2,095	58,641	82,979	180,284	1,338,818	89,982	
2017	19,261	0	3,710	48,171	71,142	146,973	1,485,791	66,401	
2018	17,053	0	2,263	41,340	60,656	127,841	1,613,632	52,274	
2019	15,414	0	1,340	34,739	51,493	107,069	1,720,701	39,623	
2020	14,770	0	1,509	29,661	45,940	90,153	1,810,854	30,200	
2021	14,112	0	1,257	25,829	41,198	77,951	1,888,805	23,636	
2022	12,188	0	1,257	22,534	35,979	68,529	1,957,334	18,809	
2023	11,478	0	1,257	19,667	32,402	59,311	2,016,645	14,736	
Sub-Total	389,898	0	523,468	875,347	1,788,713	2,016,645		1,119,148	
Remainder	58,149	0	37,438	89,031	184,618	239,057	2,255,702	43,743	
Total Future	448,047	0	560,906	964,378	1,973,331	2,255,702		1,162,891	

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AS OF JULY 1, 2009

TABLE 6

GRAND SUMMARY
CHINAREVSKOYE FIELD
TOTAL PROVED PRODUCING

PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	274,405
							12.00%	—	246,942
							15.00%	—	212,572
							20.00%	—	168,599
							25.00%	—	136,018

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	14	1,451,378	0	2,633	1,386,109	0	0	50.00	0.00
2010	13	2,707,076	197,665	5,512	2,547,489	186,010	4,617	55.00	2.47
2011	13	2,157,762	353,131	4,871	2,031,326	332,444	3,565	60.00	2.47
2012	13	1,742,711	307,834	4,247	1,641,991	290,039	3,111	60.00	2.47
2013	13	1,434,304	271,166	3,742	1,234,890	233,465	2,505	60.00	2.47
2014	13	1,196,528	240,319	3,314	1,025,215	205,913	2,206	60.00	2.47
2015	13	1,008,701	213,788	2,952	879,368	186,376	2,001	60.00	2.47
2016	13	857,567	190,771	2,631	734,576	163,410	1,752	60.00	2.47
2017	13	733,515	170,572	2,353	632,831	147,163	1,580	60.00	2.47
2018	13	630,959	152,674	2,108	554,044	134,059	1,439	60.00	2.47
2019	13	545,394	135,927	1,875	491,715	122,551	1,312	60.00	2.47
2020	13	471,560	118,238	1,631	420,879	105,530	1,134	60.00	2.47
2021	13	409,319	101,856	1,404	366,949	91,311	979	60.00	2.47
2022	13	357,407	87,905	1,213	321,395	79,048	848	60.00	2.47
2023	13	313,703	76,041	1,050	282,494	68,476	734	60.00	2.47
Sub-Total		16,017,884	2,617,887	41,536	14,551,271	2,345,795	27,783	58.17	2.47
Remainder		1,433,320	337,165	4,652	1,299,279	305,739	3,279	60.00	2.47
Total Future		17,451,204	2,955,052	46,188	15,850,550	2,651,534	31,062	58.32	2.47
Cumulative		8,966,316	0	13,667					
Ultimate		26,417,520	2,955,052	59,855					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	69,306	0	0	0	69,306	2,446	0	66,860
2010	140,111	5,229	11,400	0	156,740	7,174	665	148,901
2011	121,880	10,445	8,808	0	141,133	6,338	784	134,011
2012	98,519	9,113	7,685	0	115,317	5,005	672	109,640
2013	74,094	7,336	6,186	0	87,616	3,867	554	83,195
2014	61,513	6,469	5,456	0	73,438	3,125	481	69,832
2015	52,762	5,856	4,938	0	63,556	2,512	431	60,613
2016	44,074	5,135	4,330	0	53,539	1,983	379	51,177
2017	37,970	4,624	3,899	0	46,493	1,576	341	44,576
2018	33,243	4,212	3,552	0	41,007	1,256	310	39,441
2019	29,503	3,850	3,247	0	36,600	1,065	284	35,251
2020	25,252	3,316	2,796	0	31,364	897	245	30,222
2021	22,018	2,869	2,420	0	27,307	764	211	26,332
2022	19,283	2,484	2,094	0	23,861	654	184	23,023
2023	16,950	2,151	1,814	0	20,915	557	158	20,200
Sub-Total	846,478	73,089	68,625	0	988,192	39,219	5,699	943,274
Remainder	77,957	9,607	8,101	0	95,665	2,374	708	92,583
Total Future	924,435	82,696	76,726	0	1,083,857	41,593	6,407	1,035,857

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	18,151	0	64,452	20,709	103,312	-36,452	-36,452	-36,920
2010	17,879	0	35,831	39,828	93,538	55,363	18,911	50,319
2011	14,083	0	20,545	33,509	68,137	65,874	84,785	54,168
2012	10,521	0	15,067	27,290	52,878	56,762	141,547	42,238
2013	6,568	0	1,475	20,670	28,713	54,482	196,029	36,651
2014	5,538	0	908	17,275	23,721	46,111	242,140	28,080
2015	4,906	0	647	14,910	20,463	40,150	282,290	22,129
2016	3,967	0	400	12,528	16,895	34,282	316,572	17,105
2017	3,613	0	664	10,854	15,131	29,445	346,017	13,298
2018	3,280	0	463	9,553	13,296	26,145	372,162	10,689
2019	3,170	0	292	8,511	11,973	23,278	395,440	8,614
2020	3,043	0	327	7,292	10,662	19,560	415,000	6,553
2021	2,897	0	271	6,350	9,518	16,814	431,814	5,098
2022	2,485	0	270	5,554	8,309	14,714	446,528	4,039
2023	2,340	0	269	4,872	7,481	12,719	459,247	3,160
Sub-Total	102,441	0	141,881	239,705	484,027	459,247		265,221
Remainder	11,651	0	9,244	22,318	43,213	49,370	508,617	9,184
Total Future	114,092	0	151,125	262,023	527,240	508,617		274,405

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AS OF JULY 1, 2009

TABLE 7

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROVED NON PRODUCING

PROVED
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	346,515
							12.00%	—	314,026
							15.00%	—	273,358
							20.00%	—	221,343
							25.00%	—	182,887

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	2	189,735	0	4,519	181,203	0	0	50.00	0.00
2010	6	1,621,356	519,574	14,434	1,525,771	488,943	11,155	55.00	2.47
2011	7	1,879,315	1,028,550	22,227	1,769,197	968,283	15,893	60.00	2.47
2012	7	1,345,579	642,174	12,923	1,267,810	605,058	9,218	60.00	2.47
2013	7	1,446,624	681,020	14,960	1,245,501	586,339	9,792	60.00	2.47
2014	7	1,255,655	571,491	12,429	1,075,875	489,668	8,109	60.00	2.47
2015	7	819,455	514,468	11,109	714,385	448,501	7,395	60.00	2.47
2016	7	741,204	472,583	10,156	634,901	404,807	6,660	60.00	2.47
2017	7	590,559	390,696	8,599	509,502	337,069	5,681	60.00	2.47
2018	6	504,498	339,376	7,455	442,998	298,006	5,015	60.00	2.47
2019	6	356,448	241,715	5,262	321,366	217,923	3,602	60.00	2.47
2020	6	311,901	216,811	4,708	278,377	193,508	3,195	60.00	2.47
2021	6	273,146	195,197	4,237	244,872	174,993	2,890	60.00	2.47
2022	6	239,276	176,241	3,829	215,167	158,481	2,618	60.00	2.47
2023	6	209,578	159,493	3,471	188,725	143,625	2,380	60.00	2.47
Sub-Total		11,784,329	6,149,389	140,318	10,615,650	5,515,204	93,603	59.11	2.47
Remainder		976,099	875,309	19,234	887,364	796,443	13,370	60.00	2.47
Total Future		12,760,428	7,024,698	159,552	11,503,014	6,311,647	106,973	59.18	2.47
Cumulative		524,090	0	9,956					
Ultimate		13,284,518	7,024,698	169,508					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	9,060	0	0	0	9,060	320	0	8,740
2010	83,918	13,744	27,552	0	125,214	4,296	1,652	119,266
2011	106,151	30,424	39,256	0	175,831	5,520	2,836	167,475
2012	76,069	19,011	22,766	0	117,846	3,865	1,671	112,310
2013	74,730	18,422	24,189	0	117,341	3,900	1,747	111,694
2014	64,553	15,386	20,029	0	99,968	3,280	1,427	95,261
2015	42,863	14,092	18,266	0	75,221	2,040	1,294	71,887
2016	38,094	12,719	16,448	0	67,261	1,714	1,167	64,380
2017	30,570	10,590	14,035	0	55,195	1,269	985	52,941
2018	26,580	9,364	12,385	0	48,329	1,005	870	46,454
2019	19,282	6,847	8,898	0	35,027	696	630	33,701
2020	16,702	6,080	7,892	0	30,674	593	559	29,522
2021	14,693	5,498	7,137	0	27,328	509	505	26,314
2022	12,910	4,980	6,471	0	24,361	438	458	23,465
2023	11,323	4,512	5,874	0	21,709	373	416	20,920
Sub-Total	627,498	171,669	231,198	0	1,030,365	29,818	16,217	984,330
Remainder	53,242	25,025	33,021	0	111,288	1,620	2,322	107,346
Total Future	680,740	196,694	264,219	0	1,141,653	31,438	18,539	1,091,676

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	2,762	0	8,579	2,707	14,048	-5,308	-5,308	-5,284
2010	15,092	0	27,701	27,445	70,238	49,028	43,720	43,927
2011	19,199	0	45,146	35,640	99,985	67,490	111,210	55,131
2012	11,771	0	15,909	24,695	52,375	59,935	171,145	44,589
2013	9,927	0	2,044	24,184	36,155	75,539	246,684	50,814
2014	8,443	0	1,277	20,731	30,451	64,810	311,494	39,456
2015	6,661	0	798	14,938	22,397	49,490	360,984	27,275
2016	5,737	0	524	13,335	19,596	44,784	405,768	22,344
2017	4,940	0	1,214	10,817	16,971	35,970	441,738	16,253
2018	4,427	0	566	9,453	14,446	32,008	473,746	13,087
2019	3,438	0	290	6,873	10,601	23,100	496,846	8,547
2020	3,349	0	332	6,000	9,681	19,841	516,687	6,646
2021	3,246	0	282	5,322	8,850	17,464	534,151	5,294
2022	2,851	0	287	4,722	7,860	15,605	549,756	4,283
2023	2,722	0	291	4,185	7,198	13,722	563,478	3,409
Sub-Total	104,565	0	105,240	211,047	420,852	563,478		335,771
Remainder	15,641	0	10,404	20,832	46,877	60,469	623,947	10,744
Total Future	120,206	0	115,644	231,879	467,729	623,947		346,515

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 8

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROVED UNDEVELOPED

PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	541,971
							12.00%	—	476,476
							15.00%	—	395,954
							20.00%	—	296,089
							25.00%	—	225,303

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	4	1,798,435	267,911	10,279	1,692,411	252,118	8,342	55.00	2.47
2011	7	2,692,658	645,577	13,599	2,534,883	607,748	9,727	60.00	2.47
2012	11	2,762,321	648,905	13,175	2,602,669	611,401	9,479	60.00	2.47
2013	12	4,016,687	1,194,288	25,998	3,458,244	1,028,245	16,955	60.00	2.47
2014	12	3,384,816	1,013,944	21,630	2,900,197	868,773	14,048	60.00	2.47
2015	14	2,499,512	1,038,862	20,574	2,179,024	905,659	13,438	60.00	2.47
2016	14	1,984,618	905,919	17,676	1,699,989	775,993	11,339	60.00	2.47
2017	14	1,576,081	753,771	14,814	1,359,750	650,312	9,609	60.00	2.47
2018	14	1,290,028	648,057	12,777	1,132,771	569,058	8,451	60.00	2.47
2019	14	1,075,251	567,999	11,216	969,421	512,094	7,634	60.00	2.47
2020	14	906,985	503,864	9,970	809,499	449,706	6,721	60.00	2.47
2021	14	770,740	449,596	8,918	690,957	403,061	6,043	60.00	2.47
2022	14	657,246	400,906	7,991	591,024	360,506	5,432	60.00	2.47
2023	14	561,719	356,525	7,154	505,835	321,054	4,875	60.00	2.47
Sub-Total		25,977,097	9,396,124	195,771	23,126,674	8,315,728	132,093	59.63	2.47
Remainder		2,331,378	1,670,084	34,213	2,109,760	1,510,102	23,394	60.00	2.47
Total Future		28,308,475	11,066,208	229,984	25,236,434	9,825,830	155,487	59.66	2.47
Cumulative		0	0	0					
Ultimate		28,308,475	11,066,208	229,984					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	93,083	7,087	20,603	0	120,773	4,766	1,108	114,899
2011	152,093	19,095	24,025	0	195,213	7,909	1,755	185,549
2012	156,160	19,211	23,415	0	198,786	7,933	1,705	189,148
2013	207,494	32,307	41,879	0	281,680	10,831	3,041	267,808
2014	174,012	27,297	34,699	0	236,008	8,840	2,499	224,669
2015	130,742	28,456	33,193	0	192,391	6,223	2,466	183,702
2016	101,999	24,382	28,009	0	154,390	4,590	2,095	147,705
2017	81,585	20,432	23,732	0	125,749	3,386	1,767	120,596
2018	67,966	17,880	20,878	0	106,724	2,569	1,550	102,605
2019	58,166	16,090	18,851	0	93,107	2,100	1,398	89,609
2020	48,570	14,130	16,600	0	79,300	1,724	1,229	76,347
2021	41,457	12,664	14,928	0	69,049	1,438	1,104	66,507
2022	35,461	11,327	13,420	0	60,208	1,202	990	58,016
2023	30,350	10,088	12,038	0	52,476	999	885	50,592
Sub-Total	1,379,138	260,446	326,270	0	1,965,854	64,510	23,592	1,877,752
Remainder	126,586	47,447	57,782	0	231,815	3,858	4,209	223,748
Total Future	1,505,724	307,893	384,052	0	2,197,669	68,368	27,801	2,101,500

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	29,220	0	29,220	-29,220	-29,220	-28,620
2010	14,266	0	52,882	27,682	94,830	20,069	-9,151	17,464
2011	19,919	0	62,552	43,651	126,122	59,427	50,276	47,959
2012	18,585	0	84,538	44,698	147,821	41,327	91,603	30,628
2013	22,803	0	4,903	61,445	89,151	178,657	270,260	120,143
2014	20,138	0	2,969	51,591	74,698	149,971	420,231	91,345
2015	16,166	0	31,336	41,168	88,670	95,032	515,263	51,995
2016	12,539	0	1,173	32,777	46,489	101,216	616,479	50,534
2017	10,709	0	1,831	26,499	39,039	81,557	698,036	36,849
2018	9,347	0	1,233	22,336	32,916	69,689	767,725	28,498
2019	8,804	0	759	19,353	28,916	60,693	828,418	22,462
2020	8,379	0	849	16,370	25,598	50,749	879,167	17,001
2021	7,968	0	704	14,156	22,828	43,679	922,846	13,244
2022	6,853	0	701	12,259	19,813	38,203	961,049	10,487
2023	6,416	0	696	10,610	17,722	32,870	993,919	8,167
Sub-Total	182,892	0	276,346	424,595	883,833	993,919		518,156
Remainder	30,857	0	17,792	45,881	94,530	129,218	1,123,137	23,815
Total Future	213,749	0	294,138	470,476	978,363	1,123,137		541,971

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 9

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	2,262,497
								12.00% -	1,881,290
								15.00% -	1,432,213
								20.00% -	911,795
								25.00% -	574,026

CONTAINS PRODUCTION BONUS PAYMENTS

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	3	1,382,403	188,524	7,440	1,320,152	180,035	5,869	55.00	2.47
2011	10	2,767,612	721,551	19,305	2,629,175	685,456	13,949	60.00	2.47
2012	18	5,500,317	1,260,813	29,659	5,194,769	1,190,774	21,299	60.00	2.47
2013	30	12,656,309	3,330,499	76,824	11,135,593	2,930,327	51,440	60.00	2.47
2014	36	14,717,298	3,818,146	84,945	12,323,012	3,196,990	54,156	60.00	2.47
2015	39	15,169,983	4,045,957	90,056	12,710,441	3,389,981	57,499	60.00	2.47
2016	44	16,244,968	5,212,782	105,037	13,520,546	4,338,549	65,478	60.00	2.47
2017	49	14,046,014	5,631,555	118,271	11,753,828	4,712,540	74,146	60.00	2.47
2018	52	12,408,278	5,345,824	109,136	10,543,737	4,542,526	69,344	60.00	2.47
2019	52	9,226,242	4,113,662	85,117	8,100,591	3,611,776	55,947	60.00	2.47
2020	52	7,579,151	3,498,443	73,159	6,579,985	3,037,237	47,696	60.00	2.47
2021	52	6,515,591	3,040,468	63,992	5,685,113	2,652,923	42,026	60.00	2.47
2022	52	5,672,179	2,681,724	56,705	4,971,093	2,350,267	37,456	60.00	2.47
2023	52	4,977,464	2,388,020	50,687	4,368,183	2,095,710	33,571	60.00	2.47
Sub-Total		128,863,809	45,277,968	970,333	110,836,218	38,915,091	629,876	59.94	2.47
Remainder		24,623,897	12,799,285	274,856	21,813,495	11,344,372	184,260	60.00	2.47
Total Future		153,487,706	58,077,253	1,245,189	132,649,713	50,259,463	814,136	59.95	2.47
Cumulative		0	0	0					
Ultimate		153,487,706	58,077,253	1,245,189					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	72,608	5,061	14,496	0	92,165	2,498	782	88,885
2011	157,751	21,537	34,456	0	213,744	6,404	2,240	205,100
2012	311,686	37,414	52,613	0	401,713	15,647	2,827	383,239
2013	668,136	92,071	127,046	0	887,253	39,888	9,444	837,921
2014	739,380	100,449	133,769	0	973,598	45,176	10,259	918,163
2015	762,627	106,513	142,026	0	1,011,166	46,825	10,960	953,381
2016	811,233	136,318	161,731	0	1,109,282	50,297	13,412	1,045,573
2017	705,229	148,068	183,143	0	1,036,440	42,807	15,070	978,563
2018	632,625	142,726	171,280	0	946,631	37,641	14,162	894,828
2019	486,035	113,482	138,183	0	737,700	27,121	11,023	699,556
2020	394,799	95,430	117,814	0	608,043	20,885	9,127	578,031
2021	341,107	83,355	103,797	0	528,259	17,635	7,898	502,726
2022	298,266	73,845	92,526	0	464,637	15,062	6,971	442,604
2023	262,091	65,847	82,906	0	410,844	12,895	6,173	391,776
Sub-Total	6,643,573	1,222,116	1,555,786	0	9,421,475	380,781	120,348	8,920,346
Remainder	1,308,810	356,440	455,132	0	2,120,382	55,103	32,716	2,032,563
Total Future	7,952,383	1,578,556	2,010,918	0	11,541,857	435,884	153,064	10,952,909

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	132,069	0	132,069	-132,069	-132,069	-131,140
2010	14,845	0	164,637	21,435	200,917	-112,032	-244,101	-101,017
2011	26,871	0	263,226	45,799	335,896	-130,796	-374,897	-106,015
2012	42,910	0	209,259	88,934	341,103	42,136	-332,761	31,207
2013	71,561	0	116,526	194,233	382,320	455,601	122,840	304,553
2014	80,561	0	94,806	214,509	389,876	528,287	651,127	322,085
2015	84,682	0	65,648	222,133	372,463	580,918	1,232,045	321,313
2016	88,618	0	55,605	243,257	387,480	658,093	1,890,138	329,670
2017	90,090	0	35,944	220,418	346,452	632,111	2,522,249	286,007
2018	83,157	0	3,138	200,723	287,018	607,810	3,130,059	248,700
2019	69,677	0	1,859	155,371	226,907	472,649	3,602,708	174,988
2020	65,425	0	2,091	127,189	194,705	383,326	3,986,034	128,393
2021	60,946	0	1,743	110,165	172,854	329,872	4,315,906	100,006
2022	52,826	0	1,743	96,619	151,188	291,416	4,607,322	79,965
2023	50,157	0	1,743	85,191	137,091	254,685	4,862,007	63,260
Sub-Total	882,326	0	1,150,037	2,025,976	4,058,339	4,862,007		2,051,975
Remainder	295,047	0	95,832	433,778	824,657	1,207,906	6,069,913	210,637
Total Future	1,177,373	0	1,245,869	2,459,754	4,882,996	6,069,913		2,262,612

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AS OF JULY 1, 2009

TABLE 10

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROBABLE NON PRODUCING

PROBABLE
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	426,032
							12.00%	—	357,396
							15.00%	—	276,900
							20.00%	—	183,898
							25.00%	—	123,389

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	142,268	3,171	87	135,862	3,028	74	55.00	2.47
2011	1	699,739	31,191	431	664,738	29,631	318	60.00	2.47
2012	1	1,590,010	70,875	978	1,501,683	66,938	718	60.00	2.47
2013	1	2,632,462	117,342	1,619	2,316,158	103,243	1,108	60.00	2.47
2014	1	3,200,000	142,641	1,968	2,679,408	119,435	1,281	60.00	2.47
2015	1	3,200,000	142,641	1,968	2,681,178	119,514	1,282	60.00	2.47
2016	1	2,912,000	129,803	1,791	2,423,631	108,034	1,159	60.00	2.47
2017	2	2,795,524	141,166	1,947	2,339,320	118,129	1,267	60.00	2.47
2018	2	2,544,462	131,093	1,809	2,162,116	111,394	1,195	60.00	2.47
2019	2	2,296,478	118,074	1,629	2,016,296	103,669	1,112	60.00	2.47
2020	2	2,077,281	106,642	1,471	1,803,432	92,584	993	60.00	2.47
2021	2	1,881,714	96,486	1,331	1,641,869	84,186	903	60.00	2.47
2022	2	1,706,243	87,395	1,206	1,495,350	76,594	822	60.00	2.47
2023	2	1,548,240	79,225	1,093	1,358,724	69,527	746	60.00	2.47
Sub-Total		29,226,421	1,397,745	19,328	25,219,765	1,205,906	12,978	59.97	2.47
Remainder		8,236,207	415,623	5,735	7,296,888	368,170	3,949	60.00	2.47
Total Future		37,462,628	1,813,368	25,063	32,516,653	1,574,076	16,927	59.98	2.47
Cumulative		0	0	0					
Ultimate		37,462,628	1,813,368	25,063					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	7,472	85	183	0	7,740	257	11	7,472
2011	39,885	931	786	0	41,602	1,619	68	39,915
2012	90,101	2,103	1,773	0	93,977	4,523	122	89,332
2013	138,969	3,244	2,736	0	144,949	8,297	258	136,394
2014	160,765	3,753	3,164	0	167,682	9,823	303	157,556
2015	160,870	3,755	3,167	0	167,792	9,877	305	157,610
2016	145,418	3,394	2,862	0	151,674	9,016	282	142,376
2017	140,359	3,712	3,130	0	147,201	8,520	311	138,370
2018	129,727	3,500	2,952	0	136,179	7,719	291	128,169
2019	120,978	3,257	2,746	0	126,981	6,750	263	119,968
2020	108,206	2,909	2,454	0	113,569	5,724	229	107,616
2021	98,512	2,645	2,230	0	103,387	5,093	206	98,088
2022	89,721	2,407	2,030	0	94,158	4,531	186	89,441
2023	81,524	2,185	1,842	0	85,551	4,011	167	81,373
Sub-Total	1,512,507	37,880	32,055	0	1,582,442	85,760	3,002	1,493,680
Remainder	437,813	11,567	9,755	0	459,135	18,494	860	439,781
Total Future	1,950,320	49,447	41,810	0	2,041,577	104,254	3,862	1,933,461

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	10,651	0	10,651	-10,651	-10,651	-10,607	
2010	867	0	37,630	2,059	40,556	-33,084	-43,735	-29,808	
2011	4,070	0	34,630	10,213	48,913	-8,998	-52,733	-7,258	
2012	8,316	0	22,420	23,071	53,807	35,525	-17,208	26,423	
2013	10,510	0	0	35,586	46,096	90,298	73,090	60,651	
2014	12,350	0	0	41,166	53,516	104,040	177,130	63,261	
2015	12,659	0	0	41,193	53,852	103,758	280,888	57,110	
2016	10,869	0	0	37,237	48,106	94,270	375,158	46,975	
2017	11,119	0	1,050	36,072	48,241	90,129	465,287	40,615	
2018	10,544	0	29	33,362	43,935	84,234	549,521	34,398	
2019	10,608	0	19	31,109	41,736	78,232	627,753	28,918	
2020	10,681	0	20	27,824	38,525	69,091	696,844	23,117	
2021	10,643	0	16	25,330	35,989	62,099	758,943	18,809	
2022	9,529	0	16	23,069	32,614	56,827	815,770	15,579	
2023	9,332	0	15	20,960	30,307	51,066	866,836	12,673	
Sub-Total	132,097	0	106,496	388,251	626,844	866,836		380,856	
Remainder	56,117	0	10,068	112,517	178,702	261,079	1,127,915	45,176	
Total Future	188,214	0	116,564	500,768	805,546	1,127,915		426,032	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 11

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROBABLE UNDEVELOPED

PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	–	1,836,464
							12.00%	–	1,523,894
							15.00%	–	1,155,313
							20.00%	–	727,898
							25.00%	–	450,637

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	2	1,240,135	185,353	7,353	1,184,290	177,007	5,795	55.00	2.47
2011	9	2,067,873	690,360	18,874	1,964,437	655,825	13,631	60.00	2.47
2012	17	3,910,307	1,189,938	28,681	3,693,086	1,123,836	20,581	60.00	2.47
2013	29	10,023,847	3,213,157	75,205	8,819,435	2,827,084	50,332	60.00	2.47
2014	35	11,517,298	3,675,505	82,977	9,643,604	3,077,555	52,875	60.00	2.47
2015	38	11,969,983	3,903,316	88,088	10,029,263	3,270,467	56,217	60.00	2.47
2016	43	13,332,968	5,082,979	103,246	11,096,915	4,230,515	64,319	60.00	2.47
2017	47	11,250,490	5,490,389	116,324	9,414,508	4,594,411	72,879	60.00	2.47
2018	50	9,863,816	5,214,731	107,327	8,381,621	4,431,132	68,149	60.00	2.47
2019	50	6,929,764	3,995,588	83,488	6,084,295	3,508,107	54,835	60.00	2.47
2020	50	5,501,870	3,391,801	71,688	4,776,553	2,944,653	46,703	60.00	2.47
2021	50	4,633,877	2,943,982	62,661	4,043,244	2,568,737	41,123	60.00	2.47
2022	50	3,965,936	2,594,329	55,499	3,475,743	2,273,673	36,634	60.00	2.47
2023	50	3,429,224	2,308,795	49,594	3,009,459	2,026,183	32,825	60.00	2.47
Sub-Total		99,637,388	43,880,223	951,005	85,616,453	37,709,185	616,898	59.93	2.47
Remainder		16,387,690	12,383,662	269,121	14,516,607	10,976,202	180,311	60.00	2.47
Total Future		116,025,078	56,263,885	1,220,126	100,133,060	48,685,387	797,209	59.94	2.47
Cumulative		0	0	0					
Ultimate		116,025,078	56,263,885	1,220,126					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	65,136	4,976	14,312	0	84,424	2,241	772	81,411
2011	117,866	20,606	33,672	0	172,144	4,785	2,171	165,188
2012	221,585	35,311	50,839	0	307,735	11,124	2,705	293,906
2013	529,166	88,827	124,310	0	742,303	31,591	9,186	701,526
2014	578,617	96,696	130,604	0	805,917	35,353	9,956	760,608
2015	601,756	102,758	138,860	0	843,374	36,948	10,655	795,771
2016	665,814	132,923	158,869	0	957,606	41,281	13,131	903,194
2017	564,871	144,357	180,013	0	889,241	34,287	14,758	840,196
2018	502,897	139,226	168,328	0	810,451	29,923	13,871	766,657
2019	365,058	110,225	135,436	0	610,719	20,370	10,760	579,589
2020	286,593	92,521	115,361	0	494,475	15,161	8,898	470,416
2021	242,595	80,709	101,567	0	424,871	12,542	7,692	404,637
2022	208,544	71,439	90,497	0	370,480	10,531	6,785	353,164
2023	180,568	63,663	81,063	0	325,294	8,884	6,006	310,404
Sub-Total	5,131,066	1,184,237	1,523,731	0	7,839,034	295,021	117,346	7,426,667
Remainder	870,997	344,872	445,378	0	1,661,247	36,609	31,856	1,592,782
Total Future	6,002,063	1,529,109	1,969,109	0	9,500,281	331,630	149,202	9,019,449

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	121,418	0	121,418	-121,418	-121,418	-120,533
2010	13,977	0	127,006	19,377	160,360	-78,949	-200,367	-71,210
2011	22,802	0	228,596	35,585	286,983	-121,795	-322,162	-98,756
2012	34,594	0	186,839	65,863	287,296	6,610	-315,552	4,784
2013	61,052	0	116,527	158,648	336,227	365,299	49,747	243,902
2014	68,210	0	94,806	173,343	336,359	424,249	473,996	258,824
2015	72,022	0	65,647	180,939	318,608	477,163	951,159	264,202
2016	77,750	0	55,605	206,020	339,375	563,819	1,514,978	282,697
2017	78,972	0	34,896	184,346	298,214	541,982	2,056,960	245,392
2018	72,612	0	3,107	167,361	243,080	523,577	2,580,537	214,301
2019	59,069	0	1,841	124,262	185,172	394,417	2,974,954	146,070
2020	54,744	0	2,071	99,365	156,180	314,236	3,289,190	105,276
2021	50,303	0	1,727	84,835	136,865	267,772	3,556,962	81,198
2022	43,298	0	1,727	73,550	118,575	234,589	3,791,551	64,385
2023	40,824	0	1,729	64,230	106,783	203,621	3,995,172	50,586
Sub-Total	750,229	0	1,043,542	1,637,724	3,431,495	3,995,172		1,671,118
Remainder	238,931	0	85,765	321,262	645,958	946,824	4,941,996	165,461
Total Future	989,160	0	1,129,307	1,958,986	4,077,453	4,941,996		1,836,579

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 12

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED AND PROB

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED MONTHLY
								10.00% - 967,136
								12.00% - 834,013
								15.00% - 673,990
								20.00% - 481,870
								25.00% - 350,629

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	14	1,557,835	0	3,490	1,487,779	0	0	50.00	0.00
2010	15	3,202,994	275,453	7,358	3,016,152	259,257	6,132	55.00	2.47
2011	19	3,809,637	593,010	8,181	3,592,690	558,575	5,991	60.00	2.47
2012	22	5,324,465	756,835	10,443	5,021,048	713,369	7,652	60.00	2.47
2013	25	6,570,421	868,456	11,983	5,718,928	751,961	8,066	60.00	2.47
2014	25	6,938,985	896,104	12,363	5,861,440	761,268	8,163	60.00	2.47
2015	25	6,192,528	801,030	11,053	5,261,381	687,907	7,382	60.00	2.47
2016	25	5,354,551	710,346	9,799	4,499,814	601,845	6,455	60.00	2.47
2017	26	4,764,312	624,670	8,617	4,024,150	532,024	5,708	60.00	2.47
2018	26	4,186,700	559,142	7,718	3,591,961	484,120	5,194	60.00	2.47
2019	26	3,682,171	498,960	6,882	3,257,248	444,756	4,770	60.00	2.47
2020	26	3,254,149	443,272	6,117	2,846,620	390,905	4,194	60.00	2.47
2021	26	2,887,636	392,356	5,411	2,537,715	347,562	3,729	60.00	2.47
2022	26	2,570,231	344,712	4,756	2,267,477	306,403	3,286	60.00	2.47
2023	26	2,293,717	300,214	4,143	2,025,930	267,139	2,866	60.00	2.47
Sub-Total		62,590,332	8,064,560	118,314	55,010,333	7,107,091	79,588	59.46	2.47
Remainder		11,585,790	1,318,995	18,200	10,316,239	1,181,835	12,675	60.00	2.47
Total Future		74,176,122	9,383,555	136,514	65,326,572	8,288,926	92,263	59.54	2.47
Cumulative		8,985,998	0	13,825					
Ultimate		83,162,120	9,383,555	150,339					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	74,389	0	0	0	74,389	2,626	0	71,763
2010	165,888	7,288	15,141	0	188,317	8,368	897	179,052
2011	215,562	17,550	14,800	0	247,912	10,733	1,315	235,864
2012	301,263	22,414	18,901	0	342,578	15,239	1,594	325,745
2013	343,136	23,627	19,924	0	386,687	19,212	1,810	365,665
2014	351,686	23,919	20,171	0	395,776	20,095	1,834	373,847
2015	315,683	21,614	18,226	0	355,523	17,832	1,655	336,036
2016	269,988	18,910	15,947	0	304,845	15,183	1,459	288,203
2017	241,450	16,716	14,096	0	272,262	13,225	1,304	257,733
2018	215,517	15,211	12,828	0	243,556	11,438	1,182	230,936
2019	195,435	13,974	11,784	0	221,193	9,806	1,072	210,315
2020	170,797	12,283	10,357	0	193,437	8,214	933	184,290
2021	152,263	10,920	9,209	0	172,392	7,179	825	164,388
2022	136,049	9,627	8,119	0	153,795	6,285	725	146,785
2023	121,555	8,394	7,078	0	137,027	5,482	629	130,916
Sub-Total	3,270,661	222,447	196,581	0	3,689,689	170,917	17,234	3,501,538
Remainder	618,975	37,133	31,313	0	687,421	24,519	2,750	660,152
Total Future	3,889,636	259,580	227,894	0	4,377,110	195,436	19,984	4,161,690

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	19,334	0	88,188	22,227	129,749	-57,986	-57,986	-58,405
2010	21,366	0	92,026	47,527	160,919	18,133	-39,853	16,538
2011	24,265	0	111,943	58,987	195,195	40,669	816	33,104
2012	31,178	0	88,103	81,799	201,080	124,665	125,481	92,316
2013	28,610	0	34,609	92,592	155,811	209,854	335,335	140,754
2014	29,615	0	2,557	94,809	126,981	246,866	582,201	150,270
2015	27,230	0	1,682	85,147	114,059	221,977	804,178	122,291
2016	22,267	0	963	72,951	96,181	192,022	996,200	95,756
2017	20,886	0	2,722	65,180	88,788	168,945	1,165,145	76,223
2018	19,171	0	1,037	58,268	78,476	152,460	1,317,605	62,296
2019	18,804	0	651	52,893	72,348	137,967	1,455,572	51,026
2020	18,479	0	729	46,246	65,454	118,836	1,574,408	39,783
2021	18,014	0	600	41,219	59,833	104,555	1,678,963	31,683
2022	15,790	0	592	36,790	53,172	93,613	1,772,576	25,677
2023	15,140	0	582	32,808	48,530	82,386	1,854,962	20,456
Sub-Total	330,149	0	426,984	889,443	1,646,576	1,854,962		899,768
Remainder	84,206	0	29,073	165,364	278,643	381,509	2,236,471	67,368
Total Future	414,355	0	456,057	1,054,807	1,925,219	2,236,471		967,136

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **13**

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED RESERVES

**TOTAL
PROVED**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	464,637
							12.00%	—	413,064
							15.00%	—	348,969
							20.00%	—	268,060
							25.00%	—	209,344

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	14	1,557,835	0	3,490	1,487,779	0	0	50.00	0.00
2010	14	3,060,726	272,282	7,271	2,880,290	256,229	6,058	55.00	2.47
2011	17	3,077,104	556,873	7,682	2,896,799	524,246	5,623	60.00	2.47
2012	20	3,402,306	632,279	8,724	3,205,667	595,732	6,390	60.00	2.47
2013	20	3,285,843	643,495	8,880	2,829,009	554,030	5,942	60.00	2.47
2014	20	2,630,515	560,995	7,738	2,253,894	480,677	5,153	60.00	2.47
2015	20	2,148,428	493,861	6,815	1,872,958	430,538	4,621	60.00	2.47
2016	20	1,781,236	437,699	6,037	1,525,774	374,924	4,021	60.00	2.47
2017	20	1,439,739	358,241	4,944	1,242,119	309,073	3,317	60.00	2.47
2018	20	1,212,082	317,452	4,381	1,064,327	278,749	2,991	60.00	2.47
2019	20	1,031,289	282,772	3,900	929,788	254,944	2,733	60.00	2.47
2020	20	881,585	249,279	3,441	786,832	222,486	2,388	60.00	2.47
2021	20	757,467	217,902	3,004	679,058	195,346	2,096	60.00	2.47
2022	20	653,557	188,197	2,597	587,707	169,232	1,814	60.00	2.47
2023	20	566,177	160,245	2,211	509,851	144,303	1,548	60.00	2.47
Sub-Total		27,485,889	5,371,572	81,115	24,751,852	4,790,509	54,695	58.82	2.47
Remainder		2,560,316	664,541	9,169	2,320,587	602,395	6,461	60.00	2.47
Total Future		30,046,205	6,036,113	90,284	27,072,439	5,392,904	61,156	58.92	2.47
Cumulative		8,985,998	0	13,825					
Ultimate		39,032,203	6,036,113	104,109					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	74,389	0	0	0	74,389	2,626	0	71,763
2010	158,416	7,203	14,957	0	180,576	8,111	886	171,579
2011	173,808	16,471	13,891	0	204,170	9,038	1,236	193,896
2012	192,340	18,718	15,784	0	226,842	9,771	1,380	215,691
2013	169,741	17,408	14,680	0	201,829	8,860	1,316	191,653
2014	135,233	15,103	12,736	0	163,072	6,870	1,122	155,080
2015	112,378	13,527	11,407	0	137,312	5,349	997	130,966
2016	91,546	11,780	9,934	0	113,260	4,120	869	108,271
2017	74,527	9,711	8,190	0	92,428	3,093	716	88,619
2018	63,860	8,759	7,385	0	80,004	2,414	645	76,945
2019	55,787	8,010	6,755	0	70,552	2,013	591	67,948
2020	47,210	6,991	5,895	0	60,096	1,676	515	57,905
2021	40,744	6,137	5,176	0	52,057	1,414	453	50,190
2022	35,262	5,318	4,484	0	45,064	1,196	392	43,476
2023	30,591	4,534	3,824	0	38,949	1,006	334	37,609
Sub-Total	1,455,832	149,670	135,098	0	1,740,600	67,557	11,452	1,661,591
Remainder	139,235	18,927	15,960	0	174,122	4,239	1,396	168,487
Total Future	1,595,067	168,597	151,058	0	1,914,722	71,796	12,848	1,830,078

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	19,334	0	69,931	22,227	111,492	-39,729	-39,729	-40,224
2010	20,499	0	54,396	45,469	120,364	51,215	11,486	46,346
2011	20,008	0	63,213	48,263	131,484	62,412	73,898	50,522
2012	20,547	0	59,912	53,559	134,018	81,673	155,571	60,312
2013	15,153	0	3,389	47,534	66,076	125,577	281,148	84,510
2014	12,326	0	2,014	38,244	52,584	102,496	383,644	62,431
2015	10,635	0	1,397	32,077	44,109	86,857	470,501	47,883
2016	8,427	0	846	26,360	35,633	72,638	543,139	36,247
2017	7,202	0	1,516	21,497	30,215	58,404	601,543	26,386
2018	6,417	0	904	18,552	25,873	51,072	652,615	20,882
2019	6,135	0	563	16,315	23,013	44,935	697,550	16,630
2020	5,856	0	628	13,871	20,355	37,550	735,100	12,579
2021	5,551	0	517	12,003	18,071	32,119	767,219	9,740
2022	4,718	0	511	10,390	15,619	27,857	795,076	7,647
2023	4,379	0	503	8,989	13,871	23,738	818,814	5,898
Sub-Total	167,187	0	260,240	415,350	842,777	818,814		447,789
Remainder	21,261	0	15,894	40,399	77,554	90,933	909,747	16,848
Total Future	188,448	0	276,134	455,749	920,331	909,747		464,637

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **14**

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED PRODUCING

PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	274,405
							12.00%	—	246,942
							15.00%	—	212,572
							20.00%	—	168,599
							25.00%	—	136,018

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	14	1,451,378	0	2,633	1,386,109	0	0	50.00	0.00
2010	13	2,707,076	197,665	5,512	2,547,489	186,010	4,617	55.00	2.47
2011	13	2,157,762	353,131	4,871	2,031,326	332,444	3,565	60.00	2.47
2012	13	1,742,711	307,834	4,247	1,641,991	290,039	3,111	60.00	2.47
2013	13	1,434,304	271,166	3,742	1,234,890	233,465	2,505	60.00	2.47
2014	13	1,196,528	240,319	3,314	1,025,215	205,913	2,206	60.00	2.47
2015	13	1,008,701	213,788	2,952	879,368	186,376	2,001	60.00	2.47
2016	13	857,567	190,771	2,631	734,576	163,410	1,752	60.00	2.47
2017	13	733,515	170,572	2,353	632,831	147,163	1,580	60.00	2.47
2018	13	630,959	152,674	2,108	554,044	134,059	1,439	60.00	2.47
2019	13	545,394	135,927	1,875	491,715	122,551	1,312	60.00	2.47
2020	13	471,560	118,238	1,631	420,879	105,530	1,134	60.00	2.47
2021	13	409,319	101,856	1,404	366,949	91,311	979	60.00	2.47
2022	13	357,407	87,905	1,213	321,395	79,048	848	60.00	2.47
2023	13	313,703	76,041	1,050	282,494	68,476	734	60.00	2.47
Sub-Total		16,017,884	2,617,887	41,536	14,551,271	2,345,795	27,783	58.17	2.47
Remainder		1,433,320	337,165	4,652	1,299,279	305,739	3,279	60.00	2.47
Total Future		17,451,204	2,955,052	46,188	15,850,550	2,651,534	31,062	58.32	2.47
Cumulative		8,966,316	0	13,667					
Ultimate		26,417,520	2,955,052	59,855					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	69,306	0	0	0	69,306	2,446	0	66,860
2010	140,111	5,229	11,400	0	156,740	7,174	665	148,901
2011	121,880	10,445	8,808	0	141,133	6,338	784	134,011
2012	98,519	9,113	7,685	0	115,317	5,005	672	109,640
2013	74,094	7,336	6,186	0	87,616	3,867	554	83,195
2014	61,513	6,469	5,456	0	73,438	3,125	481	69,832
2015	52,762	5,856	4,938	0	63,556	2,512	431	60,613
2016	44,074	5,135	4,330	0	53,539	1,983	379	51,177
2017	37,970	4,624	3,899	0	46,493	1,576	341	44,576
2018	33,243	4,212	3,552	0	41,007	1,256	310	39,441
2019	29,503	3,850	3,247	0	36,600	1,065	284	35,251
2020	25,252	3,316	2,796	0	31,364	897	245	30,222
2021	22,018	2,869	2,420	0	27,307	764	211	26,332
2022	19,283	2,484	2,094	0	23,861	654	184	23,023
2023	16,950	2,151	1,814	0	20,915	557	158	20,200
Sub-Total	846,478	73,089	68,625	0	988,192	39,219	5,699	943,274
Remainder	77,957	9,607	8,101	0	95,665	2,374	708	92,583
Total Future	924,435	82,696	76,726	0	1,083,857	41,593	6,407	1,035,857

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	18,151	0	64,452	20,709	103,312	-36,452	-36,452	-36,920
2010	17,879	0	35,831	39,828	93,538	55,363	18,911	50,319
2011	14,083	0	20,545	33,509	68,137	65,874	84,785	54,168
2012	10,521	0	15,067	27,290	52,878	56,762	141,547	42,238
2013	6,568	0	1,475	20,670	28,713	54,482	196,029	36,651
2014	5,538	0	908	17,275	23,721	46,111	242,140	28,080
2015	4,906	0	647	14,910	20,463	40,150	282,290	22,129
2016	3,967	0	400	12,528	16,895	34,282	316,572	17,105
2017	3,613	0	664	10,854	15,131	29,445	346,017	13,298
2018	3,280	0	463	9,553	13,296	26,145	372,162	10,689
2019	3,170	0	292	8,511	11,973	23,278	395,440	8,614
2020	3,043	0	327	7,292	10,662	19,560	415,000	6,553
2021	2,897	0	271	6,350	9,518	16,814	431,814	5,098
2022	2,485	0	270	5,554	8,309	14,714	446,528	4,039
2023	2,340	0	269	4,872	7,481	12,719	459,247	3,160
Sub-Total	102,441	0	141,881	239,705	484,027	459,247		265,221
Remainder	11,651	0	9,244	22,318	43,213	49,370	508,617	9,184
Total Future	114,092	0	151,125	262,023	527,240	508,617		274,405

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RYDER SCOTT COMPANY
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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 15

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED NON PRODUCING

PROVED
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED MONTHLY
								10.00% - 18,684
								12.00% - 17,297
								15.00% - 15,428
								20.00% - 12,791
								25.00% - 10,640

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		106,457	0	857	101,670	0	0	50.00	0.00
2010		169,775	46,111	1,366	159,766	43,393	1,153	55.00	2.47
2011		132,916	77,533	1,070	125,128	72,989	783	60.00	2.47
2012		109,240	63,722	879	102,926	60,039	644	60.00	2.47
2013		92,738	54,095	746	79,845	46,575	499	60.00	2.47
2014		80,573	47,000	649	69,037	40,271	432	60.00	2.47
2015		71,232	41,551	573	62,099	36,223	389	60.00	2.47
2016		63,804	37,218	514	54,653	31,880	342	60.00	2.47
2017		3,733	2,178	30	3,221	1,879	20	60.00	2.47
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		830,468	369,408	6,684	758,345	333,249	4,262	57.61	2.47
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		830,468	369,408	6,684	758,345	333,249	4,262	57.61	2.47
Cumulative		19,682	0	158					
Ultimate		850,150	369,408	6,842					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	5,083	0	0	0	5,083	179	0	4,904
2010	8,788	1,220	2,847	0	12,855	450	163	12,242
2011	7,507	2,293	1,934	0	11,734	391	172	11,171
2012	6,176	1,887	1,591	0	9,654	313	139	9,202
2013	4,791	1,463	1,234	0	7,488	251	110	7,127
2014	4,142	1,265	1,067	0	6,474	210	94	6,170
2015	3,726	1,138	959	0	5,823	177	84	5,562
2016	3,279	1,002	845	0	5,126	148	74	4,904
2017	193	59	50	0	302	8	5	289
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	43,685	10,327	10,527	0	64,539	2,127	841	61,571
Remainder	0	0	0	0	0	0	0	0
Total Future	43,685	10,327	10,527	0	64,539	2,127	841	61,571

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00	%
						Annual	Cumulative		
2009	1,183	0	5,479	1,519	8,181	-3,277	-3,277	-3,304	
2010	1,589	0	3,139	2,800	7,528	4,714	1,437	4,284	
2011	1,234	0	1,751	2,563	5,548	5,623	7,060	4,625	
2012	927	0	1,294	2,109	4,330	4,872	11,932	3,624	
2013	594	0	129	1,636	2,359	4,768	16,700	3,207	
2014	516	0	82	1,414	2,012	4,158	20,858	2,531	
2015	474	0	60	1,272	1,806	3,756	24,614	2,069	
2016	400	0	40	1,120	1,560	3,344	27,958	1,669	
2017	24	0	200	66	290	-1	27,957	4	
2018	0	0	0	0	0	0	27,957	0	
2019	0	0	0	0	0	0	27,957	0	
2020	0	0	0	0	0	0	27,957	0	
2021	0	0	0	0	0	0	27,957	0	
2022	0	0	0	0	0	0	27,957	0	
2023	0	0	0	0	0	0	27,957	0	
Sub-Total	6,941	0	12,174	14,499	33,614	27,957		18,709	
Remainder	0	0	240	0	240	-240	27,717	-25	
Total Future	6,941	0	12,414	14,499	33,854	27,717		18,684	

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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 16

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED UNDEVELOPED

PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	171,549
								12.00% -	148,826
								15.00% -	120,970
								20.00% -	86,670
								25.00% -	62,686

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	183,875	28,506	393	173,035	26,826	288	55.00	2.47
2011	4	786,426	126,209	1,741	740,345	118,813	1,275	60.00	2.47
2012	7	1,550,355	260,723	3,598	1,460,750	245,654	2,635	60.00	2.47
2013	7	1,758,801	318,234	4,392	1,514,274	273,990	2,938	60.00	2.47
2014	7	1,353,414	273,676	3,775	1,159,642	234,493	2,515	60.00	2.47
2015	7	1,068,495	238,522	3,290	931,491	207,939	2,231	60.00	2.47
2016	7	859,865	209,710	2,892	736,545	179,634	1,927	60.00	2.47
2017	7	702,491	185,491	2,561	606,067	160,031	1,717	60.00	2.47
2018	7	581,123	164,778	2,273	510,283	144,690	1,552	60.00	2.47
2019	7	485,895	146,845	2,025	438,073	132,393	1,421	60.00	2.47
2020	7	410,025	131,041	1,810	365,953	116,956	1,254	60.00	2.47
2021	7	348,148	116,046	1,600	312,109	104,035	1,117	60.00	2.47
2022	7	296,150	100,292	1,384	266,312	90,184	966	60.00	2.47
2023	7	252,474	84,204	1,161	227,357	75,827	814	60.00	2.47
Sub-Total		10,637,537	2,384,277	32,895	9,442,236	2,111,465	22,650	59.91	2.47
Remainder		1,126,996	327,376	4,517	1,021,308	296,656	3,182	60.00	2.47
Total Future		11,764,533	2,711,653	37,412	10,463,544	2,408,121	25,832	59.92	2.47
Cumulative		0	0	0					
Ultimate		11,764,533	2,711,653	37,412					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	9,517	754	711	0	10,982	487	59	10,436
2011	44,421	3,733	3,148	0	51,302	2,310	280	48,712
2012	87,645	7,719	6,509	0	101,873	4,453	569	96,851
2013	90,856	8,608	7,259	0	106,723	4,742	650	101,331
2014	69,578	7,368	6,213	0	83,159	3,535	548	79,076
2015	55,890	6,534	5,510	0	67,934	2,660	481	64,793
2016	44,193	5,644	4,759	0	54,596	1,989	417	52,190
2017	36,364	5,028	4,241	0	45,633	1,509	370	43,754
2018	30,617	4,546	3,833	0	38,996	1,157	335	37,504
2019	26,284	4,160	3,508	0	33,952	949	307	32,696
2020	21,957	3,675	3,099	0	28,731	780	271	27,680
2021	18,727	3,268	2,757	0	24,752	649	241	23,862
2022	15,979	2,834	2,389	0	21,202	542	209	20,451
2023	13,641	2,382	2,009	0	18,032	449	176	17,407
Sub-Total	565,669	66,253	55,945	0	687,867	26,211	4,913	656,743
Remainder	61,278	9,321	7,860	0	78,459	1,866	687	75,906
Total Future	626,947	75,574	63,805	0	766,326	28,077	5,600	732,649

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	1,030	0	15,426	2,840	19,296	-8,860	-8,860	-8,257	
2011	4,692	0	40,916	12,191	57,799	-9,087	-17,947	-8,271	
2012	9,099	0	43,552	24,160	76,811	20,040	2,093	14,451	
2013	7,991	0	1,785	25,229	35,005	66,326	68,419	44,651	
2014	6,272	0	1,024	19,555	26,851	52,225	120,644	31,820	
2015	5,255	0	690	15,894	21,839	42,954	163,598	23,684	
2016	4,060	0	407	12,712	17,179	35,011	198,609	17,475	
2017	3,565	0	651	10,577	14,793	28,961	227,570	13,083	
2018	3,138	0	441	8,999	12,578	24,926	252,496	10,193	
2019	2,964	0	271	7,804	11,039	21,657	274,153	8,016	
2020	2,813	0	301	6,580	9,694	17,986	292,139	6,026	
2021	2,654	0	247	5,652	8,553	15,309	307,448	4,642	
2022	2,233	0	241	4,836	7,310	13,141	320,589	3,608	
2023	2,040	0	233	4,118	6,391	11,016	331,605	2,738	
Sub-Total	57,806	0	106,185	161,147	325,138	331,605		163,859	
Remainder	9,609	0	6,412	18,080	34,101	41,805	373,410	7,690	
Total Future	67,415	0	112,597	179,227	359,239	373,410		171,549	

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AS OF JULY 1, 2009

TABLE 17

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	502,499
							12.00%	—	420,948
							15.00%	—	325,021
							20.00%	—	213,810
							25.00%	—	141,285

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	142,268	3,171	87	135,862	3,028	74	55.00	2.47
2011	2	732,533	36,137	499	695,891	34,329	368	60.00	2.47
2012	2	1,922,159	124,556	1,719	1,815,381	117,637	1,262	60.00	2.47
2013	5	3,284,578	224,961	3,103	2,889,919	197,931	2,124	60.00	2.47
2014	5	4,308,470	335,109	4,625	3,607,546	280,591	3,010	60.00	2.47
2015	5	4,044,100	307,169	4,238	3,388,423	257,369	2,761	60.00	2.47
2016	5	3,573,315	272,647	3,762	2,974,040	226,921	2,434	60.00	2.47
2017	6	3,324,573	266,429	3,673	2,782,031	222,951	2,391	60.00	2.47
2018	6	2,974,618	241,690	3,337	2,527,634	205,371	2,203	60.00	2.47
2019	6	2,650,882	216,188	2,982	2,327,460	189,812	2,037	60.00	2.47
2020	6	2,372,564	193,993	2,676	2,059,788	168,419	1,806	60.00	2.47
2021	6	2,130,169	174,454	2,407	1,858,657	152,216	1,633	60.00	2.47
2022	6	1,916,674	156,515	2,159	1,679,770	137,171	1,472	60.00	2.47
2023	6	1,727,540	139,969	1,932	1,516,079	122,836	1,318	60.00	2.47
Sub-Total		35,104,443	2,692,988	37,199	30,258,481	2,316,582	24,893	59.98	2.47
Remainder		9,025,474	654,454	9,031	7,995,652	579,440	6,214	60.00	2.47
Total Future		44,129,917	3,347,442	46,230	38,254,133	2,896,022	31,107	59.98	2.47
Cumulative		0	0	0					
Ultimate		44,129,917	3,347,442	46,230					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	7,472	85	183	0	7,740	257	11	7,472
2011	41,754	1,079	910	0	43,743	1,695	79	41,969
2012	108,923	3,696	3,117	0	115,736	5,468	214	110,054
2013	173,395	6,219	5,244	0	184,858	10,352	494	174,012
2014	216,453	8,816	7,435	0	232,704	13,225	712	218,767
2015	203,305	8,087	6,819	0	218,211	12,483	657	205,071
2016	178,442	7,129	6,013	0	191,584	11,064	592	179,928
2017	166,922	7,006	5,907	0	179,835	10,132	587	169,116
2018	151,658	6,452	5,441	0	163,551	9,023	537	153,991
2019	139,648	5,964	5,030	0	150,642	7,793	481	142,368
2020	123,587	5,292	4,462	0	133,341	6,537	418	126,386
2021	111,520	4,783	4,033	0	120,336	5,766	372	114,198
2022	100,786	4,309	3,635	0	108,730	5,090	333	103,307
2023	90,965	3,860	3,254	0	98,079	4,475	295	93,309
Sub-Total	1,814,830	72,777	61,483	0	1,949,090	103,360	5,782	1,839,948
Remainder	479,739	18,206	15,353	0	513,298	20,279	1,354	491,665
Total Future	2,294,569	90,983	76,836	0	2,462,388	123,639	7,136	2,331,613

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	18,257	0	18,257	-18,257	-18,257	-18,181	
2010	867	0	37,630	2,059	40,556	-33,084	-51,341	-29,808	
2011	4,257	0	48,730	10,723	63,710	-21,741	-73,082	-17,418	
2012	10,632	0	28,191	28,240	67,063	42,991	-30,091	32,004	
2013	13,456	0	31,220	45,058	89,734	84,278	54,187	56,244	
2014	17,289	0	544	56,565	74,398	144,369	198,556	87,839	
2015	16,595	0	284	53,071	69,950	135,121	333,677	74,408	
2016	13,840	0	117	46,590	60,547	119,381	453,058	59,509	
2017	13,684	0	1,206	43,684	58,574	110,542	563,600	49,837	
2018	12,754	0	133	39,716	52,603	101,388	664,988	41,414	
2019	12,669	0	89	36,577	49,335	93,033	758,021	34,396	
2020	12,623	0	100	32,375	45,098	81,288	839,309	27,204	
2021	12,463	0	83	29,216	41,762	72,436	911,745	21,943	
2022	11,072	0	81	26,400	37,553	65,754	977,499	18,030	
2023	10,761	0	80	23,818	34,659	58,650	1,036,149	14,558	
Sub-Total	162,962	0	166,745	474,092	803,799	1,036,149		451,979	
Remainder	62,945	0	13,178	124,966	201,089	290,576	1,326,725	50,520	
Total Future	225,907	0	179,923	599,058	1,004,888	1,326,725		502,499	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 18

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 10 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED	MONTHLY							
INITIAL	1.000000	0.955033			50.00	24.80	2.47	10.00% -	28,540
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	25,338
REMARKS	T2 AND T3 ISOLATED							15.00% -	21,421
								20.00% -	16,571
								25.00% -	13,104

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	104,389	0	549	99,695	0	0	50.00	0.00
2010	1	179,037	35,788	1,014	168,482	33,678	851	55.00	2.47
2011	1	149,562	66,160	913	140,798	62,283	668	60.00	2.47
2012	1	128,064	59,544	821	120,663	56,103	602	60.00	2.47
2013	1	111,728	53,590	740	96,194	46,139	495	60.00	2.47
2014	1	98,917	48,230	665	84,755	41,325	443	60.00	2.47
2015	1	88,590	43,408	599	77,231	37,842	406	60.00	2.47
2016	1	79,720	39,067	539	68,287	33,464	359	60.00	2.47
2017	1	71,749	35,160	485	61,900	30,335	326	60.00	2.47
2018	1	64,573	31,644	437	56,702	27,786	298	60.00	2.47
2019	1	58,116	28,480	393	52,396	25,677	275	60.00	2.47
2020	1	52,305	25,632	353	46,683	22,877	245	60.00	2.47
2021	1	47,074	23,068	318	42,201	20,680	222	60.00	2.47
2022	1	42,367	20,762	287	38,098	18,670	201	60.00	2.47
2023	1	38,130	18,686	258	34,337	16,827	180	60.00	2.47
Sub-Total		1,314,321	529,219	8,371	1,188,422	473,686	5,571	58.45	2.47
Remainder		195,446	95,778	1,321	177,387	86,928	933	60.00	2.47
Total Future		1,509,767	624,997	9,692	1,365,809	560,614	6,504	58.65	2.47
Cumulative		2,670,942	0	3,528	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		4,180,709	624,997	13,220	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	4,985	0	0	0	4,985	176	0	4,809
2010	9,266	947	2,102	0	12,315	474	122	11,719
2011	8,448	1,957	1,650	0	12,055	440	147	11,468
2012	7,240	1,762	1,487	0	10,489	367	130	9,992
2013	5,772	1,450	1,222	0	8,444	302	109	8,033
2014	5,085	1,299	1,095	0	7,479	258	97	7,124
2015	4,634	1,189	1,003	0	6,826	221	87	6,518
2016	4,097	1,051	887	0	6,035	184	78	5,773
2017	3,714	953	803	0	5,470	154	70	5,246
2018	3,402	873	737	0	5,012	129	65	4,818
2019	3,144	807	680	0	4,631	113	59	4,459
2020	2,801	719	606	0	4,126	100	53	3,973
2021	2,532	649	548	0	3,729	88	48	3,593
2022	2,286	587	495	0	3,368	77	43	3,248
2023	2,060	529	446	0	3,035	68	39	2,928
Sub-Total	69,466	14,772	13,761	0	97,999	3,151	1,147	93,701
Remainder	10,643	2,731	2,303	0	15,677	323	202	15,152
Total Future	80,109	17,503	16,064	0	113,676	3,474	1,349	108,853

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	1,128	0	5,327	1,489	7,944	-3,135	-3,135	-3,163
2010	1,478	0	2,944	2,838	7,260	4,459	1,324	4,048
2011	1,247	0	1,796	2,696	5,739	5,729	7,053	4,708
2012	995	0	1,402	2,336	4,733	5,259	12,312	3,911
2013	662	0	145	1,876	2,683	5,350	17,662	3,597
2014	590	0	95	1,659	2,344	4,780	22,442	2,910
2015	549	0	70	1,514	2,133	4,385	26,827	2,415
2016	466	0	46	1,338	1,850	3,923	30,750	1,957
2017	441	0	80	1,214	1,735	3,511	34,261	1,586
2018	415	0	57	1,111	1,583	3,235	37,496	1,322
2019	414	0	37	1,027	1,478	2,981	40,477	1,102
2020	412	0	44	915	1,371	2,602	43,079	872
2021	406	0	38	827	1,271	2,322	45,401	704
2022	361	0	38	747	1,146	2,102	47,503	576
2023	349	0	40	673	1,062	1,866	49,369	464
Sub-Total	9,913	0	12,159	22,260	44,332	49,369		27,009
Remainder	1,970	0	1,088	3,477	6,535	8,617	57,986	1,531
Total Future	11,883	0	13,247	25,737	50,867	57,986		28,540

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ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 19

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 20 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000				50.00		2.47	10.00%	0
FINAL	1.000000				50.00		2.47	12.00%	0
REMARKS	PRODUCED UNTIL APRIL 12, 2009 THEN WORKED OVER TO BISKI/AFONINSKI							15.00%	0
								20.00%	0
								25.00%	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		352,493	0	616	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 0.00 %				
Ultimate		352,493	0	616					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	Discounted @ 10.00 %
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0		0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0		0

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AS OF JULY 1, 2009

TABLE 20

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 22 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	8,579
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	7,630
	TGAS OPENED IN AUGUST 2008							15.00% -	6,447
	T2 & T3 REMAIN ISOLATED							20.00% -	4,940
								25.00% -	3,827

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	71,137	0	48	67,938	0	0	50.00	0.00
2010	1	113,574	2,204	68	106,879	2,074	58	55.00	2.47
2011	1	86,952	3,174	44	81,857	2,988	32	60.00	2.47
2012	1	68,935	2,031	28	64,950	1,914	21	60.00	2.47
2013	1	56,135	1,300	18	48,331	1,119	12	60.00	2.47
2014	1	46,694	832	11	40,009	713	7	60.00	2.47
2015	1	39,516	532	8	34,449	464	5	60.00	2.47
2016	1	33,923	341	4	29,058	292	3	60.00	2.47
2017	1	29,474	218	3	25,428	188	2	60.00	2.47
2018	1	25,872	140	2	22,718	123	2	60.00	2.47
2019	1	22,913	53	1	20,658	48	0	60.00	2.47
2020	1	20,450	0	0	18,252	0	0	60.00	0.00
2021	1	18,369	0	0	16,467	0	0	60.00	0.00
2022	1	16,531	0	0	14,866	0	0	60.00	0.00
2023	1	14,878	0	0	13,398	0	0	60.00	0.00
Sub-Total		665,353	10,825	235	605,258	9,923	142	57.99	2.47
Remainder		76,263	0	0	69,216	0	0	60.00	0.00
Total Future		741,616	10,825	235	674,474	9,923	142	58.20	2.47
Cumulative		1,782,035	0	3,834	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		2,523,651	10,825	4,069	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	3,397	0	0	0	3,397	120	0	3,277
2010	5,878	58	143	0	6,079	301	8	5,770
2011	4,912	94	79	0	5,085	255	7	4,823
2012	3,897	60	51	0	4,008	198	5	3,805
2013	2,900	35	30	0	2,965	152	2	2,811
2014	2,400	23	19	0	2,442	122	2	2,318
2015	2,067	14	12	0	2,093	98	1	1,994
2016	1,743	10	8	0	1,761	78	1	1,682
2017	1,526	6	5	0	1,537	64	0	1,473
2018	1,363	3	3	0	1,369	51	0	1,318
2019	1,240	2	1	0	1,243	45	0	1,198
2020	1,095	0	0	0	1,095	39	0	1,056
2021	988	0	0	0	988	34	0	954
2022	892	0	0	0	892	30	0	862
2023	804	0	0	0	804	27	0	777
Sub-Total	35,102	305	351	0	35,758	1,614	26	34,118
Remainder	4,153	0	0	0	4,153	126	0	4,027
Total Future	39,255	305	351	0	39,911	1,740	26	38,145

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	727	0	3,804	1,015	5,546	-2,269	-2,269	-2,287
2010	678	0	1,325	1,616	3,619	2,151	-118	1,958
2011	496	0	730	1,252	2,478	2,345	2,227	1,930
2012	355	0	515	988	1,858	1,947	4,174	1,449
2013	214	0	49	733	996	1,815	5,989	1,221
2014	176	0	29	605	810	1,508	7,497	918
2015	154	0	21	519	694	1,300	8,797	717
2016	125	0	13	437	575	1,107	9,904	552
2017	113	0	22	381	516	957	10,861	432
2018	105	0	15	341	461	857	11,718	351
2019	102	0	10	309	421	777	12,495	287
2020	102	0	11	273	386	670	13,165	224
2021	100	0	10	246	356	598	13,763	181
2022	89	0	10	222	321	541	14,304	149
2023	87	0	10	200	297	480	14,784	119
Sub-Total	3,623	0	6,574	9,137	19,334	14,784		8,201
Remainder	490	0	446	1,034	1,970	2,057	16,841	378
Total Future	4,113	0	7,020	10,171	21,304	16,841		8,579

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 21

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 24 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.955033			50.00	24.80	2.47	10.00% -	16,148
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	14,250
REMARKS	T1 GAS AND T2 ISOLATED							15.00% -	11,939
								20.00% -	9,095
								25.00% -	7,077

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	70,343	0	51	67,180	0	0	50.00	0.00
2010	1	130,580	1,657	57	122,882	1,559	49	55.00	2.47
2011	1	118,175	1,857	25	111,250	1,749	19	60.00	2.47
2012	1	106,947	836	12	100,767	787	8	60.00	2.47
2013	1	96,788	376	5	83,331	324	3	60.00	2.47
2014	1	87,593	170	2	75,052	145	2	60.00	2.47
2015	1	79,272	29	1	69,107	26	0	60.00	2.47
2016	1	71,741	0	0	61,452	0	0	60.00	0.00
2017	1	64,926	0	0	56,014	0	0	60.00	0.00
2018	1	58,757	0	0	51,595	0	0	60.00	0.00
2019	1	53,176	0	0	47,942	0	0	60.00	0.00
2020	1	48,124	0	0	42,952	0	0	60.00	0.00
2021	1	43,552	0	0	39,044	0	0	60.00	0.00
2022	1	39,414	0	0	35,443	0	0	60.00	0.00
2023	1	35,671	0	0	32,121	0	0	60.00	0.00
Sub-Total		1,105,059	4,925	153	996,132	4,590	81	58.71	2.47
Remainder		186,902	0	0	169,653	0	0	60.00	0.00
Total Future		1,291,961	4,925	153	1,165,785	4,590	81	58.90	2.47
Cumulative		755,200	0	1,605	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		2,047,161	4,925	1,758	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	3,359	0	0	0	3,359	119	0	3,240
2010	6,758	44	121	0	6,923	346	7	6,570
2011	6,676	55	46	0	6,777	347	4	6,426
2012	6,046	25	21	0	6,092	307	2	5,783
2013	4,999	10	8	0	5,017	261	0	4,756
2014	4,504	4	4	0	4,512	229	1	4,282
2015	4,146	1	1	0	4,148	197	0	3,951
2016	3,687	0	0	0	3,687	166	0	3,521
2017	3,361	0	0	0	3,361	139	0	3,222
2018	3,096	0	0	0	3,096	117	0	2,979
2019	2,876	0	0	0	2,876	104	0	2,772
2020	2,577	0	0	0	2,577	92	0	2,485
2021	2,343	0	0	0	2,343	81	0	2,262
2022	2,126	0	0	0	2,126	72	0	2,054
2023	1,928	0	0	0	1,928	63	0	1,865
Sub-Total	58,482	139	201	0	58,822	2,640	14	56,168
Remainder	10,179	0	0	0	10,179	310	0	9,869
Total Future	68,661	139	201	0	69,001	2,950	14	66,037

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	724	0	3,587	1,004	5,315	-2,075	-2,075	-2,093
2010	765	0	1,521	1,850	4,136	2,434	359	2,210
2011	655	0	978	1,679	3,312	3,114	3,473	2,557
2012	536	0	787	1,513	2,836	2,947	6,420	2,191
2013	359	0	83	1,248	1,690	3,066	9,486	2,061
2014	325	0	55	1,123	1,503	2,779	12,265	1,693
2015	305	0	42	1,032	1,379	2,572	14,837	1,416
2016	259	0	27	919	1,205	2,316	17,153	1,155
2017	248	0	47	836	1,131	2,091	19,244	944
2018	236	0	35	771	1,042	1,937	21,181	792
2019	237	0	22	716	975	1,797	22,978	664
2020	239	0	27	642	908	1,577	24,555	529
2021	239	0	23	583	845	1,417	25,972	429
2022	212	0	23	530	765	1,289	27,261	354
2023	207	0	25	480	712	1,153	28,414	286
Sub-Total	5,546	0	7,282	14,926	27,754	28,414		15,188
Remainder	1,203	0	738	2,534	4,475	5,394	33,808	960
Total Future	6,749	0	8,020	17,460	32,229	33,808		16,148

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RYDER SCOTT COMPANY
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ZHAIKMUNAI LLP
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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 22

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 28 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.955033			50.00		2.47	10.00% -	-2,697
FINAL	1.000000	0.955033			50.00		2.47	12.00% -	-2,695
REMARKS	PRODUCE THROUGH AUGUST, 2009							15.00% -	-2,692
								20.00% -	-2,687
								25.00% -	-2,681

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	5,794	0	11	5,533	0	0	50.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		5,794	0	11	5,533	0	0	50.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		5,794	0	11	5,533	0	0	50.00	0.00
Cumulative		98,393	0	161	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		104,187	0	172	SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	277	0	0	0	277	10	0	267
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	277	0	0	0	277	10	0	267
Remainder	0	0	0	0	0	0	0	0
Total Future	277	0	0	0	277	10	0	267

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	2,892	0	0	83	2,975	-2,708	-2,708	-2,697
2010	0	0	0	0	0	0	-2,708	0
2011	0	0	0	0	0	0	-2,708	0
2012	0	0	0	0	0	0	-2,708	0
2013	0	0	0	0	0	0	-2,708	0
2014	0	0	0	0	0	0	-2,708	0
2015	0	0	0	0	0	0	-2,708	0
2016	0	0	0	0	0	0	-2,708	0
2017	0	0	0	0	0	0	-2,708	0
2018	0	0	0	0	0	0	-2,708	0
2019	0	0	0	0	0	0	-2,708	0
2020	0	0	0	0	0	0	-2,708	0
2021	0	0	0	0	0	0	-2,708	0
2022	0	0	0	0	0	0	-2,708	0
2023	0	0	0	0	0	0	-2,708	0
Sub-Total	2,892	0	0	83	2,975	-2,708		-2,697
Remainder	0	0	0	0	0	0	-2,708	0
Total Future	2,892	0	0	83	2,975	-2,708		-2,697

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

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ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 23

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 30 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	15,435
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	14,000
								15.00% -	12,145
								20.00% -	9,666
								25.00% -	7,746

ESTIMATED 8/8 THS PRODUCTION					COMPANY NET SALES			AVERAGE PRICES	
Period	Number of Wells	Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	121,238	0	148	115,786	0	0	50.00	0.00
2010	1	205,428	8,277	244	193,317	7,789	206	55.00	2.47
2011	1	164,343	13,674	188	154,714	12,873	138	60.00	2.47
2012	1	131,474	10,571	146	123,875	9,960	107	60.00	2.47
2013	1	105,179	8,171	113	90,556	7,035	75	60.00	2.47
2014	1	84,143	6,316	87	72,096	5,412	58	60.00	2.47
2015	1	67,315	4,883	68	58,684	4,256	46	60.00	2.47
2016	1	53,852	3,774	52	46,128	3,233	35	60.00	2.47
2017	1	43,081	2,917	40	37,169	2,517	27	60.00	2.47
2018	1	34,466	2,255	31	30,263	1,980	21	60.00	2.47
2019	1	27,572	1,744	24	24,859	1,572	17	60.00	2.47
2020	1	22,057	1,347	19	19,687	1,203	13	60.00	2.47
2021	1	17,646	1,042	14	15,819	933	10	60.00	2.47
2022	1	14,117	805	11	12,695	724	7	60.00	2.47
2023	1	11,294	622	9	10,170	561	6	60.00	2.47
Sub-Total		1,103,205	66,398	1,194	1,005,818	60,048	766	57.89	2.47
Remainder		37,595	1,782	24	34,049	1,609	18	60.00	2.47
Total Future		1,140,800	68,180	1,218	1,039,867	61,657	784	57.96	2.47
Cumulative		427,983	0	514	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,568,783	68,180	1,732	INITIAL SHRINKAGE FACTOR = 0.00 %				

COMPANY FUTURE GROSS REVENUE (FGR) - \$M						ROYALTY		FGR AFTER ROYALTY	
Period	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	\$M	
2009	5,789	0	0	0	5,789	204	0	5,585	
2010	10,633	219	508	0	11,360	545	29	10,786	
2011	9,283	404	341	0	10,028	482	30	9,516	
2012	7,432	313	264	0	8,009	378	24	7,607	
2013	5,433	221	187	0	5,841	284	16	5,541	
2014	4,326	170	143	0	4,639	219	13	4,407	
2015	3,521	134	113	0	3,768	168	10	3,590	
2016	2,768	102	85	0	2,955	125	7	2,823	
2017	2,230	79	67	0	2,376	92	6	2,278	
2018	1,816	62	53	0	1,931	69	5	1,857	
2019	1,491	49	41	0	1,581	54	3	1,524	
2020	1,182	38	32	0	1,252	42	3	1,207	
2021	949	30	25	0	1,004	32	2	970	
2022	761	22	19	0	802	26	2	774	
2023	611	18	15	0	644	20	1	623	
Sub-Total	58,225	1,861	1,893	0	61,979	2,740	151	59,088	
Remainder	2,043	50	43	0	2,136	63	4	2,069	
Total Future	60,268	1,911	1,936	0	64,115	2,803	155	61,157	

DEDUCTIONS - \$M						FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	1,250	0	6,326	1,730	9,306	-3,721	-3,721	-3,754	
2010	1,279	0	2,523	2,962	6,764	4,022	301	3,658	
2011	987	0	1,449	2,434	4,870	4,646	4,947	3,821	
2012	718	0	1,036	1,945	3,699	3,908	8,855	2,910	
2013	427	0	97	1,420	1,944	3,597	12,452	2,421	
2014	340	0	57	1,129	1,526	2,881	15,333	1,755	
2015	282	0	37	917	1,236	2,354	17,687	1,298	
2016	212	0	22	720	954	1,869	19,556	933	
2017	179	0	33	579	791	1,487	21,043	672	
2018	148	0	22	471	641	1,216	22,259	497	
2019	133	0	12	386	531	993	23,252	368	
2020	117	0	13	306	436	771	24,023	258	
2021	104	0	10	245	359	611	24,634	186	
2022	81	0	9	197	287	487	25,121	134	
2023	69	0	8	157	234	389	25,510	96	
Sub-Total	6,326	0	11,654	15,598	33,578	25,510		15,253	
Remainder	253	0	474	524	1,251	818	26,328	182	
Total Future	6,579	0	12,128	16,122	34,829	26,328		15,435	

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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 24

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 50 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	4,294
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	3,843
								15.00% -	3,268
								20.00% -	2,508
								25.00% -	1,923

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	57,940	0	160	55,334	0	0	50.00	0.00
2010	1	75,804	10,468	297	71,336	9,851	249	55.00	2.47
2011	1	42,451	19,380	267	39,963	18,245	196	60.00	2.47
2012	1	23,772	17,478	241	22,398	16,467	176	60.00	2.47
2013	1	13,313	15,761	218	11,462	13,569	146	60.00	2.47
2014	1	7,455	14,213	196	6,388	12,179	130	60.00	2.47
2015	1	4,174	12,817	177	3,639	11,174	120	60.00	2.47
2016	1	2,338	11,559	159	2,003	9,901	106	60.00	2.47
2017	1	906	10,424	144	781	8,993	97	60.00	2.47
2018	1	0	9,400	130	0	8,254	88	0.00	2.47
2019	1	0	8,477	117	0	7,643	82	0.00	2.47
2020	1	0	7,645	105	0	6,823	74	0.00	2.47
2021	1	0	6,894	95	0	6,180	66	0.00	2.47
2022	1	0	6,217	86	0	5,591	60	0.00	2.47
2023	1	0	5,606	77	0	5,048	54	0.00	2.47
Sub-Total		228,153	156,339	2,469	213,304	139,918	1,644	55.73	2.47
Remainder		0	28,966	400	0	26,291	282	0.00	2.47
Total Future		228,153	185,305	2,869	213,304	166,209	1,926	55.73	2.47
Cumulative		693,369	0	887	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		921,522	185,305	3,756	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	2,767	0	0	0	2,767	98	0	2,669
2010	3,923	277	615	0	4,815	201	36	4,578
2011	2,398	573	483	0	3,454	124	43	3,287
2012	1,344	518	436	0	2,298	69	38	2,191
2013	688	426	360	0	1,474	35	32	1,407
2014	383	383	322	0	1,088	20	28	1,040
2015	218	351	297	0	866	10	26	830
2016	120	311	262	0	693	6	23	664
2017	47	282	238	0	567	2	21	544
2018	0	260	219	0	479	0	19	460
2019	0	240	202	0	442	0	18	424
2020	0	214	181	0	395	0	16	379
2021	0	194	164	0	358	0	14	344
2022	0	176	148	0	324	0	13	311
2023	0	159	134	0	293	0	12	281
Sub-Total	11,888	4,364	4,061	0	20,313	565	339	19,409
Remainder	0	826	696	0	1,522	0	61	1,461
Total Future	11,888	5,190	4,757	0	21,835	565	400	20,870

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	602	0	3,223	827	4,652	-1,983	-1,983	-1,997
2010	571	0	1,101	1,159	2,831	1,747	-236	1,593
2011	361	0	505	771	1,637	1,650	1,414	1,360
2012	224	0	306	491	1,021	1,170	2,584	872
2013	123	0	25	300	448	959	3,543	645
2014	94	0	14	211	319	721	4,264	440
2015	77	0	10	161	248	582	4,846	321
2016	61	0	5	124	190	474	5,320	236
2017	53	0	9	97	159	385	5,705	175
2018	46	0	6	79	131	329	6,034	134
2019	46	0	4	73	123	301	6,335	112
2020	46	0	4	64	114	265	6,600	89
2021	44	0	4	59	107	237	6,837	71
2022	40	0	4	53	97	214	7,051	59
2023	38	0	4	48	90	191	7,242	47
Sub-Total	2,426	0	5,224	4,517	12,167	7,242		4,157
Remainder	216	0	309	250	775	686	7,928	137
Total Future	2,642	0	5,533	4,767	12,942	7,928		4,294

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 25

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 51 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	22,460
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	20,331
								15.00% -	17,581
								20.00% -	13,910
								25.00% -	11,069

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	192,325	0	91	183,676	0	0	50.00	0.00
2010	1	325,880	2,860	98	306,669	2,691	84	55.00	2.47
2011	1	260,704	3,319	46	245,428	3,125	34	60.00	2.47
2012	1	208,564	1,671	23	196,510	1,574	17	60.00	2.47
2013	1	166,850	896	13	143,653	772	8	60.00	2.47
2014	1	133,481	508	7	114,369	435	5	60.00	2.47
2015	1	106,784	301	4	93,093	262	3	60.00	2.47
2016	1	85,428	185	2	73,176	158	1	60.00	2.47
2017	1	68,342	117	2	58,961	102	1	60.00	2.47
2018	1	54,674	17	0	48,009	15	1	60.00	2.47
2019	1	43,738	0	0	39,434	0	0	60.00	0.00
2020	1	34,992	0	0	31,230	0	0	60.00	0.00
2021	1	27,992	0	0	25,095	0	0	60.00	0.00
2022	1	22,395	0	0	20,138	0	0	60.00	0.00
2023	1	17,915	0	0	16,133	0	0	60.00	0.00
Sub-Total		1,750,064	9,874	286	1,595,574	9,134	154	57.89	2.47
Remainder		59,639	0	0	54,014	0	0	60.00	0.00
Total Future		1,809,703	9,874	286	1,649,588	9,134	154	57.96	2.47
Cumulative		525,417	0	313	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		2,335,120	9,874	599	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	9,184	0	0	0	9,184	324	0	8,860
2010	16,867	76	209	0	17,152	864	11	16,277
2011	14,725	98	82	0	14,905	766	8	14,131
2012	11,791	49	42	0	11,882	598	3	11,281
2013	8,619	25	21	0	8,665	450	2	8,213
2014	6,862	13	11	0	6,886	349	1	6,536
2015	5,586	8	7	0	5,601	266	1	5,334
2016	4,390	5	4	0	4,399	197	0	4,202
2017	3,538	4	3	0	3,545	147	0	3,398
2018	2,881	0	0	0	2,881	109	0	2,772
2019	2,366	0	0	0	2,366	86	0	2,280
2020	1,873	0	0	0	1,873	66	0	1,807
2021	1,506	0	0	0	1,506	52	0	1,454
2022	1,208	0	0	0	1,208	41	0	1,167
2023	968	0	0	0	968	32	0	936
Sub-Total	92,364	278	379	0	93,021	4,347	26	88,648
Remainder	3,241	0	0	0	3,241	99	0	3,142
Total Future	95,605	278	379	0	96,262	4,446	26	91,790

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %	
						Annual	Cumulative		
2009	1,966	0	10,074	2,744	14,784	-5,924	-5,924	-5,977	
2010	1,898	0	3,733	4,607	10,238	6,039	115	5,495	
2011	1,444	0	2,137	3,697	7,278	6,853	6,968	5,638	
2012	1,048	0	1,525	2,951	5,524	5,757	12,725	4,284	
2013	621	0	143	2,153	2,917	5,296	18,021	3,563	
2014	496	0	84	1,713	2,293	4,243	22,264	2,587	
2015	412	0	55	1,393	1,860	3,474	25,738	1,915	
2016	310	0	33	1,095	1,438	2,764	28,502	1,381	
2017	261	0	49	882	1,192	2,206	30,708	995	
2018	219	0	32	717	968	1,804	32,512	739	
2019	195	0	18	589	802	1,478	33,990	547	
2020	174	0	19	467	660	1,147	35,137	385	
2021	153	0	15	375	543	911	36,048	276	
2022	120	0	13	301	434	733	36,781	201	
2023	104	0	13	241	358	578	37,359	144	
Sub-Total	9,421	0	17,943	23,925	51,289	37,359		22,173	
Remainder	380	0	604	807	1,791	1,351	38,710	287	
Total Future	9,801	0	18,547	24,732	53,080	38,710		22,460	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 26

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 52 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	21,020
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	19,058
								15.00% -	16,568
								20.00% -	13,326
								25.00% -	10,888

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	51,918	0	118	49,583	0	0	50.00	0.00
2010	1	151,081	26,459	567	142,175	24,899	457	55.00	2.47
2011	1	149,779	48,935	675	141,002	46,068	494	60.00	2.47
2012	1	120,507	44,067	608	113,543	41,520	445	60.00	2.47
2013	1	96,949	39,684	547	83,469	34,166	367	60.00	2.47
2014	1	77,991	35,736	493	66,824	30,620	328	60.00	2.47
2015	1	62,731	32,182	444	54,689	28,055	301	60.00	2.47
2016	1	50,454	28,980	400	43,218	24,824	266	60.00	2.47
2017	1	40,572	26,098	360	35,003	22,516	242	60.00	2.47
2018	1	32,620	23,502	325	28,643	20,637	221	60.00	2.47
2019	1	26,223	21,164	292	23,642	19,081	205	60.00	2.47
2020	1	20,871	18,809	259	18,628	16,788	180	60.00	2.47
2021	1	16,093	15,997	221	14,427	14,341	154	60.00	2.47
2022	1	12,448	13,580	187	11,195	12,212	131	60.00	2.47
2023	1	9,683	11,549	160	8,720	10,399	112	60.00	2.47
Sub-Total		919,920	386,742	5,656	834,761	346,126	3,903	58.55	2.47
Remainder		28,491	48,725	672	25,761	44,183	473	60.00	2.47
Total Future		948,411	435,467	6,328	860,522	390,309	4,376	58.60	2.47
Cumulative		67,674	0	147	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,016,085	435,467	6,475	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	2,479	0	0	0	2,479	88	0	2,391
2010	7,820	700	1,128	0	9,648	400	73	9,175
2011	8,460	1,447	1,221	0	11,128	440	109	10,579
2012	6,812	1,305	1,100	0	9,217	346	96	8,775
2013	5,009	1,073	905	0	6,987	261	81	6,645
2014	4,009	963	811	0	5,783	204	71	5,508
2015	3,281	881	744	0	4,906	156	65	4,685
2016	2,593	780	657	0	4,030	117	58	3,855
2017	2,101	707	597	0	3,405	87	52	3,266
2018	1,718	649	547	0	2,914	65	48	2,801
2019	1,419	599	505	0	2,523	51	44	2,428
2020	1,117	528	445	0	2,090	40	39	2,011
2021	866	450	380	0	1,696	30	33	1,633
2022	672	384	324	0	1,380	23	29	1,328
2023	523	327	275	0	1,125	17	24	1,084
Sub-Total	48,879	10,793	9,639	0	69,311	2,325	822	66,164
Remainder	1,546	1,388	1,171	0	4,105	47	102	3,956
Total Future	50,425	12,181	10,810	0	73,416	2,372	924	70,120

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	542	0	2,693	741	3,976	-1,585	-1,585	-1,599
2010	1,079	0	2,779	2,361	6,219	2,956	1,371	2,649
2011	1,137	0	1,644	2,544	5,325	5,254	6,625	4,319
2012	865	0	1,221	2,092	4,178	4,597	11,222	3,421
2013	543	0	120	1,571	2,234	4,411	15,633	2,967
2014	455	0	72	1,290	1,817	3,691	19,324	2,248
2015	395	0	51	1,084	1,530	3,155	22,479	1,739
2016	314	0	31	882	1,227	2,628	25,107	1,313
2017	279	0	49	737	1,065	2,201	27,308	993
2018	247	0	34	624	905	1,896	29,204	776
2019	231	0	20	535	786	1,642	30,846	607
2020	216	0	23	438	677	1,334	32,180	448
2021	191	0	17	351	559	1,074	33,254	325
2022	153	0	16	284	453	875	34,129	241
2023	135	0	15	229	379	705	34,834	175
Sub-Total	6,782	0	8,785	15,763	31,330	34,834		20,622
Remainder	541	0	613	805	1,959	1,997	36,831	398
Total Future	7,323	0	9,398	16,568	33,289	36,831		21,020

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PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 27

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 53 (TURNISKI)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000							10.00%	0
FINAL	1.000000							12.00%	0
REMARKS	CONVERTED TO INJECTION							15.00%	0
								20.00%	0
								25.00%	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		69,525	0	200					
Ultimate		69,525	0	200					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0		0	0
Remainder	0	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0		0	0

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RYDER SCOTT COMPANY
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AS OF JULY 1, 2009

TABLE 28

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 54 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	37,854
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	33,418
								15.00% -	28,000
								20.00% -	21,304
								25.00% -	16,529

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	183,333	0	176	175,089	0	0	50.00	0.00
2010	1	318,780	10,662	307	299,987	10,033	258	55.00	2.47
2011	1	273,025	19,173	264	257,027	18,050	194	60.00	2.47
2012	1	240,394	16,983	234	226,500	16,001	171	60.00	2.47
2013	1	215,445	15,261	211	185,492	13,140	141	60.00	2.47
2014	1	193,900	13,736	189	166,138	11,769	126	60.00	2.47
2015	1	174,510	12,361	171	152,134	10,777	116	60.00	2.47
2016	1	157,059	11,126	154	134,534	9,530	102	60.00	2.47
2017	1	141,353	10,013	138	121,952	8,638	93	60.00	2.47
2018	1	127,218	9,012	124	111,709	7,913	85	60.00	2.47
2019	1	114,496	8,110	112	103,227	7,313	78	60.00	2.47
2020	1	103,046	7,300	101	91,971	6,515	70	60.00	2.47
2021	1	92,742	6,570	90	83,142	5,889	63	60.00	2.47
2022	1	83,467	5,912	82	75,056	5,317	57	60.00	2.47
2023	1	75,121	5,321	73	67,648	4,792	52	60.00	2.47
Sub-Total		2,493,889	151,540	2,426	2,251,606	135,677	1,606	58.56	2.47
Remainder		385,054	27,277	377	349,474	24,756	265	60.00	2.47
Total Future		2,878,943	178,817	2,803	2,601,080	160,433	1,871	58.75	2.47
Cumulative		711,845	0	737	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		3,590,788	178,817	3,540	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	8,754	0	0	0	8,754	309	0	8,445
2010	16,500	282	637	0	17,419	845	37	16,537
2011	15,421	567	479	0	16,467	802	42	15,623
2012	13,590	503	424	0	14,517	690	37	13,790
2013	11,130	413	348	0	11,891	581	32	11,278
2014	9,968	370	311	0	10,649	506	27	10,116
2015	9,128	338	286	0	9,752	435	25	9,292
2016	8,072	300	253	0	8,625	363	22	8,240
2017	7,317	271	228	0	7,816	304	20	7,492
2018	6,703	249	210	0	7,162	253	18	6,891
2019	6,194	229	194	0	6,617	224	17	6,376
2020	5,518	205	172	0	5,895	196	15	5,684
2021	4,988	185	156	0	5,329	173	14	5,142
2022	4,504	167	141	0	4,812	152	12	4,648
2023	4,059	151	127	0	4,337	134	12	4,191
Sub-Total	131,846	4,230	3,966	0	140,042	5,967	330	133,745
Remainder	20,968	778	656	0	22,402	638	57	21,707
Total Future	152,814	5,008	4,622	0	162,444	6,605	387	155,452

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	1,885	0	9,560	2,616	14,061	-5,616	-5,616	-5,666
2010	1,949	0	3,855	4,577	10,381	6,156	540	5,596
2011	1,612	0	2,386	4,012	8,010	7,613	8,153	6,255
2012	1,295	0	1,886	3,536	6,717	7,073	15,226	5,258
2013	868	0	199	2,896	3,963	7,315	22,541	4,919
2014	780	0	131	2,594	3,505	6,611	29,152	4,024
2015	731	0	98	2,375	3,204	6,088	35,240	3,354
2016	618	0	64	2,101	2,783	5,457	40,697	2,721
2017	588	0	110	1,904	2,602	4,890	45,587	2,208
2018	554	0	80	1,744	2,378	4,513	50,100	1,844
2019	556	0	53	1,612	2,221	4,155	54,255	1,538
2020	555	0	60	1,436	2,051	3,633	57,888	1,216
2021	549	0	53	1,298	1,900	3,242	61,130	983
2022	488	0	54	1,172	1,714	2,934	64,064	805
2023	472	0	55	1,056	1,583	2,608	66,672	648
Sub-Total	13,500	0	18,644	34,929	67,073	66,672		35,703
Remainder	2,679	0	1,423	5,457	9,559	12,148	78,820	2,151
Total Future	16,179	0	20,067	40,386	76,632	78,820		37,854

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 29

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 56 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	9,517
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	8,488
								15.00% -	7,201
								20.00% -	5,556
								25.00% -	4,335

ESTIMATED 8/8 THS PRODUCTION					COMPANY NET SALES			AVERAGE PRICES	
Period	Number of Wells	Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	75,129	0	108	71,751	0	0	50.00	0.00
2010	1	117,465	6,721	193	110,539	6,324	162	55.00	2.47
2011	1	87,377	12,236	169	82,258	11,520	123	60.00	2.47
2012	1	67,355	10,967	151	63,462	10,333	111	60.00	2.47
2013	1	53,390	9,870	136	45,967	8,498	91	60.00	2.47
2014	1	43,286	8,883	123	37,088	7,611	82	60.00	2.47
2015	1	35,748	7,995	110	31,165	6,970	75	60.00	2.47
2016	1	29,985	7,196	99	25,685	6,163	66	60.00	2.47
2017	1	25,485	6,475	90	21,987	5,587	60	60.00	2.47
2018	1	21,907	5,829	80	19,236	5,118	55	60.00	2.47
2019	1	19,018	5,245	72	17,146	4,729	50	60.00	2.47
2020	1	16,653	4,721	66	14,863	4,214	46	60.00	2.47
2021	1	14,694	4,249	58	13,174	3,809	40	60.00	2.47
2022	1	13,055	3,824	53	11,739	3,438	37	60.00	2.47
2023	1	11,670	3,441	47	10,509	3,100	34	60.00	2.47
Sub-Total		632,217	97,652	1,555	576,569	87,414	1,032	57.80	2.47
Remainder		59,714	17,641	244	54,197	16,010	171	60.00	2.47
Total Future		691,931	115,293	1,799	630,766	103,424	1,203	57.99	2.47
Cumulative		586,555	0	621	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,278,486	115,293	2,420	INITIAL SHRINKAGE FACTOR = 0.00 %				

COMPANY FUTURE GROSS REVENUE (FGR) - \$M						ROYALTY		FGR AFTER ROYALTY \$M
Period	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	3,588	0	0	0	3,588	127	0	3,461
2010	6,079	178	399	0	6,656	311	23	6,322
2011	4,936	362	306	0	5,604	257	27	5,320
2012	3,807	324	273	0	4,404	193	24	4,187
2013	2,758	267	226	0	3,251	144	20	3,087
2014	2,226	240	201	0	2,667	113	18	2,536
2015	1,870	219	185	0	2,274	89	16	2,169
2016	1,541	193	163	0	1,897	69	15	1,813
2017	1,319	176	148	0	1,643	55	12	1,576
2018	1,154	161	136	0	1,451	44	12	1,395
2019	1,029	148	125	0	1,302	37	11	1,254
2020	892	133	112	0	1,137	32	10	1,095
2021	790	119	101	0	1,010	27	9	974
2022	704	108	91	0	903	24	8	871
2023	631	98	82	0	811	21	7	783
Sub-Total	33,324	2,726	2,548	0	38,598	1,543	212	36,843
Remainder	3,252	503	424	0	4,179	98	37	4,044
Total Future	36,576	3,229	2,972	0	42,777	1,641	249	40,887

DEDUCTIONS - \$M						FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00	%
						Annual	Cumulative		
2009	774	0	4,024	1,072	5,870	-2,409	-2,409	-2,428	
2010	757	0	1,482	1,712	3,951	2,371	-38	2,158	
2011	558	0	811	1,338	2,707	2,613	2,575	2,149	
2012	401	0	574	1,046	2,021	2,166	4,741	1,613	
2013	244	0	55	768	1,067	2,020	6,761	1,359	
2014	201	0	33	626	860	1,676	8,437	1,020	
2015	176	0	23	532	731	1,438	9,875	793	
2016	141	0	14	443	598	1,215	11,090	607	
2017	128	0	23	381	532	1,044	12,134	470	
2018	116	0	17	336	469	926	13,060	379	
2019	114	0	10	302	426	828	13,888	307	
2020	110	0	12	262	384	711	14,599	238	
2021	108	0	10	233	351	623	15,222	189	
2022	95	0	11	208	314	557	15,779	153	
2023	91	0	10	186	287	496	16,275	123	
Sub-Total	4,014	0	7,109	9,445	20,568	16,275		9,130	
Remainder	515	0	461	962	1,938	2,106	18,381	387	
Total Future	4,529	0	7,570	10,407	22,506	18,381		9,517	

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 30

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 61 (TURNEISKI)

OIL LEASE
PROBABLE
BEHIND PIPE

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.836809	0.836809	0.836809	50.00	24.80	2.47	10.00% -	7,531
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	5,704
REMARKS	RECOMPLETION FROM ARDATOVSKI (D2AD_4)							15.00% -	3,642
								20.00% -	1,425
								25.00% -	131

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017	1	145,604	23,046	318	121,843	19,285	207	60.00	2.47
2018	1	133,035	23,603	326	113,044	20,056	215	60.00	2.47
2019	1	102,079	20,258	279	89,625	17,787	191	60.00	2.47
2020	1	80,378	17,630	243	69,782	15,306	164	60.00	2.47
2021	1	64,532	15,484	214	56,307	13,510	145	60.00	2.47
2022	1	52,608	13,684	189	46,105	11,993	129	60.00	2.47
2023	1	43,432	12,148	167	38,115	10,661	114	60.00	2.47
Sub-Total		621,668	125,853	1,736	534,821	108,598	1,165	60.00	2.47
Remainder		175,949	56,336	778	155,708	49,850	535	60.00	2.47
Total Future		797,617	182,189	2,514	690,529	158,448	1,700	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	7,311	606	511	0	8,428	444	51	7,933
2018	6,782	630	531	0	7,943	403	52	7,488
2019	5,378	559	472	0	6,409	300	45	6,064
2020	4,187	481	405	0	5,073	222	38	4,813
2021	3,378	424	358	0	4,160	175	33	3,952
2022	2,766	377	318	0	3,461	139	29	3,293
2023	2,287	335	282	0	2,904	113	26	2,765
Sub-Total	32,089	3,412	2,877	0	38,378	1,796	274	36,308
Remainder	9,343	1,566	1,321	0	12,230	400	117	11,713
Total Future	41,432	4,978	4,198	0	50,608	2,196	391	48,021

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	0	0	0	0	-1,901	0
2017	655	0	1,050	2,004	3,709	4,224	2,323	1,869
2018	631	0	29	1,879	2,539	4,949	7,272	2,024
2019	551	0	19	1,509	2,079	3,985	11,257	1,476
2020	492	0	20	1,188	1,700	3,113	14,370	1,044
2021	442	0	16	969	1,427	2,525	16,895	765
2022	363	0	16	803	1,182	2,111	19,006	580
2023	329	0	15	671	1,015	1,750	20,756	435
Sub-Total	3,463	0	3,066	9,023	15,552	20,756		6,300
Remainder	1,542	0	558	2,800	4,900	6,813	27,569	1,231
Total Future	5,005	0	3,624	11,823	20,452	27,569		7,531

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AS OF JULY 1, 2009

TABLE 31

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 62 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	18,882
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	16,840
								15.00% -	14,289
								20.00% -	11,033
								25.00% -	8,628

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	122,023	0	325	116,535	0	0	50.00	0.00
2010	1	187,307	19,854	570	176,266	18,684	479	55.00	2.47
2011	1	142,873	35,869	495	134,501	33,767	362	60.00	2.47
2012	1	114,687	31,696	437	108,059	29,864	321	60.00	2.47
2013	1	94,678	28,242	390	81,515	24,315	261	60.00	2.47
2014	1	79,650	25,280	349	68,245	21,661	232	60.00	2.47
2015	1	67,985	22,697	313	59,269	19,787	212	60.00	2.47
2016	1	58,690	20,418	282	50,272	17,490	188	60.00	2.47
2017	1	50,912	18,376	253	43,923	15,854	170	60.00	2.47
2018	1	44,272	16,539	228	38,877	14,522	156	60.00	2.47
2019	1	38,162	14,341	198	34,405	12,929	138	60.00	2.47
2020	1	32,738	11,966	165	29,220	10,680	115	60.00	2.47
2021	1	28,320	9,994	138	25,389	8,960	96	60.00	2.47
2022	1	24,670	8,356	115	22,183	7,514	81	60.00	2.47
2023	1	21,609	6,994	97	19,460	6,298	67	60.00	2.47
Sub-Total		1,108,576	270,622	4,355	1,008,119	242,325	2,878	57.97	2.47
Remainder		103,889	27,627	381	94,268	25,043	269	60.00	2.47
Total Future		1,212,465	298,249	4,736	1,102,387	267,368	3,147	58.14	2.47
Cumulative		160,205	0	369	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,372,670	298,249	5,105	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	5,827	0	0	0	5,827	206	0	5,621
2010	9,694	525	1,183	0	11,402	496	68	10,838
2011	8,070	1,061	895	0	10,026	420	80	9,526
2012	6,484	939	791	0	8,214	329	69	7,816
2013	4,891	763	645	0	6,299	255	58	5,986
2014	4,095	681	574	0	5,350	208	50	5,092
2015	3,556	622	524	0	4,702	170	46	4,486
2016	3,016	549	463	0	4,028	135	41	3,852
2017	2,635	498	420	0	3,553	110	37	3,406
2018	2,333	457	385	0	3,175	88	33	3,054
2019	2,064	406	343	0	2,813	74	30	2,709
2020	1,754	336	283	0	2,373	63	25	2,285
2021	1,523	281	237	0	2,041	53	21	1,967
2022	1,331	236	199	0	1,766	45	17	1,704
2023	1,167	198	167	0	1,532	38	15	1,479
Sub-Total	58,440	7,552	7,109	0	73,101	2,690	590	69,821
Remainder	5,657	787	664	0	7,108	172	58	6,878
Total Future	64,097	8,339	7,773	0	80,209	2,862	648	76,699

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	1,272	0	6,610	1,741	9,623	-4,002	-4,002	-4,032	
2010	1,327	0	2,602	2,811	6,740	4,098	96	3,728	
2011	1,015	0	1,468	2,331	4,814	4,712	4,808	3,875	
2012	761	0	1,082	1,898	3,741	4,075	8,883	3,031	
2013	481	0	107	1,449	2,037	3,949	12,832	2,656	
2014	412	0	66	1,226	1,704	3,388	16,220	2,062	
2015	371	0	49	1,073	1,493	2,993	19,213	1,651	
2016	305	0	30	918	1,253	2,599	21,812	1,297	
2017	282	0	51	807	1,140	2,266	24,078	1,024	
2018	258	0	36	719	1,013	2,041	26,119	833	
2019	248	0	23	637	908	1,801	27,920	666	
2020	234	0	25	538	797	1,488	29,408	499	
2021	219	0	20	464	703	1,264	30,672	383	
2022	186	0	20	403	609	1,095	31,767	301	
2023	174	0	20	351	545	934	32,701	233	
Sub-Total	7,545	0	12,209	17,366	37,120	32,701		18,207	
Remainder	871	0	684	1,646	3,201	3,677	36,378	675	
Total Future	8,416	0	12,893	19,012	40,321	36,378		18,882	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 32

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 115 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	34,864
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	32,138
								15.00% -	28,688
								20.00% -	24,205
								25.00% -	20,829

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	95,697	0	201	91,394	0	0	50.00	0.00
2010	1	315,516	24,903	719	296,914	23,435	605	55.00	2.47
2011	1	237,388	44,201	610	223,479	41,611	446	60.00	2.47
2012	1	184,307	38,185	527	173,655	35,978	386	60.00	2.47
2013	1	146,397	33,373	460	126,042	28,733	308	60.00	2.47
2014	1	118,331	29,395	406	101,390	25,186	270	60.00	2.47
2015	1	97,002	26,031	359	84,564	22,694	244	60.00	2.47
2016	1	80,461	23,144	319	68,922	19,825	212	60.00	2.47
2017	1	67,428	20,639	285	58,173	17,806	191	60.00	2.47
2018	1	57,027	18,447	255	50,075	16,198	174	60.00	2.47
2019	1	48,605	16,480	227	43,821	14,858	159	60.00	2.47
2020	1	41,196	14,018	193	36,769	12,512	135	60.00	2.47
2021	1	35,138	11,688	162	31,500	10,478	112	60.00	2.47
2022	1	30,335	9,764	134	27,279	8,780	94	60.00	2.47
2023	1	26,472	8,174	113	23,839	7,360	79	60.00	2.47
Sub-Total		1,581,300	318,442	4,970	1,437,816	285,454	3,415	58.33	2.47
Remainder		104,059	30,791	425	93,988	27,880	299	60.00	2.47
Total Future		1,685,359	349,233	5,395	1,531,804	313,334	3,714	58.43	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
Ultimate 1,685,359 349,233 5,395 INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	4,570	0	0	0	4,570	161	0	4,409
2010	16,330	659	1,493	0	18,482	836	86	17,560
2011	13,409	1,307	1,103	0	15,819	698	98	15,023
2012	10,419	1,131	953	0	12,503	529	84	11,890
2013	7,563	902	761	0	9,226	395	68	8,763
2014	6,083	792	668	0	7,543	309	59	7,175
2015	5,074	713	601	0	6,388	241	52	6,095
2016	4,135	623	525	0	5,283	186	46	5,051
2017	3,490	559	472	0	4,521	145	41	4,335
2018	3,005	509	429	0	3,943	114	38	3,791
2019	2,629	467	394	0	3,490	95	34	3,361
2020	2,206	393	331	0	2,930	78	29	2,823
2021	1,890	329	278	0	2,497	66	24	2,407
2022	1,637	276	233	0	2,146	55	21	2,070
2023	1,430	231	195	0	1,856	47	17	1,792
Sub-Total	83,870	8,891	8,436	0	101,197	3,955	697	96,545
Remainder	5,640	876	738	0	7,254	172	64	7,018
Total Future	89,510	9,767	9,174	0	108,451	4,127	761	103,563

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	1,105	0	0	1,365	2,470	1,939	1,939	1,867
2010	2,126	0	4,170	4,659	10,955	6,605	8,544	6,012
2011	1,586	0	2,301	3,735	7,622	7,401	15,945	6,088
2012	1,147	0	1,635	2,936	5,718	6,172	22,117	4,594
2013	697	0	155	2,157	3,009	5,754	27,871	3,872
2014	574	0	94	1,754	2,422	4,753	32,624	2,895
2015	498	0	65	1,479	2,042	4,053	36,677	2,233
2016	396	0	40	1,218	1,654	3,397	40,074	1,696
2017	356	0	64	1,039	1,459	2,876	42,950	1,299
2018	319	0	45	902	1,266	2,525	45,475	1,032
2019	306	0	28	796	1,130	2,231	47,706	826
2020	288	0	31	668	987	1,836	49,542	615
2021	268	0	25	570	863	1,544	51,086	469
2022	225	0	24	491	740	1,330	52,416	364
2023	209	0	24	427	660	1,132	53,548	282
Sub-Total	10,100	0	8,701	24,196	42,997	53,548		34,144
Remainder	877	0	845	1,669	3,391	3,627	57,175	720
Total Future	10,977	0	9,546	25,865	46,388	57,175		34,864

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 33

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELLS 10,22,24 (TURNEISKI)

OIL LEASE
PROVED
NON-PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
INITIAL	1.000000	0.955033			50.00	24.80	2.47	10.00% -	18,684
FINAL	1.000000	0.862743	0.862743	0.862743	60.00	31.42	2.47	12.00% -	17,297
REMARKS	WELL COUNT REFLECTED WITH PDP CASE FOR THESE 3 WELLS							15.00% -	15,428
	RESERVES FOR T2 & TE ISOLATED INTERVALS							20.00% -	12,791
								25.00% -	10,640

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		106,457	0	857	101,670	0	0	50.00	0.00
2010		169,775	46,111	1,366	159,766	43,393	1,153	55.00	2.47
2011		132,916	77,533	1,070	125,128	72,989	783	60.00	2.47
2012		109,240	63,722	879	102,926	60,039	644	60.00	2.47
2013		92,738	54,095	746	79,845	46,575	499	60.00	2.47
2014		80,573	47,000	649	69,037	40,271	432	60.00	2.47
2015		71,232	41,551	573	62,099	36,223	389	60.00	2.47
2016		63,804	37,218	514	54,653	31,880	342	60.00	2.47
2017		3,733	2,178	30	3,221	1,879	20	60.00	2.47
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		830,468	369,408	6,684	758,345	333,249	4,262	57.61	2.47
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		830,468	369,408	6,684	758,345	333,249	4,262	57.61	2.47
Cumulative		19,682	0	158	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		850,150	369,408	6,842	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	5,083	0	0	0	5,083	179	0	4,904
2010	8,788	1,220	2,847	0	12,855	450	163	12,242
2011	7,507	2,293	1,934	0	11,734	391	172	11,171
2012	6,176	1,887	1,591	0	9,654	313	139	9,202
2013	4,791	1,463	1,234	0	7,488	251	110	7,127
2014	4,142	1,265	1,067	0	6,474	210	94	6,170
2015	3,726	1,138	959	0	5,823	177	84	5,562
2016	3,279	1,002	845	0	5,126	148	74	4,904
2017	193	59	50	0	302	8	5	289
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	43,685	10,327	10,527	0	64,539	2,127	841	61,571
Remainder	0	0	0	0	0	0	0	0
Total Future	43,685	10,327	10,527	0	64,539	2,127	841	61,571

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	1,183	0	5,479	1,519	8,181	-3,277	-3,277	-3,304
2010	1,589	0	3,139	2,800	7,528	4,714	1,437	4,284
2011	1,234	0	1,751	2,563	5,548	5,623	7,060	4,625
2012	927	0	1,294	2,109	4,330	4,872	11,932	3,624
2013	594	0	129	1,636	2,359	4,768	16,700	3,207
2014	516	0	82	1,414	2,012	4,158	20,858	2,531
2015	474	0	60	1,272	1,806	3,756	24,614	2,069
2016	400	0	40	1,120	1,560	3,344	27,958	1,669
2017	24	0	200	66	290	-1	27,957	4
2018	0	0	0	0	0	0	27,957	0
2019	0	0	0	0	0	0	27,957	0
2020	0	0	0	0	0	0	27,957	0
2021	0	0	0	0	0	0	27,957	0
2022	0	0	0	0	0	0	27,957	0
2023	0	0	0	0	0	0	27,957	0
Sub-Total	6,941	0	12,174	14,499	33,614	27,957		18,709
Remainder	0	0	240	0	240	-240	27,717	-25
Total Future	6,941	0	12,414	14,499	33,854	27,717		18,684

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 34

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 63 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.955033			50.00	24.80	2.47	10.00% -	34,854
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	32,168
REMARKS	REPLACEMENT FOR 28							15.00% -	28,769
								20.00% -	24,353
								25.00% -	21,027

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	125,880	0	266	120,219	0	0	50.00	0.00
2010	1	307,660	24,557	709	289,523	23,109	596	55.00	2.47
2011	1	232,191	43,639	602	218,585	41,083	440	60.00	2.47
2012	1	180,663	37,745	521	170,222	35,563	382	60.00	2.47
2013	1	143,734	33,013	455	123,750	28,423	305	60.00	2.47
2014	1	116,330	29,093	401	99,675	24,928	267	60.00	2.47
2015	1	95,461	25,775	356	83,221	22,469	241	60.00	2.47
2016	1	79,255	22,922	316	67,888	19,635	211	60.00	2.47
2017	1	66,471	20,445	282	57,347	17,639	189	60.00	2.47
2018	1	56,258	18,276	253	49,401	16,048	172	60.00	2.47
2019	1	47,958	16,302	224	43,237	14,698	158	60.00	2.47
2020	1	40,634	13,807	191	36,267	12,322	132	60.00	2.47
2021	1	34,694	11,513	159	31,103	10,322	111	60.00	2.47
2022	1	29,981	9,620	133	26,961	8,650	93	60.00	2.47
2023	1	26,185	8,054	111	23,579	7,253	77	60.00	2.47
Sub-Total		1,583,355	314,761	4,979	1,440,978	282,142	3,374	58.16	2.47
Remainder		102,049	30,278	417	92,173	27,415	294	60.00	2.47
Total Future		1,685,404	345,039	5,396	1,533,151	309,557	3,668	58.27	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	6,011	0	0	0	6,011	212	0	5,799
2010	15,924	650	1,471	0	18,045	815	85	17,145
2011	13,115	1,290	1,089	0	15,494	682	97	14,715
2012	10,213	1,118	942	0	12,273	519	82	11,672
2013	7,425	893	753	0	9,071	388	68	8,615
2014	5,981	783	661	0	7,425	304	58	7,063
2015	4,993	706	595	0	6,294	237	52	6,005
2016	4,073	617	520	0	5,210	184	45	4,981
2017	3,441	554	468	0	4,463	142	41	4,280
2018	2,964	504	425	0	3,893	113	37	3,743
2019	2,594	462	389	0	3,445	93	34	3,318
2020	2,176	387	327	0	2,890	77	29	2,784
2021	1,867	325	273	0	2,465	65	24	2,376
2022	1,617	272	229	0	2,118	55	20	2,043
2023	1,415	227	193	0	1,835	47	17	1,771
Sub-Total	83,809	8,788	8,335	0	100,932	3,933	689	96,310
Remainder	5,530	862	726	0	7,118	168	63	6,887
Total Future	89,339	9,650	9,061	0	108,050	4,101	752	103,197

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	1,472	0	0	1,796	3,268	2,531	2,531	2,449
2010	2,076	0	4,074	4,545	10,695	6,450	8,981	5,869
2011	1,554	0	2,255	3,657	7,466	7,249	16,230	5,963
2012	1,126	0	1,605	2,881	5,612	6,060	22,290	4,510
2013	686	0	153	2,119	2,958	5,657	27,947	3,808
2014	565	0	92	1,726	2,383	4,680	32,627	2,850
2015	491	0	64	1,457	2,012	3,993	36,620	2,201
2016	390	0	39	1,201	1,630	3,351	39,971	1,672
2017	351	0	64	1,025	1,440	2,840	42,811	1,282
2018	316	0	44	890	1,250	2,493	45,304	1,020
2019	302	0	28	786	1,116	2,202	47,506	815
2020	284	0	30	659	973	1,811	49,317	607
2021	264	0	25	563	852	1,524	50,841	462
2022	222	0	24	485	731	1,312	52,153	360
2023	207	0	23	421	651	1,120	53,273	278
Sub-Total	10,306	0	8,520	24,211	43,037	53,273		34,146
Remainder	860	0	841	1,638	3,339	3,548	56,821	708
Total Future	11,166	0	9,361	25,849	46,376	56,821		34,854

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 35

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 65 (TURNEISKI)

OIL LEASE
PROVED
PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.955033			50.00	24.80	2.47	10.00% -	24,653
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	22,134
REMARKS	REPLACEMENT FOR 20							15.00% -	18,949
								20.00% -	14,820
								25.00% -	11,719

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	174,232	0	381	166,396	0	0	50.00	0.00
2010	1	278,964	23,255	669	262,520	21,884	563	55.00	2.47
2011	1	212,942	41,514	573	200,464	39,082	419	60.00	2.47
2012	1	167,042	36,060	498	157,387	33,975	364	60.00	2.47
2013	1	133,718	31,629	436	115,128	27,232	293	60.00	2.47
2014	1	108,757	27,927	385	93,186	23,929	256	60.00	2.47
2015	1	89,613	24,777	342	78,123	21,600	232	60.00	2.47
2016	1	74,661	22,059	305	63,953	18,895	203	60.00	2.47
2017	1	62,816	19,690	271	54,193	16,988	182	60.00	2.47
2018	1	53,315	17,613	243	46,816	15,465	166	60.00	2.47
2019	1	45,417	15,531	215	40,948	14,003	150	60.00	2.47
2020	1	38,494	12,993	179	34,357	11,596	124	60.00	2.47
2021	1	33,005	10,841	149	29,588	9,719	105	60.00	2.47
2022	1	28,627	9,065	125	25,742	8,152	87	60.00	2.47
2023	1	25,075	7,594	105	22,580	6,838	73	60.00	2.47
Sub-Total		1,526,678	300,548	4,876	1,391,381	269,358	3,217	57.86	2.47
Remainder		94,219	28,300	391	85,099	25,624	275	60.00	2.47
Total Future		1,620,897	328,848	5,267	1,476,480	294,982	3,492	57.98	2.47
Cumulative		64,680	0	135	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,685,577	328,848	5,402	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	8,320	0	0	0	8,320	294	0	8,026
2010	14,438	615	1,390	0	16,443	739	80	15,624
2011	12,028	1,228	1,035	0	14,291	625	92	13,574
2012	9,443	1,068	901	0	11,412	480	79	10,853
2013	6,908	855	721	0	8,484	361	65	8,058
2014	5,591	752	634	0	6,977	284	56	6,637
2015	4,688	679	572	0	5,939	223	50	5,666
2016	3,837	593	501	0	4,931	173	43	4,715
2017	3,251	534	450	0	4,235	134	40	4,061
2018	2,809	486	410	0	3,705	107	36	3,562
2019	2,457	440	371	0	3,268	88	32	3,148
2020	2,062	364	307	0	2,733	74	27	2,632
2021	1,775	306	258	0	2,339	61	22	2,256
2022	1,545	256	216	0	2,017	52	19	1,946
2023	1,354	215	181	0	1,750	45	16	1,689
Sub-Total	80,506	8,391	7,947	0	96,844	3,740	657	92,447
Remainder	5,106	805	679	0	6,590	156	59	6,375
Total Future	85,612	9,196	8,626	0	103,434	3,896	716	98,822

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	1,812	0	9,225	2,486	13,523	-5,497	-5,497	-5,543	
2010	1,894	0	3,723	4,130	9,747	5,877	380	5,347	
2011	1,435	0	2,083	3,367	6,885	6,689	7,069	5,502	
2012	1,048	0	1,494	2,674	5,216	5,637	12,706	4,195	
2013	642	0	143	1,979	2,764	5,294	18,000	3,563	
2014	532	0	86	1,620	2,238	4,399	22,399	2,679	
2015	463	0	61	1,373	1,897	3,769	26,168	2,077	
2016	371	0	37	1,135	1,543	3,172	29,340	1,583	
2017	333	0	61	971	1,365	2,696	32,036	1,218	
2018	300	0	42	846	1,188	2,374	34,410	971	
2019	287	0	26	745	1,058	2,090	36,500	773	
2020	268	0	28	624	920	1,712	38,212	574	
2021	251	0	24	534	809	1,447	39,659	438	
2022	212	0	23	462	697	1,249	40,908	343	
2023	197	0	22	403	622	1,067	41,975	265	
Sub-Total	10,045	0	17,078	23,349	50,472	41,975		23,985	
Remainder	797	0	718	1,515	3,030	3,345	45,320	668	
Total Future	10,842	0	17,796	24,864	53,502	45,320		24,653	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 36

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 73 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
INITIAL	1.000000	0.941406	0.941406	0.941406	50.00	24.80	2.47	10.00%	24,100
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00%	20,936
REMARKS								15.00%	17,039
								20.00%	12,205
								25.00%	8,794

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	183,875	28,506	393	173,101	26,836	288	60.00	2.47
2012	1	292,796	49,891	689	275,873	47,007	504	60.00	2.47
2013	1	222,269	42,554	587	191,368	36,638	393	60.00	2.47
2014	1	173,668	36,888	509	148,803	31,606	339	60.00	2.47
2015	1	138,605	32,310	445	120,832	28,168	302	60.00	2.47
2016	1	112,459	28,503	394	96,331	24,415	262	60.00	2.47
2017	1	92,477	25,269	348	79,783	21,801	234	60.00	2.47
2018	1	76,913	22,486	311	67,538	19,744	212	60.00	2.47
2019	1	64,609	20,063	276	58,250	18,089	194	60.00	2.47
2020	1	54,760	17,941	248	48,874	16,012	172	60.00	2.47
2021	1	46,679	15,928	220	41,846	14,280	153	60.00	2.47
2022	1	39,542	13,393	184	35,559	12,043	129	60.00	2.47
2023	1	33,833	11,172	155	30,467	10,061	108	60.00	2.47
Sub-Total		1,532,485	344,904	4,759	1,368,625	306,700	3,290	60.00	2.47
Remainder		151,707	43,461	599	137,379	39,375	422	60.00	2.47
Total Future		1,684,192	388,365	5,358	1,506,004	346,075	3,712	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,684,192	388,365	5,358	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	10,386	843	711	0	11,940	540	63	11,337
2012	16,552	1,477	1,246	0	19,275	841	109	18,325
2013	11,482	1,151	970	0	13,603	599	87	12,917
2014	8,929	993	838	0	10,760	454	74	10,232
2015	7,250	885	746	0	8,881	345	65	8,471
2016	5,779	768	647	0	7,194	260	57	6,877
2017	4,787	685	578	0	6,050	199	50	5,801
2018	4,053	620	523	0	5,196	153	46	4,997
2019	3,495	568	479	0	4,542	126	42	4,374
2020	2,932	503	424	0	3,859	104	37	3,718
2021	2,511	449	379	0	3,339	87	33	3,219
2022	2,133	378	319	0	2,830	73	28	2,729
2023	1,829	317	266	0	2,412	60	23	2,329
Sub-Total	82,118	9,637	8,126	0	99,881	3,841	714	95,326
Remainder	8,242	1,237	1,044	0	10,523	251	91	10,181
Total Future	90,360	10,874	9,170	0	110,404	4,092	805	105,507

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	998	0	13,956	2,841	17,795	-6,458	-6,458	-5,671
2012	1,761	0	2,503	4,569	8,833	9,492	3,034	7,070
2013	1,020	0	228	3,207	4,455	8,462	11,496	5,695
2014	813	0	132	2,524	3,469	6,763	18,259	4,120
2015	689	0	91	2,073	2,853	5,618	23,877	3,098
2016	535	0	53	1,672	2,260	4,617	28,494	2,304
2017	474	0	87	1,399	1,960	3,841	32,335	1,735
2018	418	0	59	1,197	1,674	3,323	35,658	1,359
2019	397	0	36	1,042	1,475	2,899	38,557	1,073
2020	379	0	40	882	1,301	2,417	40,974	810
2021	358	0	34	761	1,153	2,066	43,040	626
2022	298	0	32	646	976	1,753	44,793	482
2023	273	0	31	551	855	1,474	46,267	366
Sub-Total	8,413	0	17,282	23,364	49,059	46,267		23,067
Remainder	1,286	0	872	2,427	4,585	5,596	51,863	1,033
Total Future	9,699	0	18,154	25,791	53,644	51,863		24,100

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 37

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 70 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
INITIAL	1.000000	0.941406	0.941406	0.941406	50.00	24.80	2.47	10.00% -	24,100
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	20,936
REMARKS								15.00% -	17,039
								20.00% -	12,205
								25.00% -	8,794

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	183,875	28,506	393	173,101	26,836	288	60.00	2.47
2012	1	292,796	49,891	689	275,873	47,007	504	60.00	2.47
2013	1	222,269	42,554	587	191,368	36,638	393	60.00	2.47
2014	1	173,668	36,888	509	148,803	31,606	339	60.00	2.47
2015	1	138,605	32,310	445	120,832	28,168	302	60.00	2.47
2016	1	112,459	28,503	394	96,331	24,415	262	60.00	2.47
2017	1	92,477	25,269	348	79,783	21,801	234	60.00	2.47
2018	1	76,913	22,486	311	67,538	19,744	212	60.00	2.47
2019	1	64,609	20,063	276	58,250	18,089	194	60.00	2.47
2020	1	54,760	17,941	248	48,874	16,012	172	60.00	2.47
2021	1	46,679	15,928	220	41,846	14,280	153	60.00	2.47
2022	1	39,542	13,393	184	35,559	12,043	129	60.00	2.47
2023	1	33,833	11,172	155	30,467	10,061	108	60.00	2.47
Sub-Total		1,532,485	344,904	4,759	1,368,625	306,700	3,290	60.00	2.47
Remainder		151,707	43,461	599	137,379	39,375	422	60.00	2.47
Total Future		1,684,192	388,365	5,358	1,506,004	346,075	3,712	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,684,192	388,365	5,358	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	10,386	843	711	0	11,940	540	63	11,337
2012	16,552	1,477	1,246	0	19,275	841	109	18,325
2013	11,482	1,151	970	0	13,603	599	87	12,917
2014	8,929	993	838	0	10,760	454	74	10,232
2015	7,250	885	746	0	8,881	345	65	8,471
2016	5,779	768	647	0	7,194	260	57	6,877
2017	4,787	685	578	0	6,050	199	50	5,801
2018	4,053	620	523	0	5,196	153	46	4,997
2019	3,495	568	479	0	4,542	126	42	4,374
2020	2,932	503	424	0	3,859	104	37	3,718
2021	2,511	449	379	0	3,339	87	33	3,219
2022	2,133	378	319	0	2,830	73	28	2,729
2023	1,829	317	266	0	2,412	60	23	2,329
Sub-Total	82,118	9,637	8,126	0	99,881	3,841	714	95,326
Remainder	8,242	1,237	1,044	0	10,523	251	91	10,181
Total Future	90,360	10,874	9,170	0	110,404	4,092	805	105,507

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	998	0	13,956	2,841	17,795	-6,458	-6,458	-5,671	
2012	1,761	0	2,503	4,569	8,833	9,492	3,034	7,070	
2013	1,020	0	228	3,207	4,455	8,462	11,496	5,695	
2014	813	0	132	2,524	3,469	6,763	18,259	4,120	
2015	689	0	91	2,073	2,853	5,618	23,877	3,098	
2016	535	0	53	1,672	2,260	4,617	28,494	2,304	
2017	474	0	87	1,399	1,960	3,841	32,335	1,735	
2018	418	0	59	1,197	1,674	3,323	35,658	1,359	
2019	397	0	36	1,042	1,475	2,899	38,557	1,073	
2020	379	0	40	882	1,301	2,417	40,974	810	
2021	358	0	34	761	1,153	2,066	43,040	626	
2022	298	0	32	646	976	1,753	44,793	482	
2023	273	0	31	551	855	1,474	46,267	366	
Sub-Total	8,413	0	17,282	23,364	49,059	46,267		23,067	
Remainder	1,286	0	872	2,427	4,585	5,596	51,863	1,033	
Total Future	9,699	0	18,154	25,791	53,644	51,863		24,100	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 38

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 27 (TURNEISKI)

OIL LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	19,770
	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	16,436
								15.00% -	12,460
								20.00% -	7,780
								25.00% -	4,705

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	183,875	28,506	393	161,782	25,081	269	60.00	2.47
2014	1	292,796	49,891	689	245,161	41,774	448	60.00	2.47
2015	1	222,269	42,554	587	186,233	35,655	383	60.00	2.47
2016	1	173,668	36,888	509	144,543	30,702	329	60.00	2.47
2017	1	138,605	32,310	445	115,986	27,037	290	60.00	2.47
2018	1	112,459	28,503	394	95,560	24,220	260	60.00	2.47
2019	1	92,477	25,269	348	81,194	22,186	238	60.00	2.47
2020	1	76,913	22,486	311	66,773	19,521	209	60.00	2.47
2021	1	64,609	20,063	276	56,374	17,506	188	60.00	2.47
2022	1	54,760	17,941	248	47,992	15,724	169	60.00	2.47
2023	1	46,679	15,928	220	40,965	13,978	150	60.00	2.47
Sub-Total		1,459,110	320,339	4,420	1,242,563	273,384	2,933	60.00	2.47
Remainder		204,128	62,333	860	180,726	55,140	591	60.00	2.47
Total Future		1,663,238	382,672	5,280	1,423,289	328,524	3,524	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,663,238	382,672	5,280	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	9,707	788	665	0	11,160	580	63	10,517
2014	14,710	1,313	1,106	0	17,129	898	106	16,125
2015	11,174	1,120	945	0	13,239	686	91	12,462
2016	8,672	965	814	0	10,451	538	80	9,833
2017	6,959	849	716	0	8,524	422	71	8,031
2018	5,734	761	642	0	7,137	342	63	6,732
2019	4,872	697	588	0	6,157	271	56	5,830
2020	4,006	613	517	0	5,136	212	49	4,875
2021	3,382	550	464	0	4,396	175	43	4,178
2022	2,880	495	416	0	3,791	146	38	3,607
2023	2,458	439	371	0	3,268	121	33	3,114
Sub-Total	74,554	8,590	7,244	0	90,388	4,391	693	85,304
Remainder	10,843	1,732	1,461	0	14,036	461	129	13,446
Total Future	85,397	10,322	8,705	0	104,424	4,852	822	98,750

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	823	0	10,570	2,656	14,049	-3,532	-5,433	-2,685	
2014	1,300	0	143	4,060	5,503	10,622	5,189	6,473	
2015	1,033	0	75	3,121	4,229	8,233	13,422	4,541	
2016	778	0	31	2,451	3,260	6,573	19,995	3,281	
2017	669	0	41	1,990	2,700	5,331	25,326	2,408	
2018	576	0	26	1,658	2,260	4,472	29,798	1,829	
2019	536	0	19	1,424	1,979	3,851	33,649	1,425	
2020	504	0	20	1,184	1,708	3,167	36,816	1,062	
2021	472	0	18	1,008	1,498	2,680	39,496	813	
2022	401	0	17	867	1,285	2,322	41,818	637	
2023	373	0	17	745	1,135	1,979	43,797	492	
Sub-Total	7,465	0	12,878	21,164	41,507	43,797		18,383	
Remainder	1,771	0	786	3,224	5,781	7,665	51,462	1,387	
Total Future	9,236	0	13,664	24,388	47,288	51,462		19,770	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 39

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 29 (TURNEISKI)

OIL LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	19,218
	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	15,891
								15.00% -	11,947
								20.00% -	7,352
								25.00% -	4,370

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	64,680	9,810	135	56,908	8,631	93	60.00	2.47
2014	1	323,673	52,879	730	271,017	44,277	475	60.00	2.47
2015	1	242,756	44,774	618	203,397	37,515	402	60.00	2.47
2016	1	188,055	38,634	533	156,517	32,154	345	60.00	2.47
2017	1	149,124	33,738	465	124,787	28,233	303	60.00	2.47
2018	1	120,379	29,701	410	102,291	25,237	270	60.00	2.47
2019	1	98,575	26,292	363	86,548	23,084	248	60.00	2.47
2020	1	81,691	23,369	322	70,922	20,289	218	60.00	2.47
2021	1	68,403	20,835	288	59,685	18,179	195	60.00	2.47
2022	1	57,811	18,618	256	50,664	16,317	175	60.00	2.47
2023	1	49,255	16,652	230	43,228	14,614	157	60.00	2.47
Sub-Total		1,444,402	315,302	4,350	1,225,964	268,530	2,881	60.00	2.47
Remainder		213,808	66,142	913	189,287	58,509	627	60.00	2.47
Total Future		1,658,210	381,444	5,263	1,415,251	327,039	3,508	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	3,414	271	229	0	3,914	204	22	3,688
2014	16,261	1,391	1,173	0	18,825	993	112	17,720
2015	12,204	1,179	994	0	14,377	750	96	13,531
2016	9,391	1,010	852	0	11,253	582	83	10,588
2017	7,488	887	748	0	9,123	454	75	8,594
2018	6,137	793	669	0	7,599	366	66	7,167
2019	5,193	726	611	0	6,530	289	58	6,183
2020	4,255	637	538	0	5,430	225	51	5,154
2021	3,581	571	481	0	4,633	186	44	4,403
2022	3,040	513	433	0	3,986	153	40	3,793
2023	2,594	459	387	0	3,440	128	35	3,277
Sub-Total	73,558	8,437	7,115	0	89,110	4,330	682	84,098
Remainder	11,357	1,839	1,550	0	14,746	484	137	14,125
Total Future	84,915	10,276	8,665	0	103,856	4,814	819	98,223

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	283	0	10,210	932	11,425	-7,737	-9,638	-5,122	
2014	1,427	0	158	4,470	6,055	11,665	2,027	7,111	
2015	1,120	0	80	3,396	4,596	8,935	10,962	4,928	
2016	836	0	33	2,644	3,513	7,075	18,037	3,532	
2017	716	0	44	2,133	2,893	5,701	23,738	2,576	
2018	612	0	29	1,768	2,409	4,758	28,496	1,946	
2019	568	0	19	1,513	2,100	4,083	32,579	1,511	
2020	532	0	22	1,252	1,806	3,348	35,927	1,122	
2021	497	0	18	1,065	1,580	2,823	38,750	856	
2022	422	0	18	912	1,352	2,441	41,191	670	
2023	392	0	18	785	1,195	2,082	43,273	518	
Sub-Total	7,405	0	12,550	20,870	40,825	43,273		17,755	
Remainder	1,861	0	788	3,384	6,033	8,092	51,365	1,463	
Total Future	9,266	0	13,338	24,254	46,858	51,365		19,218	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 40

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 66 (TURNEISKI)

OIL LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	17,575
	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	14,657
								15.00% -	11,125
								20.00% -	6,866
								25.00% -	3,978

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	32,794	4,946	68	31,153	4,698	50	60.00	2.47
2012	1	332,149	53,681	741	313,698	50,699	544	60.00	2.47
2013	1	248,299	45,361	626	218,464	39,911	428	60.00	2.47
2014	1	191,909	39,091	539	160,689	32,731	351	60.00	2.47
2015	1	151,922	34,109	471	127,291	28,580	307	60.00	2.47
2016	1	122,475	30,010	414	101,935	24,977	268	60.00	2.47
2017	1	100,182	26,556	366	83,833	22,222	238	60.00	2.47
2018	1	82,945	23,597	326	70,481	20,051	215	60.00	2.47
2019	1	69,398	21,033	290	60,931	18,467	199	60.00	2.47
2020	1	58,607	18,793	259	50,880	16,315	175	60.00	2.47
2021	1	49,912	16,817	232	43,551	14,674	157	60.00	2.47
2022	1	42,357	14,453	200	37,122	12,666	136	60.00	2.47
2023	1	36,051	12,046	166	31,638	10,572	113	60.00	2.47
Sub-Total		1,519,000	340,493	4,698	1,331,666	296,563	3,181	60.00	2.47
Remainder		164,842	47,094	650	145,937	41,659	447	60.00	2.47
Total Future		1,683,842	387,587	5,348	1,477,603	338,222	3,628	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	1,869	148	124	0	2,141	76	11	2,054
2012	18,822	1,593	1,344	0	21,759	945	92	20,722
2013	13,108	1,254	1,057	0	15,419	782	100	14,537
2014	9,641	1,028	868	0	11,537	589	83	10,865
2015	7,638	898	757	0	9,293	469	73	8,751
2016	6,116	785	662	0	7,563	380	65	7,118
2017	5,030	698	588	0	6,316	305	58	5,953
2018	4,229	630	532	0	5,391	251	53	5,087
2019	3,656	580	489	0	4,725	204	47	4,474
2020	3,052	513	432	0	3,997	162	40	3,795
2021	2,613	461	389	0	3,463	135	36	3,292
2022	2,228	398	336	0	2,962	113	31	2,818
2023	1,898	332	280	0	2,510	93	25	2,392
Sub-Total	79,900	9,318	7,858	0	97,076	4,504	714	91,858
Remainder	8,756	1,309	1,104	0	11,169	372	98	10,699
Total Future	88,656	10,627	8,962	0	108,245	4,876	812	102,557

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	187	0	14,100	510	14,797	-12,743	-14,644	-10,161
2012	2,315	0	5,771	5,169	13,255	7,467	-7,177	5,582
2013	1,156	0	231	3,643	5,030	9,507	2,330	6,400
2014	882	0	97	2,712	3,691	7,174	9,504	4,370
2015	730	0	52	2,174	2,956	5,795	15,299	3,196
2016	566	0	23	1,760	2,349	4,769	20,068	2,380
2017	499	0	30	1,464	1,993	3,960	24,028	1,789
2018	437	0	21	1,244	1,702	3,385	27,413	1,384
2019	414	0	13	1,086	1,513	2,961	30,374	1,096
2020	394	0	17	915	1,326	2,469	32,843	827
2021	373	0	13	790	1,176	2,116	34,959	641
2022	314	0	14	675	1,003	1,815	36,774	499
2023	286	0	13	573	872	1,520	38,294	377
Sub-Total	8,553	0	22,296	22,715	53,564	38,294		16,487
Remainder	1,404	0	748	2,577	4,729	5,970	44,264	1,088
Total Future	9,957	0	23,044	25,292	58,293	44,264		17,575

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 41

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 68 (TURNEISKI)

OIL LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	19,904
	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	16,567
								15.00% -	12,590
								20.00% -	7,914
								25.00% -	4,843

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	155,262	23,942	330	136,607	21,065	226	60.00	2.47
2014	1	300,092	50,607	699	251,271	42,374	455	60.00	2.47
2015	1	227,153	43,091	594	190,324	36,105	387	60.00	2.47
2016	1	177,117	37,312	515	147,414	31,054	333	60.00	2.47
2017	1	141,138	32,659	450	118,105	27,330	293	60.00	2.47
2018	1	114,373	28,796	398	97,186	24,469	263	60.00	2.47
2019	1	93,954	25,520	352	82,491	22,406	240	60.00	2.47
2020	1	78,072	22,703	313	67,781	19,710	211	60.00	2.47
2021	1	65,531	20,253	280	57,178	17,671	190	60.00	2.47
2022	1	55,503	18,108	249	48,642	15,870	170	60.00	2.47
2023	1	47,315	16,118	223	41,524	14,145	152	60.00	2.47
Sub-Total		1,455,510	319,109	4,403	1,238,523	272,199	2,920	60.00	2.47
Remainder		206,489	63,262	873	182,814	55,962	600	60.00	2.47
Total Future		1,661,999	382,371	5,276	1,421,337	328,161	3,520	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,661,999	382,371	5,276	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	8,196	662	558	0	9,416	489	53	8,874
2014	15,077	1,331	1,123	0	17,531	921	107	16,503
2015	11,419	1,135	957	0	13,511	702	92	12,717
2016	8,845	975	822	0	10,642	548	81	10,013
2017	7,086	859	724	0	8,669	430	72	8,167
2018	5,831	769	649	0	7,249	347	64	6,838
2019	4,950	704	593	0	6,247	276	57	5,914
2020	4,067	619	523	0	5,209	215	49	4,945
2021	3,430	555	468	0	4,453	178	43	4,232
2022	2,919	499	420	0	3,838	147	39	3,652
2023	2,491	444	375	0	3,310	123	34	3,153
Sub-Total	74,311	8,552	7,212	0	90,075	4,376	691	85,008
Remainder	10,969	1,759	1,483	0	14,211	467	130	13,614
Total Future	85,280	10,311	8,695	0	104,286	4,843	821	98,622

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	684	0	10,210	2,241	13,135	-4,261	-6,162	-3,002	
2014	1,330	0	147	4,157	5,634	10,869	4,707	6,624	
2015	1,054	0	76	3,187	4,317	8,400	13,107	4,633	
2016	792	0	31	2,498	3,321	6,692	19,799	3,341	
2017	680	0	42	2,024	2,746	5,421	25,220	2,449	
2018	585	0	27	1,685	2,297	4,541	29,761	1,857	
2019	544	0	19	1,445	2,008	3,906	33,667	1,446	
2020	511	0	21	1,200	1,732	3,213	36,880	1,076	
2021	478	0	17	1,023	1,518	2,714	39,594	824	
2022	406	0	18	877	1,301	2,351	41,945	645	
2023	378	0	17	755	1,150	2,003	43,948	498	
Sub-Total	7,442	0	12,526	21,092	41,060	43,948		18,498	
Remainder	1,792	0	787	3,264	5,843	7,771	51,719	1,406	
Total Future	9,234	0	13,313	24,356	46,903	51,719		19,904	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 42

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NORTH WE 64 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.941406	0.941406	0.941406	50.00	24.80	2.47	10.00% -	26,543
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	23,270
REMARKS								15.00% -	19,232
								20.00% -	14,207
								25.00% -	10,644

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	125,880	19,306	266	118,504	18,174	195	60.00	2.47
2012	1	307,660	51,343	709	289,879	48,376	519	60.00	2.47
2013	1	232,191	43,640	602	199,908	37,573	403	60.00	2.47
2014	1	180,663	37,744	521	154,797	32,340	347	60.00	2.47
2015	1	143,734	33,014	455	125,305	28,781	309	60.00	2.47
2016	1	116,330	29,093	401	99,646	24,920	267	60.00	2.47
2017	1	95,461	25,774	356	82,358	22,237	238	60.00	2.47
2018	1	79,255	22,922	316	69,594	20,128	216	60.00	2.47
2019	1	66,471	20,445	282	59,928	18,432	198	60.00	2.47
2020	1	56,258	18,276	253	50,212	16,312	175	60.00	2.47
2021	1	47,958	16,302	224	42,994	14,615	157	60.00	2.47
2022	1	40,634	13,807	191	36,539	12,415	133	60.00	2.47
2023	1	34,694	11,513	159	31,244	10,368	111	60.00	2.47
Sub-Total		1,527,189	343,179	4,735	1,360,908	304,671	3,268	60.00	2.47
Remainder		156,867	44,882	619	142,149	40,670	437	60.00	2.47
Total Future		1,684,056	388,061	5,354	1,503,057	345,341	3,705	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,684,056	388,061	5,354	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	7,110	571	482	0	8,163	370	43	7,750
2012	17,393	1,520	1,281	0	20,194	883	112	19,199
2013	11,994	1,181	996	0	14,171	626	89	13,456
2014	9,288	1,016	857	0	11,161	472	76	10,613
2015	7,519	904	762	0	9,185	358	66	8,761
2016	5,978	783	661	0	7,422	269	58	7,095
2017	4,942	699	589	0	6,230	205	52	5,973
2018	4,175	632	533	0	5,340	158	46	5,136
2019	3,596	579	488	0	4,663	130	43	4,490
2020	3,013	513	433	0	3,959	107	38	3,814
2021	2,579	459	387	0	3,425	89	34	3,302
2022	2,193	390	329	0	2,912	75	28	2,809
2023	1,874	326	275	0	2,475	61	24	2,390
Sub-Total	81,654	9,573	8,073	0	99,300	3,803	709	94,788
Remainder	8,529	1,278	1,077	0	10,884	260	95	10,529
Total Future	90,183	10,851	9,150	0	110,184	4,063	804	105,317

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	767	0	10,210	1,943	12,920	-5,170	-5,170	-4,336	
2012	1,844	0	2,620	4,791	9,255	9,944	4,774	7,407	
2013	1,062	0	237	3,344	4,643	8,813	13,587	5,931	
2014	843	0	137	2,620	3,600	7,013	20,600	4,273	
2015	711	0	94	2,146	2,951	5,810	26,410	3,203	
2016	553	0	55	1,726	2,334	4,761	31,171	2,377	
2017	487	0	89	1,442	2,018	3,955	35,126	1,786	
2018	430	0	61	1,231	1,722	3,414	38,540	1,397	
2019	408	0	37	1,070	1,515	2,975	41,515	1,101	
2020	387	0	41	906	1,334	2,480	43,995	830	
2021	368	0	34	781	1,183	2,119	46,114	643	
2022	307	0	34	664	1,005	1,804	47,918	496	
2023	280	0	31	565	876	1,514	49,432	375	
Sub-Total	8,447	0	13,680	23,229	45,356	49,432		25,483	
Remainder	1,328	0	942	2,511	4,781	5,748	55,180	1,060	
Total Future	9,775	0	14,622	25,740	50,137	55,180		26,543	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 43

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 71 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	COMPOUNDED								
	1.000000	0.941046	0.941046	0.941046	50.00	24.80	2.47	10.00% -	23,329
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	20,437
								15.00% -	16,827
								20.00% -	12,247
								25.00% -	8,914

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	183,875	28,506	393	173,035	26,826	288	55.00	2.47
2011	1	292,796	49,891	689	275,639	46,967	504	60.00	2.47
2012	1	222,269	42,554	587	209,423	40,095	430	60.00	2.47
2013	1	173,668	36,888	509	149,524	31,759	340	60.00	2.47
2014	1	138,605	32,310	445	118,760	27,685	297	60.00	2.47
2015	1	112,459	28,503	394	98,039	24,847	267	60.00	2.47
2016	1	92,477	25,269	348	79,214	21,646	232	60.00	2.47
2017	1	76,913	22,486	311	66,356	19,399	208	60.00	2.47
2018	1	64,609	20,063	276	56,733	17,617	189	60.00	2.47
2019	1	54,760	17,941	248	49,372	16,176	174	60.00	2.47
2020	1	46,679	15,928	220	41,660	14,216	152	60.00	2.47
2021	1	39,542	13,393	184	35,449	12,006	129	60.00	2.47
2022	1	33,833	11,172	155	30,425	10,047	108	60.00	2.47
2023	1	29,292	9,338	128	26,378	8,408	90	60.00	2.47
Sub-Total		1,561,777	354,242	4,887	1,410,007	317,694	3,408	59.39	2.47
Remainder		123,136	35,752	494	111,232	32,373	347	60.00	2.47
Total Future		1,684,913	389,994	5,381	1,521,239	350,067	3,755	59.43	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,684,913	389,994	5,381	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	9,517	754	711	0	10,982	487	59	10,436
2011	16,538	1,476	1,244	0	19,258	860	110	18,288
2012	12,566	1,260	1,063	0	14,889	639	93	14,157
2013	8,971	997	841	0	10,809	468	76	10,265
2014	7,126	870	734	0	8,730	362	64	8,304
2015	5,882	781	658	0	7,321	280	58	6,983
2016	4,753	680	573	0	6,006	214	50	5,742
2017	3,981	610	514	0	5,105	165	45	4,895
2018	3,404	553	467	0	4,424	129	41	4,254
2019	2,962	508	429	0	3,899	107	37	3,755
2020	2,500	447	376	0	3,323	88	33	3,202
2021	2,127	377	319	0	2,823	74	28	2,721
2022	1,826	316	266	0	2,408	62	23	2,323
2023	1,582	264	223	0	2,069	52	20	1,997
Sub-Total	83,735	9,893	8,418	0	102,046	3,987	737	97,322
Remainder	6,674	1,017	857	0	8,548	204	75	8,269
Total Future	90,409	10,910	9,275	0	110,594	4,191	812	105,591

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	1,030	0	15,426	2,840	19,296	-8,860	-8,860	-8,257	
2011	1,928	0	2,793	4,565	9,286	9,002	142	7,407	
2012	1,363	0	1,942	3,510	6,815	7,342	7,484	5,466	
2013	814	0	181	2,536	3,531	6,734	14,218	4,533	
2014	663	0	108	2,038	2,809	5,495	19,713	3,346	
2015	569	0	75	1,701	2,345	4,638	24,351	2,558	
2016	449	0	45	1,389	1,883	3,859	28,210	1,926	
2017	401	0	73	1,176	1,650	3,245	31,455	1,466	
2018	357	0	50	1,015	1,422	2,832	34,287	1,157	
2019	342	0	31	891	1,264	2,491	36,778	922	
2020	326	0	35	758	1,119	2,083	38,861	698	
2021	303	0	28	644	975	1,746	40,607	529	
2022	253	0	28	550	831	1,492	42,099	410	
2023	234	0	26	474	734	1,263	43,362	314	
Sub-Total	9,032	0	20,841	24,087	53,960	43,362		22,475	
Remainder	1,037	0	785	1,969	3,791	4,478	47,840	854	
Total Future	10,069	0	21,626	26,056	57,751	47,840		23,329	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 44

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 59 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.942204	0.942204	0.942204	50.00	24.80	2.47	10.00% -	25,420
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	21,970
								15.00% -	17,773
								20.00% -	12,670
								25.00% -	9,163

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	155,262	23,942	330	146,288	22,558	242	60.00	2.47
2013	1	300,092	50,607	699	258,370	43,571	467	60.00	2.47
2014	1	227,153	43,091	594	194,631	36,922	396	60.00	2.47
2015	1	177,117	37,312	515	154,407	32,528	349	60.00	2.47
2016	1	141,138	32,659	450	120,897	27,975	300	60.00	2.47
2017	1	114,373	28,796	398	98,674	24,843	267	60.00	2.47
2018	1	93,954	25,520	352	82,500	22,410	240	60.00	2.47
2019	1	78,072	22,703	313	70,389	20,468	220	60.00	2.47
2020	1	65,531	20,253	280	58,487	18,076	194	60.00	2.47
2021	1	55,503	18,108	249	49,758	16,233	174	60.00	2.47
2022	1	47,315	16,118	223	42,548	14,494	155	60.00	2.47
2023	1	40,084	13,598	187	36,094	12,245	132	60.00	2.47
Sub-Total		1,495,594	332,707	4,590	1,313,043	292,323	3,136	60.00	2.47
Remainder		180,511	53,004	732	163,772	48,044	515	60.00	2.47
Total Future		1,676,105	385,711	5,322	1,476,815	340,367	3,651	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,676,105	385,711	5,322	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	8,777	709	598	0	10,084	446	52	9,586
2013	15,503	1,369	1,154	0	18,026	809	104	17,113
2014	11,677	1,160	978	0	13,815	593	86	13,136
2015	9,265	1,022	862	0	11,149	441	75	10,633
2016	7,254	879	742	0	8,875	327	65	8,483
2017	5,920	780	658	0	7,358	245	58	7,055
2018	4,950	705	594	0	6,249	188	52	6,009
2019	4,223	643	542	0	5,408	152	47	5,209
2020	3,510	568	479	0	4,557	125	42	4,390
2021	2,985	510	430	0	3,925	103	37	3,785
2022	2,553	455	384	0	3,392	87	34	3,271
2023	2,166	385	324	0	2,875	71	28	2,776
Sub-Total	78,783	9,185	7,745	0	95,713	3,587	680	91,446
Remainder	9,826	1,509	1,273	0	12,608	299	112	12,197
Total Future	88,609	10,694	9,018	0	108,321	3,886	792	103,643

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	896	0	10,210	2,400	13,506	-3,920	-3,920	-3,071	
2013	1,347	0	301	4,274	5,922	11,191	7,271	7,535	
2014	1,039	0	169	3,259	4,467	8,669	15,940	5,282	
2015	861	0	113	2,617	3,591	7,042	22,982	3,884	
2016	658	0	67	2,072	2,797	5,686	28,668	2,838	
2017	574	0	104	1,710	2,388	4,667	33,335	2,109	
2018	501	0	71	1,446	2,018	3,991	37,326	1,632	
2019	472	0	43	1,246	1,761	3,448	40,774	1,276	
2020	445	0	48	1,046	1,539	2,851	43,625	955	
2021	421	0	39	898	1,358	2,427	46,052	736	
2022	357	0	39	773	1,169	2,102	48,154	577	
2023	326	0	37	656	1,019	1,757	49,911	437	
Sub-Total	7,897	0	11,241	22,397	41,535	49,911		24,190	
Remainder	1,551	0	989	2,904	5,444	6,753	56,664	1,230	
Total Future	9,448	0	12,230	25,301	46,979	56,664		25,420	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 45

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 60 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.942204	0.942204	0.942204	50.00	24.80	2.47	10.00% -	24,868
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	21,415
								15.00% -	17,229
								20.00% -	12,168
								25.00% -	8,717

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	95,697	14,596	201	90,166	13,752	148	60.00	2.47
2013	1	315,516	52,100	719	271,649	44,857	481	60.00	2.47
2014	1	237,388	44,201	610	203,401	37,872	406	60.00	2.47
2015	1	184,307	38,185	527	160,675	33,289	357	60.00	2.47
2016	1	146,397	33,373	460	125,400	28,587	307	60.00	2.47
2017	1	118,331	29,394	406	102,090	25,360	272	60.00	2.47
2018	1	97,002	26,032	359	85,177	22,858	245	60.00	2.47
2019	1	80,461	23,144	319	72,541	20,866	224	60.00	2.47
2020	1	67,428	20,639	285	60,181	18,421	197	60.00	2.47
2021	1	57,027	18,446	255	51,124	16,537	178	60.00	2.47
2022	1	48,605	16,481	227	43,708	14,819	159	60.00	2.47
2023	1	41,196	14,018	193	37,098	12,624	135	60.00	2.47
Sub-Total		1,489,355	330,609	4,561	1,303,210	289,842	3,109	60.00	2.47
Remainder		184,511	54,584	753	167,397	49,475	531	60.00	2.47
Total Future		1,673,866	385,193	5,314	1,470,607	339,317	3,640	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,673,866	385,193	5,314	SHRINKAGE FACTOR = 22.25 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	5,410	432	364	0	6,206	275	32	5,899
2013	16,299	1,409	1,189	0	18,897	851	106	17,940
2014	12,204	1,190	1,003	0	14,397	620	89	13,688
2015	9,640	1,046	882	0	11,568	458	77	11,033
2016	7,524	899	758	0	9,181	339	66	8,776
2017	6,126	796	672	0	7,594	254	59	7,281
2018	5,110	719	605	0	6,434	193	53	6,188
2019	4,353	655	553	0	5,561	158	48	5,355
2020	3,611	579	488	0	4,678	128	43	4,507
2021	3,067	520	439	0	4,026	106	38	3,882
2022	2,623	465	392	0	3,480	89	34	3,357
2023	2,226	397	335	0	2,958	73	30	2,855
Sub-Total	78,193	9,107	7,680	0	94,980	3,544	675	90,761
Remainder	10,043	1,554	1,311	0	12,908	306	114	12,488
Total Future	88,236	10,661	8,991	0	107,888	3,850	789	103,249

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	538	0	10,210	1,478	12,226	-6,327	-6,327	-4,704	
2013	1,411	0	315	4,485	6,211	11,729	5,402	7,898	
2014	1,082	0	177	3,399	4,658	9,030	14,432	5,503	
2015	893	0	117	2,717	3,727	7,306	21,738	4,029	
2016	680	0	68	2,145	2,893	5,883	27,621	2,935	
2017	592	0	109	1,767	2,468	4,813	32,434	2,176	
2018	516	0	72	1,490	2,078	4,110	36,544	1,680	
2019	485	0	45	1,282	1,812	3,543	40,087	1,312	
2020	457	0	48	1,074	1,579	2,928	43,015	980	
2021	431	0	40	921	1,392	2,490	45,505	755	
2022	367	0	40	794	1,201	2,156	47,661	592	
2023	334	0	38	674	1,046	1,809	49,470	449	
Sub-Total	7,786	0	11,279	22,226	41,291	49,470		23,605	
Remainder	1,589	0	994	2,972	5,555	6,933	56,403	1,263	
Total Future	9,375	0	12,273	25,198	46,846	56,403		24,868	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 46

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 55 (TURNEISKI)

OIL LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.942204	0.942204	0.942204	50.00	24.80	2.47	10.00% -	23,190
	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	19,863
								15.00% -	15,832
								20.00% -	10,967
								25.00% -	7,660

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	183,875	28,506	393	173,248	26,859	288	60.00	2.47
2013	1	292,796	49,891	689	252,087	42,954	461	60.00	2.47
2014	1	222,269	42,554	587	190,447	36,462	391	60.00	2.47
2015	1	173,668	36,888	509	151,401	32,158	345	60.00	2.47
2016	1	138,605	32,310	445	118,726	27,676	297	60.00	2.47
2017	1	112,459	28,503	394	97,023	24,590	264	60.00	2.47
2018	1	92,477	25,269	348	81,203	22,189	238	60.00	2.47
2019	1	76,913	22,486	311	69,343	20,273	217	60.00	2.47
2020	1	64,609	20,063	276	57,665	17,907	192	60.00	2.47
2021	1	54,760	17,941	248	49,092	16,084	173	60.00	2.47
2022	1	46,679	15,928	220	41,974	14,323	153	60.00	2.47
2023	1	39,542	13,393	184	35,609	12,060	130	60.00	2.47
Sub-Total		1,498,652	333,732	4,604	1,317,818	293,535	3,149	60.00	2.47
Remainder		178,557	52,232	721	162,000	47,344	508	60.00	2.47
Total Future		1,677,209	385,964	5,325	1,479,818	340,879	3,657	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	10,395	844	712	0	11,951	528	62	11,361
2013	15,125	1,350	1,138	0	17,613	790	102	16,721
2014	11,427	1,145	966	0	13,538	580	85	12,873
2015	9,084	1,011	852	0	10,947	432	75	10,440
2016	7,124	869	733	0	8,726	321	64	8,341
2017	5,821	773	652	0	7,246	242	57	6,947
2018	4,872	697	588	0	6,157	184	51	5,922
2019	4,161	637	537	0	5,335	150	47	5,138
2020	3,460	563	474	0	4,497	123	42	4,332
2021	2,945	505	426	0	3,876	102	37	3,737
2022	2,519	450	380	0	3,349	85	33	3,231
2023	2,136	379	319	0	2,834	71	28	2,735
Sub-Total	79,069	9,223	7,777	0	96,069	3,608	683	91,778
Remainder	9,720	1,487	1,255	0	12,462	296	110	12,056
Total Future	88,789	10,710	9,032	0	108,531	3,904	793	103,834

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	937	0	13,567	2,844	17,348	-5,987	-5,987	-4,787	
2013	1,316	0	294	4,174	5,784	10,937	4,950	7,364	
2014	1,019	0	166	3,192	4,377	8,496	13,446	5,176	
2015	845	0	111	2,568	3,524	6,916	20,362	3,814	
2016	648	0	65	2,037	2,750	5,591	25,953	2,791	
2017	565	0	103	1,684	2,352	4,595	30,548	2,077	
2018	495	0	70	1,424	1,989	3,933	34,481	1,608	
2019	465	0	42	1,229	1,736	3,402	37,883	1,259	
2020	440	0	47	1,031	1,518	2,814	40,697	943	
2021	415	0	39	887	1,341	2,396	43,093	727	
2022	353	0	38	763	1,154	2,077	45,170	569	
2023	321	0	37	647	1,005	1,730	46,900	431	
Sub-Total	7,819	0	14,579	22,480	44,878	46,900		21,972	
Remainder	1,532	0	959	2,870	5,361	6,695	53,595	1,218	
Total Future	9,351	0	15,538	25,350	50,239	53,595		23,190	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 47

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WATERFLOOD (PB) (TURNNEISKI)

OIL LEASE
PROBABLE
WATERFLOOD

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED MONTHLY
	1.000000				50.00	24.80	2.47	10.00% - 418,501
	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% - 351,692
								15.00% - 273,257
								20.00% - 182,473
								25.00% - 123,258

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	142,268	3,171	87	135,862	3,028	74	55.00	2.47
2011	1	699,739	31,191	431	664,738	29,631	318	60.00	2.47
2012	1	1,590,010	70,875	978	1,501,683	66,938	718	60.00	2.47
2013	1	2,632,462	117,342	1,619	2,316,158	103,243	1,108	60.00	2.47
2014	1	3,200,000	142,641	1,968	2,679,408	119,435	1,281	60.00	2.47
2015	1	3,200,000	142,641	1,968	2,681,178	119,514	1,282	60.00	2.47
2016	1	2,912,000	129,803	1,791	2,423,631	108,034	1,159	60.00	2.47
2017	1	2,649,920	118,120	1,629	2,217,477	98,844	1,060	60.00	2.47
2018	1	2,411,427	107,490	1,483	2,049,072	91,338	980	60.00	2.47
2019	1	2,194,399	97,816	1,350	1,926,671	85,882	921	60.00	2.47
2020	1	1,996,903	89,012	1,228	1,733,650	77,278	829	60.00	2.47
2021	1	1,817,182	81,002	1,117	1,585,562	70,676	758	60.00	2.47
2022	1	1,653,635	73,711	1,017	1,449,245	64,601	693	60.00	2.47
2023	1	1,504,808	67,077	926	1,320,609	58,866	632	60.00	2.47
Sub-Total		28,604,753	1,271,892	17,592	24,684,944	1,097,308	11,813	59.97	2.47
Remainder		8,060,258	359,287	4,957	7,141,180	318,320	3,414	60.00	2.47
Total Future		36,665,011	1,631,179	22,549	31,826,124	1,415,628	15,227	59.98	2.47

Cumulative 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
Ultimate 36,665,011 1,631,179 22,549 INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	7,472	85	183	0	7,740	257	11	7,472
2011	39,885	931	786	0	41,602	1,619	68	39,915
2012	90,101	2,103	1,773	0	93,977	4,523	122	89,332
2013	138,969	3,244	2,736	0	144,949	8,297	258	136,394
2014	160,765	3,753	3,164	0	167,682	9,823	303	157,556
2015	160,870	3,755	3,167	0	167,792	9,877	305	157,610
2016	145,418	3,394	2,862	0	151,674	9,016	282	142,376
2017	133,049	3,106	2,619	0	138,774	8,076	260	130,438
2018	122,944	2,870	2,420	0	128,234	7,315	239	120,680
2019	115,600	2,698	2,276	0	120,574	6,451	218	113,905
2020	104,019	2,428	2,047	0	108,494	5,502	191	102,801
2021	95,134	2,221	1,873	0	99,228	4,919	173	94,136
2022	86,955	2,030	1,712	0	90,697	4,391	157	86,149
2023	79,236	1,849	1,559	0	82,644	3,898	141	78,605
Sub-Total	1,480,417	34,467	29,177	0	1,544,061	83,964	2,728	1,457,369
Remainder	428,471	10,002	8,435	0	446,908	18,094	743	428,071
Total Future	1,908,888	44,469	37,612	0	1,990,969	102,058	3,471	1,885,440

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	8,750	0	8,750	-8,750	-8,750	-8,714	
2010	867	0	37,630	2,059	40,556	-33,084	-41,834	-29,807	
2011	4,070	0	34,630	10,213	48,913	-8,998	-50,832	-7,258	
2012	8,316	0	22,420	23,071	53,807	35,525	-15,307	26,422	
2013	10,510	0	0	35,586	46,096	90,298	74,991	60,652	
2014	12,350	0	0	41,166	53,516	104,040	179,031	63,261	
2015	12,659	0	0	41,193	53,852	103,758	282,789	57,110	
2016	10,869	0	0	37,237	48,106	94,270	377,059	46,974	
2017	10,464	0	0	34,069	44,533	85,905	462,964	38,746	
2018	9,913	0	0	31,481	41,394	79,286	542,250	32,374	
2019	10,057	0	0	29,602	39,659	74,246	616,496	27,442	
2020	10,190	0	0	26,635	36,825	65,976	682,472	22,073	
2021	10,200	0	0	24,361	34,561	59,575	742,047	18,043	
2022	9,166	0	0	22,266	31,432	54,717	796,764	15,000	
2023	9,003	0	0	20,289	29,292	49,313	846,077	12,238	
Sub-Total	128,634	0	103,430	379,228	611,292	846,077		374,556	
Remainder	54,574	0	9,509	109,717	173,800	254,271	1,100,348	43,945	
Total Future	183,208	0	112,939	488,945	785,092	1,100,348		418,501	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 48

GRAND SUMMARY
WEST TURNEISKI
TOTAL PROVED AND PROB

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	8,378
							12.00%	—	8,069
							15.00%	—	7,639
							20.00%	—	7,007
							25.00%	—	6,465

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	83,278	0	80	79,533	0	0	50.00	0.00
2010	1	141,565	3,969	136	133,220	3,735	116	55.00	2.47
2011	1	72,116	5,018	69	67,889	4,724	51	60.00	2.47
2012	1	43,705	3,041	42	41,180	2,866	31	60.00	2.47
2013	1	29,321	2,040	28	25,244	1,756	19	60.00	2.47
2014	1	21,034	1,464	20	18,023	1,254	13	60.00	2.47
2015	1	15,826	1,101	16	13,796	960	10	60.00	2.47
2016	1	12,338	859	11	10,569	735	8	60.00	2.47
2017	1	817	57	1	705	49	1	60.00	2.47
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		420,000	17,549	403	390,159	16,079	249	56.25	2.47
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		420,000	17,549	403	390,159	16,079	249	56.25	2.47
Cumulative		0	0	0					
Ultimate		420,000	17,549	403					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	3,977	0	0	0	3,977	140	0	3,837
2010	7,327	105	288	0	7,720	376	16	7,328
2011	4,073	148	125	0	4,346	211	11	4,124
2012	2,471	90	76	0	2,637	126	6	2,505
2013	1,515	56	46	0	1,617	79	5	1,533
2014	1,081	39	33	0	1,153	55	3	1,095
2015	828	30	26	0	884	39	2	843
2016	634	23	19	0	676	29	2	645
2017	42	2	2	0	46	2	0	44
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	21,948	493	615	0	23,056	1,057	45	21,954
Remainder	0	0	0	0	0	0	0	0
Total Future	21,948	493	615	0	23,056	1,057	45	21,954

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	963	0	0	1,188	2,151	1,686	1,686	1,632	
2010	883	0	1,612	2,026	4,521	2,807	4,493	2,572	
2011	430	0	608	1,059	2,097	2,027	6,520	1,672	
2012	237	0	334	643	1,214	1,291	7,811	963	
2013	118	0	27	394	539	994	8,805	670	
2014	85	0	14	281	380	715	9,520	437	
2015	66	0	8	215	289	554	10,074	304	
2016	48	0	5	165	218	427	10,501	214	
2017	4	0	200	11	215	-171	10,330	-76	
2018	0	0	0	0	0	0	10,330	0	
2019	0	0	0	0	0	0	10,330	0	
2020	0	0	0	0	0	0	10,330	0	
2021	0	0	0	0	0	0	10,330	0	
2022	0	0	0	0	0	0	10,330	0	
2023	0	0	0	0	0	0	10,330	0	
Sub-Total	2,834	0	2,808	5,982	11,624	10,330		8,388	
Remainder	0	0	89	0	89	-89	10,241	-10	
Total Future	2,834	0	2,897	5,982	11,713	10,241		8,378	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **49**

GRAND SUMMARY
WEST TURNEISKI
TOTAL PROVED

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	8,378
							12.00%	—	8,069
							15.00%	—	7,639
							20.00%	—	7,007
							25.00%	—	6,465

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	83,278	0	80	79,533	0	0	50.00	0.00
2010	1	141,565	3,969	136	133,220	3,735	116	55.00	2.47
2011	1	72,116	5,018	69	67,889	4,724	51	60.00	2.47
2012	1	43,705	3,041	42	41,180	2,866	31	60.00	2.47
2013	1	29,321	2,040	28	25,244	1,756	19	60.00	2.47
2014	1	21,034	1,464	20	18,023	1,254	13	60.00	2.47
2015	1	15,826	1,101	16	13,796	960	10	60.00	2.47
2016	1	12,338	859	11	10,569	735	8	60.00	2.47
2017	1	817	57	1	705	49	1	60.00	2.47
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		420,000	17,549	403	390,159	16,079	249	56.25	2.47
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		420,000	17,549	403	390,159	16,079	249	56.25	2.47
Cumulative		0	0	0					
Ultimate		420,000	17,549	403					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	3,977	0	0	0	3,977	140	0	3,837
2010	7,327	105	288	0	7,720	376	16	7,328
2011	4,073	148	125	0	4,346	211	11	4,124
2012	2,471	90	76	0	2,637	126	6	2,505
2013	1,515	56	46	0	1,617	79	5	1,533
2014	1,081	39	33	0	1,153	55	3	1,095
2015	828	30	26	0	884	39	2	843
2016	634	23	19	0	676	29	2	645
2017	42	2	2	0	46	2	0	44
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	21,948	493	615	0	23,056	1,057	45	21,954
Remainder	0	0	0	0	0	0	0	0
Total Future	21,948	493	615	0	23,056	1,057	45	21,954

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	963	0	0	1,188	2,151	1,686	1,686	1,632	
2010	883	0	1,612	2,026	4,521	2,807	4,493	2,572	
2011	430	0	608	1,059	2,097	2,027	6,520	1,672	
2012	237	0	334	643	1,214	1,291	7,811	963	
2013	118	0	27	394	539	994	8,805	670	
2014	85	0	14	281	380	715	9,520	437	
2015	66	0	8	215	289	554	10,074	304	
2016	48	0	5	165	218	427	10,501	214	
2017	4	0	200	11	215	-171	10,330	-76	
2018	0	0	0	0	0	0	10,330	0	
2019	0	0	0	0	0	0	10,330	0	
2020	0	0	0	0	0	0	10,330	0	
2021	0	0	0	0	0	0	10,330	0	
2022	0	0	0	0	0	0	10,330	0	
2023	0	0	0	0	0	0	10,330	0	
Sub-Total	2,834	0	2,808	5,982	11,624	10,330		8,388	
Remainder	0	0	89	0	89	-89	10,241	-10	
Total Future	2,834	0	2,897	5,982	11,713	10,241		8,378	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 50

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST AREA WELL #33 (TURNIEISKI)

OIL LEASE
PROVED
SHUT IN

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	8,378
	1.000000	0.862743	0.862743	0.862743	60.00	31.42	2.47	12.00% -	8,069
								15.00% -	7,639
								20.00% -	7,007
								25.00% -	6,465

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	83,278	0	80	79,533	0	0	50.00	0.00
2010	1	141,565	3,969	136	133,220	3,735	116	55.00	2.47
2011	1	72,116	5,018	69	67,889	4,724	51	60.00	2.47
2012	1	43,705	3,041	42	41,180	2,866	31	60.00	2.47
2013	1	29,321	2,040	28	25,244	1,756	19	60.00	2.47
2014	1	21,034	1,464	20	18,023	1,254	13	60.00	2.47
2015	1	15,826	1,101	16	13,796	960	10	60.00	2.47
2016	1	12,338	859	11	10,569	735	8	60.00	2.47
2017	1	817	57	1	705	49	1	60.00	2.47
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		420,000	17,549	403	390,159	16,079	249	56.25	2.47
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		420,000	17,549	403	390,159	16,079	249	56.25	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		420,000	17,549	403	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	3,977	0	0	0	3,977	140	0	3,837
2010	7,327	105	288	0	7,720	376	16	7,328
2011	4,073	148	125	0	4,346	211	11	4,124
2012	2,471	90	76	0	2,637	126	6	2,505
2013	1,515	56	46	0	1,617	79	5	1,533
2014	1,081	39	33	0	1,153	55	3	1,095
2015	828	30	26	0	884	39	2	843
2016	634	23	19	0	676	29	2	645
2017	42	2	2	0	46	2	0	44
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	21,948	493	615	0	23,056	1,057	45	21,954
Remainder	0	0	0	0	0	0	0	0
Total Future	21,948	493	615	0	23,056	1,057	45	21,954

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	963	0	0	1,188	2,151	1,686	1,686	1,632	
2010	883	0	1,612	2,026	4,521	2,807	4,493	2,572	
2011	430	0	608	1,059	2,097	2,027	6,520	1,672	
2012	237	0	334	643	1,214	1,291	7,811	963	
2013	118	0	27	394	539	994	8,805	670	
2014	85	0	14	281	380	715	9,520	437	
2015	66	0	8	215	289	554	10,074	304	
2016	48	0	5	165	218	427	10,501	214	
2017	4	0	200	11	215	-171	10,330	-76	
2018	0	0	0	0	0	0	10,330	0	
2019	0	0	0	0	0	0	10,330	0	
2020	0	0	0	0	0	0	10,330	0	
2021	0	0	0	0	0	0	10,330	0	
2022	0	0	0	0	0	0	10,330	0	
2023	0	0	0	0	0	0	10,330	0	
Sub-Total	2,834	0	2,808	5,982	11,624	10,330		8,388	
Remainder	0	0	89	0	89	-89	10,241	-10	
Total Future	2,834	0	2,897	5,982	11,713	10,241		8,378	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **51**

GRAND SUMMARY
SOUTH TURNEISKI
TOTAL PROVED AND PROB

PROVED AND PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	271,574
							12.00%	—	233,726
							15.00%	—	188,258
							20.00%	—	133,863
							25.00%	—	96,984

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	2	256,904	182,904	4,108	241,758	172,120	3,066	55.00	2.47
2011	2	517,054	368,120	8,266	486,758	346,552	6,172	60.00	2.47
2012	3	337,964	241,354	5,419	318,519	227,467	4,051	60.00	2.47
2013	7	677,641	490,030	11,006	591,070	427,487	7,614	60.00	2.47
2014	8	883,501	641,133	14,397	744,386	540,117	9,621	60.00	2.47
2015	9	951,034	690,460	15,506	804,891	584,245	10,404	60.00	2.47
2016	10	1,094,322	795,151	17,857	916,574	665,911	11,860	60.00	2.47
2017	10	1,022,564	743,010	16,685	861,457	625,864	11,147	60.00	2.47
2018	11	1,061,834	772,241	17,345	907,766	660,110	11,757	60.00	2.47
2019	11	487,792	354,760	7,965	430,376	312,968	5,577	60.00	2.47
2020	11	445,190	323,773	7,273	388,475	282,497	5,029	60.00	2.47
2021	11	406,306	295,496	6,634	356,288	259,096	4,616	60.00	2.47
2022	11	370,820	269,689	6,056	326,532	237,449	4,228	60.00	2.47
2023	11	338,434	246,137	5,528	298,417	217,013	3,866	60.00	2.47
Sub-Total		8,851,360	6,414,258	144,045	7,673,267	5,558,896	99,008	59.84	2.47
Remainder		1,982,918	1,442,141	32,388	1,767,765	1,285,528	22,896	60.00	2.47
Total Future		10,834,278	7,856,399	176,433	9,441,032	6,844,424	121,904	59.87	2.47
Cumulative		0	0	0					
Ultimate		10,834,278	7,856,399	176,433					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	13,297	4,838	7,572	0	25,707	681	496	24,530
2011	29,205	10,889	15,245	0	55,339	1,518	1,064	52,757
2012	19,111	7,147	10,007	0	36,265	970	669	34,626
2013	35,464	13,432	18,806	0	67,702	2,011	1,363	64,328
2014	44,664	16,970	23,761	0	85,395	2,604	1,745	81,046
2015	48,293	18,357	25,702	0	92,352	2,794	1,898	87,660
2016	54,995	20,923	29,296	0	105,214	3,202	2,205	99,807
2017	51,687	19,665	27,533	0	98,885	2,916	2,091	93,878
2018	54,466	20,740	29,040	0	104,246	3,020	2,199	99,027
2019	25,823	9,834	13,769	0	49,426	1,346	1,017	47,063
2020	23,308	8,876	12,427	0	44,611	1,157	901	42,553
2021	21,377	8,141	11,399	0	40,917	1,038	817	39,062
2022	19,592	7,460	10,446	0	37,498	929	744	35,825
2023	17,905	6,819	9,547	0	34,271	826	674	32,771
Sub-Total	459,187	174,091	244,550	0	877,828	25,012	17,883	834,933
Remainder	106,066	40,391	56,554	0	203,011	4,163	3,902	194,946
Total Future	565,253	214,482	301,104	0	1,080,839	29,175	21,785	1,029,879

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	17,112	0	17,112	-17,112	-17,112	-17,041
2010	2,913	0	6,879	5,249	15,041	9,489	-7,623	8,207
2011	6,313	0	8,555	10,568	25,436	27,321	19,698	22,457
2012	3,781	0	7,843	6,921	18,545	16,081	35,779	11,890
2013	5,962	0	4,491	12,896	23,349	40,979	76,758	27,390
2014	7,663	0	860	16,258	24,781	56,265	133,023	34,247
2015	8,458	0	2,943	17,581	28,982	58,678	191,701	32,292
2016	9,229	0	438	20,027	29,694	70,113	261,814	34,981
2017	9,053	0	1,851	18,822	29,726	64,152	325,966	28,980
2018	9,739	0	565	19,840	30,144	68,883	394,849	28,168
2019	4,929	0	202	9,406	14,537	32,526	427,375	12,031
2020	4,949	0	245	8,490	13,684	28,869	456,244	9,667
2021	4,925	0	216	7,787	12,928	26,134	482,378	7,921
2022	4,439	0	226	7,137	11,802	24,023	506,401	6,591
2023	4,342	0	235	6,522	11,099	21,672	528,073	5,383
Sub-Total	86,695	0	52,661	167,504	306,860	528,073		253,164
Remainder	29,403	0	25,698	38,636	93,737	101,209	629,282	18,410
Total Future	116,098	0	78,359	206,140	400,597	629,282		271,574

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 52

GRAND SUMMARY
SOUTH TURNEISKI
TOTAL PROVED

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	103,455
							12.00%	—	93,528
							15.00%	—	81,151
							20.00%	—	65,409
							25.00%	—	53,846

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	2	256,904	182,904	4,108	241,758	172,120	3,066	55.00	2.47
2011	2	517,054	368,120	8,266	486,758	346,552	6,172	60.00	2.47
2012	2	298,634	212,616	4,774	281,374	200,326	3,568	60.00	2.47
2013	2	272,848	194,254	4,362	234,914	167,248	2,978	60.00	2.47
2014	2	236,658	168,492	3,784	202,774	144,368	2,572	60.00	2.47
2015	2	237,444	169,050	3,796	207,000	147,374	2,624	60.00	2.47
2016	2	237,862	169,346	3,804	203,748	145,060	2,584	60.00	2.47
2017	2	222,356	158,308	3,554	191,836	136,578	2,432	60.00	2.47
2018	2	193,576	137,818	3,096	169,978	121,018	2,156	60.00	2.47
2019	2	88,892	63,288	1,422	80,144	57,058	1,016	60.00	2.47
2020	2	81,108	57,744	1,296	72,390	51,538	918	60.00	2.47
2021	2	74,004	52,688	1,182	66,344	47,236	842	60.00	2.47
2022	2	67,524	48,074	1,080	60,720	43,228	768	60.00	2.47
2023	2	61,610	43,864	986	55,480	39,500	704	60.00	2.47
Sub-Total		2,846,474	2,026,566	45,510	2,555,218	1,819,204	32,400	59.53	2.47
Remainder		360,552	256,698	5,764	328,614	233,960	4,168	60.00	2.47
Total Future		3,207,026	2,283,264	51,274	2,883,832	2,053,164	36,568	59.58	2.47
Cumulative		0	0	0					
Ultimate		3,207,026	2,283,264	51,274					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	13,297	4,838	7,572	0	25,707	681	496	24,530
2011	29,205	10,889	15,245	0	55,339	1,518	1,064	52,757
2012	16,883	6,294	8,813	0	31,990	858	604	30,528
2013	14,094	5,255	7,357	0	26,706	736	517	25,453
2014	12,167	4,536	6,351	0	23,054	618	439	21,997
2015	12,420	4,631	6,483	0	23,534	591	445	22,498
2016	12,225	4,557	6,382	0	23,164	550	437	22,177
2017	11,510	4,292	6,008	0	21,810	478	412	20,920
2018	10,199	3,802	5,324	0	19,325	385	365	18,575
2019	4,808	1,793	2,510	0	9,111	174	172	8,765
2020	4,344	1,619	2,267	0	8,230	154	156	7,920
2021	3,980	1,484	2,078	0	7,542	138	142	7,262
2022	3,643	1,359	1,901	0	6,903	124	131	6,648
2023	3,329	1,241	1,738	0	6,308	109	119	6,080
Sub-Total	152,104	56,590	80,029	0	288,723	7,114	5,499	276,110
Remainder	19,717	7,351	10,292	0	37,360	599	706	36,055
Total Future	171,821	63,941	90,321	0	326,083	7,713	6,205	312,165

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	0	0	0	0	0	0
2010	2,913	0	6,879	5,249	15,041	9,489	9,489	8,207
2011	6,313	0	8,555	10,568	25,436	27,321	36,810	22,458
2012	3,349	0	4,440	6,108	13,897	16,631	53,441	12,364
2013	2,356	0	476	5,101	7,933	17,520	70,961	11,782
2014	2,042	0	301	4,402	6,745	15,252	86,213	9,284
2015	2,119	0	252	4,494	6,865	15,633	101,846	8,614
2016	2,009	0	181	4,424	6,614	15,563	117,409	7,765
2017	1,968	0	326	4,164	6,458	14,462	131,871	6,533
2018	1,782	0	228	3,691	5,701	12,874	144,745	5,265
2019	902	0	76	1,740	2,718	6,047	150,792	2,237
2020	903	0	90	1,571	2,564	5,356	156,148	1,793
2021	899	0	78	1,441	2,418	4,844	160,992	1,469
2022	809	0	82	1,318	2,209	4,439	165,431	1,218
2023	790	0	85	1,205	2,080	4,000	169,431	993
Sub-Total	29,154	0	22,049	55,476	106,679	169,431		99,982
Remainder	5,256	0	3,856	7,134	16,246	19,809	189,240	3,473
Total Future	34,410	0	25,905	62,610	122,925	189,240		103,455

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **53**

GRAND SUMMARY
SOUTH TURNEISKI
TOTAL PROVED NON PRODUCING

PROVED
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	103,455
							12.00%	—	93,528
							15.00%	—	81,151
							20.00%	—	65,409
							25.00%	—	53,846

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	2	256,904	182,904	4,108	241,758	172,120	3,066	55.00	2.47
2011	2	517,054	368,120	8,266	486,758	346,552	6,172	60.00	2.47
2012	2	298,634	212,616	4,774	281,374	200,326	3,568	60.00	2.47
2013	2	272,848	194,254	4,362	234,914	167,248	2,978	60.00	2.47
2014	2	236,658	168,492	3,784	202,774	144,368	2,572	60.00	2.47
2015	2	237,444	169,050	3,796	207,000	147,374	2,624	60.00	2.47
2016	2	237,862	169,346	3,804	203,748	145,060	2,584	60.00	2.47
2017	2	222,356	158,308	3,554	191,836	136,578	2,432	60.00	2.47
2018	2	193,576	137,818	3,096	169,978	121,018	2,156	60.00	2.47
2019	2	88,892	63,288	1,422	80,144	57,058	1,016	60.00	2.47
2020	2	81,108	57,744	1,296	72,390	51,538	918	60.00	2.47
2021	2	74,004	52,688	1,182	66,344	47,236	842	60.00	2.47
2022	2	67,524	48,074	1,080	60,720	43,228	768	60.00	2.47
2023	2	61,610	43,864	986	55,480	39,500	704	60.00	2.47
Sub-Total		2,846,474	2,026,566	45,510	2,555,218	1,819,204	32,400	59.53	2.47
Remainder		360,552	256,698	5,764	328,614	233,960	4,168	60.00	2.47
Total Future		3,207,026	2,283,264	51,274	2,883,832	2,053,164	36,568	59.58	2.47
Cumulative		0	0	0					
Ultimate		3,207,026	2,283,264	51,274					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	13,297	4,838	7,572	0	25,707	681	496	24,530
2011	29,205	10,889	15,245	0	55,339	1,518	1,064	52,757
2012	16,883	6,294	8,813	0	31,990	858	604	30,528
2013	14,094	5,255	7,357	0	26,706	736	517	25,453
2014	12,167	4,536	6,351	0	23,054	618	439	21,997
2015	12,420	4,631	6,483	0	23,534	591	445	22,498
2016	12,225	4,557	6,382	0	23,164	550	437	22,177
2017	11,510	4,292	6,008	0	21,810	478	412	20,920
2018	10,199	3,802	5,324	0	19,325	385	365	18,575
2019	4,808	1,793	2,510	0	9,111	174	172	8,765
2020	4,344	1,619	2,267	0	8,230	154	156	7,920
2021	3,980	1,484	2,078	0	7,542	138	142	7,262
2022	3,643	1,359	1,901	0	6,903	124	131	6,648
2023	3,329	1,241	1,738	0	6,308	109	119	6,080
Sub-Total	152,104	56,590	80,029	0	288,723	7,114	5,499	276,110
Remainder	19,717	7,351	10,292	0	37,360	599	706	36,055
Total Future	171,821	63,941	90,321	0	326,083	7,713	6,205	312,165

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	2,913	0	6,879	5,249	15,041	9,489	9,489	8,207	
2011	6,313	0	8,555	10,568	25,436	27,321	36,810	22,458	
2012	3,349	0	4,440	6,108	13,897	16,631	53,441	12,364	
2013	2,356	0	476	5,101	7,933	17,520	70,961	11,782	
2014	2,042	0	301	4,402	6,745	15,252	86,213	9,284	
2015	2,119	0	252	4,494	6,865	15,633	101,846	8,614	
2016	2,009	0	181	4,424	6,614	15,563	117,409	7,765	
2017	1,968	0	326	4,164	6,458	14,462	131,871	6,533	
2018	1,782	0	228	3,691	5,701	12,874	144,745	5,265	
2019	902	0	76	1,740	2,718	6,047	150,792	2,237	
2020	903	0	90	1,571	2,564	5,356	156,148	1,793	
2021	899	0	78	1,441	2,418	4,844	160,992	1,469	
2022	809	0	82	1,318	2,209	4,439	165,431	1,218	
2023	790	0	85	1,205	2,080	4,000	169,431	993	
Sub-Total	29,154	0	22,049	55,476	106,679	169,431		99,982	
Remainder	5,256	0	3,856	7,134	16,246	19,809	189,240	3,473	
Total Future	34,410	0	25,905	62,610	122,925	189,240		103,455	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 54

GRAND SUMMARY
SOUTH TURNEISKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	–	168,119
							12.00%	–	140,197
							15.00%	–	107,108
							20.00%	–	68,454
							25.00%	–	43,138

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	39,330	28,738	645	37,145	27,141	483	60.00	2.47
2013	5	404,793	295,776	6,644	356,156	260,239	4,636	60.00	2.47
2014	6	646,843	472,641	10,613	541,612	395,749	7,049	60.00	2.47
2015	7	713,590	521,410	11,710	597,891	436,871	7,780	60.00	2.47
2016	8	856,460	625,805	14,053	712,826	520,851	9,276	60.00	2.47
2017	8	800,208	584,702	13,131	669,621	489,286	8,715	60.00	2.47
2018	9	868,258	634,423	14,249	737,788	539,092	9,601	60.00	2.47
2019	9	398,900	291,472	6,543	350,232	255,910	4,561	60.00	2.47
2020	9	364,082	266,029	5,977	316,085	230,959	4,111	60.00	2.47
2021	9	332,302	242,808	5,452	289,944	211,860	3,774	60.00	2.47
2022	9	303,296	221,615	4,976	265,812	194,221	3,460	60.00	2.47
2023	9	276,824	202,273	4,542	242,937	177,513	3,162	60.00	2.47
Sub-Total		6,004,886	4,387,692	98,535	5,118,049	3,739,692	66,608	60.00	2.47
Remainder		1,622,366	1,185,443	26,624	1,439,151	1,051,568	18,728	60.00	2.47
Total Future		7,627,252	5,573,135	125,159	6,557,200	4,791,260	85,336	60.00	2.47
Cumulative		0	0	0					
Ultimate		7,627,252	5,573,135	125,159					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	2,229	853	1,194	0	4,276	112	64	4,100
2013	21,369	8,176	11,449	0	40,994	1,276	846	38,872
2014	32,497	12,435	17,410	0	62,342	1,985	1,307	59,050
2015	35,873	13,726	19,219	0	68,818	2,203	1,453	65,162
2016	42,770	16,366	22,914	0	82,050	2,652	1,768	77,630
2017	40,177	15,373	21,525	0	77,075	2,438	1,679	72,958
2018	44,267	16,938	23,717	0	84,922	2,634	1,833	80,455
2019	21,014	8,041	11,258	0	40,313	1,173	845	38,295
2020	18,965	7,257	10,160	0	36,382	1,003	746	34,633
2021	17,397	6,656	9,321	0	33,374	899	674	31,801
2022	15,949	6,103	8,544	0	30,596	806	614	29,176
2023	14,576	5,577	7,810	0	27,963	717	555	26,691
Sub-Total	307,083	117,501	164,521	0	589,105	17,898	12,384	558,823
Remainder	86,349	33,040	46,261	0	165,650	3,564	3,196	158,890
Total Future	393,432	150,541	210,782	0	754,755	21,462	15,580	717,713

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	17,112	0	17,112	-17,112	-17,112	-17,041
2010	0	0	0	0	0	0	-17,112	0
2011	0	0	0	0	0	0	-17,112	0
2012	432	0	3,403	813	4,648	-548	-17,660	-475
2013	3,606	0	4,015	7,796	15,417	23,455	5,795	15,607
2014	5,622	0	560	11,855	18,037	41,013	46,808	24,964
2015	6,337	0	2,690	13,087	22,114	43,048	89,856	23,677
2016	7,220	0	256	15,603	23,079	54,551	144,407	27,217
2017	7,086	0	1,526	14,657	23,269	49,689	194,096	22,447
2018	7,957	0	338	16,150	24,445	56,010	250,106	22,904
2019	4,028	0	125	7,666	11,819	26,476	276,582	9,793
2020	4,045	0	155	6,919	11,119	23,514	300,096	7,873
2021	4,025	0	138	6,346	10,509	21,292	321,388	6,454
2022	3,631	0	144	5,818	9,593	19,583	340,971	5,372
2023	3,552	0	151	5,318	9,021	17,670	358,641	4,389
Sub-Total	57,541	0	30,613	112,028	200,182	358,641		153,181
Remainder	24,147	0	21,840	31,501	77,488	81,402	440,043	14,938
Total Future	81,688	0	52,453	143,529	277,670	440,043		168,119

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 55

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
SOUTH WELL 23 (TURNEISKI)

GAS LEASE
PROVED
NON-PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.941046	0.941046	0.941046	50.00	24.80	2.47	10.00% -	51,727
FINAL	1.000000	0.955313	0.955313	0.955313	60.00	31.42	2.47	12.00% -	46,764
REMARKS								15.00% -	40,575
								20.00% -	32,705
								25.00% -	26,923

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	128,452	91,452	2,054	120,879	86,060	1,533	55.00	2.47
2011	1	258,527	184,060	4,133	243,379	173,276	3,086	60.00	2.47
2012	1	149,317	106,308	2,387	140,687	100,163	1,784	60.00	2.47
2013	1	136,424	97,127	2,181	117,457	83,624	1,489	60.00	2.47
2014	1	118,329	84,246	1,892	101,387	72,184	1,286	60.00	2.47
2015	1	118,722	84,525	1,898	103,500	73,687	1,312	60.00	2.47
2016	1	118,931	84,673	1,902	101,874	72,530	1,292	60.00	2.47
2017	1	111,178	79,154	1,777	95,918	68,289	1,216	60.00	2.47
2018	1	96,788	68,909	1,548	84,989	60,509	1,078	60.00	2.47
2019	1	44,446	31,644	711	40,072	28,529	508	60.00	2.47
2020	1	40,554	28,872	648	36,195	25,769	459	60.00	2.47
2021	1	37,002	26,344	591	33,172	23,618	421	60.00	2.47
2022	1	33,762	24,037	540	30,360	21,614	384	60.00	2.47
2023	1	30,805	21,932	493	27,740	19,750	352	60.00	2.47
Sub-Total		1,423,237	1,013,283	22,755	1,277,609	909,602	16,200	59.53	2.47
Remainder		180,276	128,349	2,882	164,307	116,980	2,084	60.00	2.47
Total Future		1,603,513	1,141,632	25,637	1,441,916	1,026,582	18,284	59.58	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	6,648	2,419	3,786	0	12,853	340	248	12,265
2011	14,603	5,444	7,623	0	27,670	760	532	26,378
2012	8,441	3,148	4,406	0	15,995	429	302	15,264
2013	7,048	2,627	3,679	0	13,354	367	259	12,728
2014	6,083	2,268	3,175	0	11,526	309	219	10,998
2015	6,210	2,315	3,242	0	11,767	296	222	11,249
2016	6,112	2,279	3,190	0	11,581	275	219	11,087
2017	5,755	2,146	3,004	0	10,905	239	206	10,460
2018	5,100	1,901	2,662	0	9,663	193	183	9,287
2019	2,404	896	1,255	0	4,555	86	86	4,383
2020	2,172	810	1,134	0	4,116	78	77	3,961
2021	1,990	742	1,039	0	3,771	69	72	3,630
2022	1,822	679	951	0	3,452	61	65	3,326
2023	1,664	621	869	0	3,154	55	59	3,040
Sub-Total	76,052	28,295	40,015	0	144,362	3,557	2,749	138,056
Remainder	9,859	3,675	5,146	0	18,680	299	353	18,028
Total Future	85,911	31,970	45,161	0	163,042	3,856	3,102	156,084

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	1,457	0	3,439	2,624	7,520	4,745	4,745	4,103	
2011	3,156	0	4,278	5,284	12,718	13,660	18,405	11,229	
2012	1,675	0	2,220	3,055	6,950	8,314	26,719	6,183	
2013	1,178	0	238	2,550	3,966	8,762	35,481	5,891	
2014	1,020	0	150	2,201	3,371	7,627	43,108	4,642	
2015	1,060	0	127	2,247	3,434	7,815	50,923	4,307	
2016	1,005	0	90	2,212	3,307	7,780	58,703	3,882	
2017	984	0	163	2,082	3,229	7,231	65,934	3,266	
2018	891	0	114	1,845	2,850	6,437	72,371	2,633	
2019	450	0	38	870	1,358	3,025	75,396	1,118	
2020	452	0	45	786	1,283	2,678	78,074	897	
2021	450	0	39	720	1,209	2,421	80,495	734	
2022	404	0	41	660	1,105	2,221	82,716	609	
2023	395	0	42	602	1,039	2,001	84,717	497	
Sub-Total	14,577	0	11,024	27,738	53,339	84,717		49,991	
Remainder	2,628	0	1,929	3,567	8,124	9,904	94,621	1,736	
Total Future	17,205	0	12,953	31,305	61,463	94,621		51,727	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 56

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
SOUTH WELL 31 (TURNEISKI)

GAS LEASE
PROVED
NON-PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.941046	0.941046	0.941046	50.00	24.80	2.47	10.00% -	51,727
FINAL	1.000000	0.955313	0.955313	0.955313	60.00	31.42	2.47	12.00% -	46,764
REMARKS								15.00% -	40,575
								20.00% -	32,705
								25.00% -	26,923

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	128,452	91,452	2,054	120,879	86,060	1,533	55.00	2.47
2011	1	258,527	184,060	4,133	243,379	173,276	3,086	60.00	2.47
2012	1	149,317	106,308	2,387	140,687	100,163	1,784	60.00	2.47
2013	1	136,424	97,127	2,181	117,457	83,624	1,489	60.00	2.47
2014	1	118,329	84,246	1,892	101,387	72,184	1,286	60.00	2.47
2015	1	118,722	84,525	1,898	103,500	73,687	1,312	60.00	2.47
2016	1	118,931	84,673	1,902	101,874	72,530	1,292	60.00	2.47
2017	1	111,178	79,154	1,777	95,918	68,289	1,216	60.00	2.47
2018	1	96,788	68,909	1,548	84,989	60,509	1,078	60.00	2.47
2019	1	44,446	31,644	711	40,072	28,529	508	60.00	2.47
2020	1	40,554	28,872	648	36,195	25,769	459	60.00	2.47
2021	1	37,002	26,344	591	33,172	23,618	421	60.00	2.47
2022	1	33,762	24,037	540	30,360	21,614	384	60.00	2.47
2023	1	30,805	21,932	493	27,740	19,750	352	60.00	2.47
Sub-Total		1,423,237	1,013,283	22,755	1,277,609	909,602	16,200	59.53	2.47
Remainder		180,276	128,349	2,882	164,307	116,980	2,084	60.00	2.47
Total Future		1,603,513	1,141,632	25,637	1,441,916	1,026,582	18,284	59.58	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	6,648	2,419	3,786	0	12,853	340	248	12,265
2011	14,603	5,444	7,623	0	27,670	760	532	26,378
2012	8,441	3,148	4,406	0	15,995	429	302	15,264
2013	7,048	2,627	3,679	0	13,354	367	259	12,728
2014	6,083	2,268	3,175	0	11,526	309	219	10,998
2015	6,210	2,315	3,242	0	11,767	296	222	11,249
2016	6,112	2,279	3,190	0	11,581	275	219	11,087
2017	5,755	2,146	3,004	0	10,905	239	206	10,460
2018	5,100	1,901	2,662	0	9,663	193	183	9,287
2019	2,404	896	1,255	0	4,555	86	86	4,383
2020	2,172	810	1,134	0	4,116	78	77	3,961
2021	1,990	742	1,039	0	3,771	69	72	3,630
2022	1,822	679	951	0	3,452	61	65	3,326
2023	1,664	621	869	0	3,154	55	59	3,040
Sub-Total	76,052	28,295	40,015	0	144,362	3,557	2,749	138,056
Remainder	9,859	3,675	5,146	0	18,680	299	353	18,028
Total Future	85,911	31,970	45,161	0	163,042	3,856	3,102	156,084

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	1,457	0	3,439	2,624	7,520	4,745	4,745	4,103	
2011	3,156	0	4,278	5,284	12,718	13,660	18,405	11,229	
2012	1,675	0	2,220	3,055	6,950	8,314	26,719	6,183	
2013	1,178	0	238	2,550	3,966	8,762	35,481	5,891	
2014	1,020	0	150	2,201	3,371	7,627	43,108	4,642	
2015	1,060	0	127	2,247	3,434	7,815	50,923	4,307	
2016	1,005	0	90	2,212	3,307	7,780	58,703	3,882	
2017	984	0	163	2,082	3,229	7,231	65,934	3,266	
2018	891	0	114	1,845	2,850	6,437	72,371	2,633	
2019	450	0	38	870	1,358	3,025	75,396	1,118	
2020	452	0	45	786	1,283	2,678	78,074	897	
2021	450	0	39	720	1,209	2,421	80,495	734	
2022	404	0	41	660	1,105	2,221	82,716	609	
2023	395	0	42	602	1,039	2,001	84,717	497	
Sub-Total	14,577	0	11,024	27,738	53,339	84,717		49,991	
Remainder	2,628	0	1,929	3,567	8,124	9,904	94,621	1,736	
Total Future	17,205	0	12,953	31,305	61,463	94,621		51,727	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 57

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
TS_01 (TURNEISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	21,139
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	17,950
								15.00% -	14,096
								20.00% -	9,461
								25.00% -	6,316

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	94,005	68,688	1,543	82,710	60,435	1,076	60.00	2.47
2014	1	98,843	72,224	1,622	82,763	60,474	1,078	60.00	2.47
2015	1	99,173	72,464	1,627	83,093	60,715	1,081	60.00	2.47
2016	1	99,346	72,590	1,630	82,685	60,417	1,076	60.00	2.47
2017	1	92,870	67,860	1,524	77,715	56,785	1,011	60.00	2.47
2018	1	80,850	59,076	1,327	68,701	50,199	894	60.00	2.47
2019	1	37,127	27,128	609	32,597	23,818	425	60.00	2.47
2020	1	33,876	24,753	556	29,410	21,490	382	60.00	2.47
2021	1	30,909	22,584	507	26,969	19,706	351	60.00	2.47
2022	1	28,202	20,607	463	24,717	18,060	322	60.00	2.47
2023	1	25,732	18,803	422	22,582	16,501	294	60.00	2.47
Sub-Total		720,933	526,777	11,830	613,942	448,600	7,990	60.00	2.47
Remainder		150,590	110,034	2,471	133,582	97,606	1,738	60.00	2.47
Total Future		871,523	636,811	14,301	747,524	546,206	9,728	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	4,963	1,899	2,659	0	9,521	296	196	9,029
2014	4,965	1,900	2,660	0	9,525	304	200	9,021
2015	4,986	1,908	2,671	0	9,565	306	202	9,057
2016	4,961	1,898	2,658	0	9,517	307	205	9,005
2017	4,663	1,784	2,498	0	8,945	283	195	8,467
2018	4,122	1,577	2,209	0	7,908	246	171	7,491
2019	1,956	749	1,048	0	3,753	109	78	3,566
2020	1,764	675	945	0	3,384	93	70	3,221
2021	1,619	619	867	0	3,105	84	62	2,959
2022	1,483	568	794	0	2,845	75	58	2,712
2023	1,355	518	726	0	2,599	66	51	2,482
Sub-Total	36,837	14,095	19,735	0	70,667	2,169	1,488	67,010
Remainder	8,014	3,067	4,294	0	15,375	331	297	14,747
Total Future	44,851	17,162	24,029	0	86,042	2,500	1,785	81,757

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	1,135	0	1,135	-1,135	-3,036	-838
2013	838	0	184	1,810	2,832	6,197	3,161	4,128
2014	859	0	86	1,812	2,757	6,264	9,425	3,814
2015	881	0	57	1,819	2,757	6,300	15,725	3,472
2016	838	0	30	1,810	2,678	6,327	22,052	3,157
2017	822	0	45	1,701	2,568	5,899	27,951	2,664
2018	741	0	32	1,504	2,277	5,214	33,165	2,133
2019	375	0	11	713	1,099	2,467	35,632	911
2020	376	0	15	644	1,035	2,186	37,818	733
2021	375	0	13	590	978	1,981	39,799	600
2022	337	0	13	541	891	1,821	41,620	499
2023	330	0	14	494	838	1,644	43,264	408
Sub-Total	6,772	0	3,536	13,438	23,746	43,264		19,788
Remainder	2,241	0	2,411	2,924	7,576	7,171	50,435	1,351
Total Future	9,013	0	5,947	16,362	31,322	50,435		21,139

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 58

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_02 (TURNEISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	21,139
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	17,950
								15.00% -	14,096
								20.00% -	9,461
								25.00% -	6,316

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	94,005	68,688	1,543	82,710	60,435	1,076	60.00	2.47
2014	1	98,843	72,224	1,622	82,763	60,474	1,078	60.00	2.47
2015	1	99,173	72,464	1,627	83,093	60,715	1,081	60.00	2.47
2016	1	99,346	72,590	1,630	82,685	60,417	1,076	60.00	2.47
2017	1	92,870	67,860	1,524	77,715	56,785	1,011	60.00	2.47
2018	1	80,850	59,076	1,327	68,701	50,199	894	60.00	2.47
2019	1	37,127	27,128	609	32,597	23,818	425	60.00	2.47
2020	1	33,876	24,753	556	29,410	21,490	382	60.00	2.47
2021	1	30,909	22,584	507	26,969	19,706	351	60.00	2.47
2022	1	28,202	20,607	463	24,717	18,060	322	60.00	2.47
2023	1	25,732	18,803	422	22,582	16,501	294	60.00	2.47
Sub-Total		720,933	526,777	11,830	613,942	448,600	7,990	60.00	2.47
Remainder		150,590	110,034	2,471	133,582	97,606	1,738	60.00	2.47
Total Future		871,523	636,811	14,301	747,524	546,206	9,728	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	4,963	1,899	2,659	0	9,521	296	196	9,029
2014	4,965	1,900	2,660	0	9,525	304	200	9,021
2015	4,986	1,908	2,671	0	9,565	306	202	9,057
2016	4,961	1,898	2,658	0	9,517	307	205	9,005
2017	4,663	1,784	2,498	0	8,945	283	195	8,467
2018	4,122	1,577	2,209	0	7,908	246	171	7,491
2019	1,956	749	1,048	0	3,753	109	78	3,566
2020	1,764	675	945	0	3,384	93	70	3,221
2021	1,619	619	867	0	3,105	84	62	2,959
2022	1,483	568	794	0	2,845	75	58	2,712
2023	1,355	518	726	0	2,599	66	51	2,482
Sub-Total	36,837	14,095	19,735	0	70,667	2,169	1,488	67,010
Remainder	8,014	3,067	4,294	0	15,375	331	297	14,747
Total Future	44,851	17,162	24,029	0	86,042	2,500	1,785	81,757

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	1,135	0	1,135	-1,135	-3,036	-838	
2013	838	0	184	1,810	2,832	6,197	3,161	4,128	
2014	859	0	86	1,812	2,757	6,264	9,425	3,814	
2015	881	0	57	1,819	2,757	6,300	15,725	3,472	
2016	838	0	30	1,810	2,678	6,327	22,052	3,157	
2017	822	0	45	1,701	2,568	5,899	27,951	2,664	
2018	741	0	32	1,504	2,277	5,214	33,165	2,133	
2019	375	0	11	713	1,099	2,467	35,632	911	
2020	376	0	15	644	1,035	2,186	37,818	733	
2021	375	0	13	590	978	1,981	39,799	600	
2022	337	0	13	541	891	1,821	41,620	499	
2023	330	0	14	494	838	1,644	43,264	408	
Sub-Total	6,772	0	3,536	13,438	23,746	43,264		19,788	
Remainder	2,241	0	2,411	2,924	7,576	7,171	50,435	1,351	
Total Future	9,013	0	5,947	16,362	31,322	50,435		21,139	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 59

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_03 (TURNEISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	25,253
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	21,252
REMARKS								15.00% -	16,469
								20.00% -	10,812
								25.00% -	7,058

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	24,680	18,033	405	21,715	15,867	283	60.00	2.47
2014	1	134,944	98,602	2,214	112,991	82,561	1,470	60.00	2.47
2015	1	135,116	98,728	2,217	113,209	82,720	1,473	60.00	2.47
2016	1	135,034	98,668	2,216	112,388	82,120	1,463	60.00	2.47
2017	1	125,898	91,992	2,066	105,352	76,980	1,371	60.00	2.47
2018	1	109,293	79,858	1,794	92,870	67,859	1,209	60.00	2.47
2019	1	50,073	36,588	821	43,964	32,124	572	60.00	2.47
2020	1	45,619	33,333	749	39,605	28,938	515	60.00	2.47
2021	1	41,561	30,368	682	36,263	26,498	472	60.00	2.47
2022	1	37,864	27,667	621	33,184	24,247	432	60.00	2.47
2023	1	34,496	25,206	566	30,273	22,120	394	60.00	2.47
Sub-Total		874,578	639,043	14,351	741,814	542,034	9,654	60.00	2.47
Remainder		200,537	146,530	3,291	177,883	129,976	2,315	60.00	2.47
Total Future		1,075,115	785,573	17,642	919,697	672,010	11,969	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	1,303	499	698	0	2,500	78	52	2,370
2014	6,779	2,594	3,632	0	13,005	414	272	12,319
2015	6,793	2,599	3,639	0	13,031	417	275	12,339
2016	6,743	2,580	3,613	0	12,936	418	279	12,239
2017	6,321	2,419	3,387	0	12,127	384	264	11,479
2018	5,572	2,132	2,985	0	10,689	331	231	10,127
2019	2,638	1,009	1,413	0	5,060	148	106	4,806
2020	2,377	909	1,273	0	4,559	125	94	4,340
2021	2,175	833	1,166	0	4,174	113	84	3,977
2022	1,991	762	1,067	0	3,820	100	76	3,644
2023	1,817	695	973	0	3,485	90	70	3,325
Sub-Total	44,509	17,031	23,846	0	85,386	2,618	1,803	80,965
Remainder	10,673	4,084	5,718	0	20,475	441	395	19,639
Total Future	55,182	21,115	29,564	0	105,861	3,059	2,198	100,604

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	216	0	1,135	475	1,826	544	-1,357	323
2014	1,173	0	116	2,474	3,763	8,556	7,199	5,207
2015	1,199	0	79	2,478	3,756	8,583	15,782	4,730
2016	1,139	0	40	2,460	3,639	8,600	24,382	4,291
2017	1,114	0	62	2,306	3,482	7,997	32,379	3,612
2018	1,002	0	42	2,032	3,076	7,051	39,430	2,883
2019	506	0	16	963	1,485	3,321	42,751	1,230
2020	507	0	19	867	1,393	2,947	45,698	986
2021	503	0	18	793	1,314	2,663	48,361	807
2022	453	0	18	727	1,198	2,446	50,807	671
2023	443	0	18	662	1,123	2,202	53,009	547
Sub-Total	8,255	0	3,464	16,237	27,956	53,009		23,394
Remainder	2,983	0	2,572	3,894	9,449	10,190	63,199	1,859
Total Future	11,238	0	6,036	20,131	37,405	63,199		25,253

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 60

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_04 (TURNISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	16,062
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	13,355
								15.00% -	10,127
								20.00% -	6,330
								25.00% -	3,833

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MCMF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MCMF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	93,631	68,415	1,536	78,399	57,285	1,020	60.00	2.47
2015	1	93,967	68,660	1,542	78,731	57,528	1,025	60.00	2.47
2016	1	94,157	68,800	1,545	78,367	57,261	1,020	60.00	2.47
2017	1	88,048	64,335	1,445	73,679	53,837	959	60.00	2.47
2018	1	76,679	56,028	1,258	65,156	47,609	848	60.00	2.47
2019	1	35,221	25,736	578	30,924	22,596	402	60.00	2.47
2020	1	32,143	23,486	528	27,906	20,390	363	60.00	2.47
2021	1	29,333	21,433	481	25,594	18,701	333	60.00	2.47
2022	1	26,769	19,560	439	23,460	17,142	306	60.00	2.47
2023	1	24,429	17,850	401	21,439	15,665	279	60.00	2.47
Sub-Total		594,377	434,303	9,753	503,655	368,014	6,555	60.00	2.47
Remainder		143,079	104,547	2,348	126,921	92,740	1,651	60.00	2.47
Total Future		737,456	538,850	12,101	630,576	460,754	8,206	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	4,704	1,800	2,520	0	9,024	287	189	8,548
2015	4,724	1,807	2,531	0	9,062	290	192	8,580
2016	4,702	1,800	2,519	0	9,021	292	194	8,535
2017	4,421	1,691	2,369	0	8,481	268	185	8,028
2018	3,909	1,496	2,094	0	7,499	233	162	7,104
2019	1,855	710	994	0	3,559	103	74	3,382
2020	1,675	641	897	0	3,213	89	66	3,058
2021	1,535	587	823	0	2,945	79	59	2,807
2022	1,408	539	754	0	2,701	72	55	2,574
2023	1,286	492	689	0	2,467	63	49	2,355
Sub-Total	30,219	11,563	16,190	0	57,972	1,776	1,225	54,971
Remainder	7,616	2,914	4,080	0	14,610	314	281	14,015
Total Future	37,835	14,477	20,270	0	72,582	2,090	1,506	68,986

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	1,135	0	1,135	-1,135	-3,036	-759
2014	814	0	81	1,716	2,611	5,937	2,901	3,613
2015	834	0	54	1,723	2,611	5,969	8,870	3,289
2016	794	0	28	1,716	2,538	5,997	14,867	2,993
2017	780	0	43	1,613	2,436	5,592	20,459	2,526
2018	702	0	30	1,426	2,158	4,946	25,405	2,022
2019	356	0	11	677	1,044	2,338	27,743	865
2020	357	0	14	610	981	2,077	29,820	695
2021	355	0	12	561	928	1,879	31,699	570
2022	321	0	13	513	847	1,727	33,426	474
2023	313	0	13	469	795	1,560	34,986	387
Sub-Total	5,626	0	3,335	11,024	19,985	34,986		14,782
Remainder	2,130	0	2,326	2,779	7,235	6,780	41,766	1,280
Total Future	7,756	0	5,661	13,803	27,220	41,766		16,062

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 61

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_05 (TURNISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	1.000000	0.836809	0.836809	0.836809	50.00	24.80	2.47	COMPOUNDED	
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	10.00% -	12,103
								12.00% -	9,122
								15.00% -	5,862
								20.00% -	2,514
								25.00% -	668

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018	1	172,014	125,688	2,823	146,166	106,802	1,902	60.00	2.47
2019	1	79,324	57,961	1,301	69,646	50,889	907	60.00	2.47
2020	1	72,578	53,032	1,191	63,010	46,041	820	60.00	2.47
2021	1	66,407	48,523	1,090	57,943	42,338	754	60.00	2.47
2022	1	60,760	44,396	997	53,250	38,909	693	60.00	2.47
2023	1	55,593	40,621	912	48,788	35,649	635	60.00	2.47
Sub-Total		506,676	370,221	8,314	438,803	320,628	5,711	60.00	2.47
Remainder		329,350	240,652	5,405	292,173	213,487	3,802	60.00	2.47
Total Future		836,026	610,873	13,719	730,976	534,115	9,513	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	8,770	3,356	4,699	0	16,825	522	363	15,940
2019	4,179	1,599	2,238	0	8,016	233	168	7,615
2020	3,780	1,446	2,026	0	7,252	200	149	6,903
2021	3,477	1,331	1,862	0	6,670	180	135	6,355
2022	3,195	1,222	1,712	0	6,129	161	123	5,845
2023	2,927	1,120	1,568	0	5,615	144	111	5,360
Sub-Total	26,328	10,074	14,105	0	50,507	1,440	1,049	48,018
Remainder	17,531	6,708	9,392	0	33,631	723	649	32,259
Total Future	43,859	16,782	23,497	0	84,138	2,163	1,698	80,277

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	0	0	0	0	-1,901	0
2017	0	0	1,135	0	1,135	-1,135	-3,036	-510
2018	1,577	0	67	3,199	4,843	11,097	8,061	4,537
2019	801	0	25	1,525	2,351	5,264	13,325	1,948
2020	806	0	30	1,379	2,215	4,688	18,013	1,569
2021	804	0	28	1,268	2,100	4,255	22,268	1,290
2022	728	0	29	1,166	1,923	3,922	26,190	1,076
2023	713	0	30	1,068	1,811	3,549	29,739	882
Sub-Total	5,429	0	3,245	9,605	18,279	29,739		8,899
Remainder	4,906	0	2,573	6,395	13,874	18,385	48,124	3,204
Total Future	10,335	0	5,818	16,000	32,153	48,124		12,103

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 62

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
TS_06 (TURNISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.837868	0.837868	0.837868	50.00	24.80	2.47	10.00% -	13,612
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	10,857
								15.00% -	7,685
								20.00% -	4,158
								25.00% -	2,000

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016	1	128,097	93,599	2,102	106,614	77,901	1,387	60.00	2.47
2017	1	119,735	87,488	1,965	100,195	73,212	1,304	60.00	2.47
2018	1	104,226	76,157	1,710	88,565	64,713	1,153	60.00	2.47
2019	1	47,858	34,970	785	42,019	30,703	547	60.00	2.47
2020	1	43,665	31,904	717	37,908	27,699	493	60.00	2.47
2021	1	39,838	29,110	654	34,760	25,398	453	60.00	2.47
2022	1	36,347	26,558	596	31,855	23,276	414	60.00	2.47
2023	1	33,162	24,231	544	29,103	21,265	379	60.00	2.47
Sub-Total		552,928	404,017	9,073	471,019	344,167	6,130	60.00	2.47
Remainder		194,022	141,769	3,184	172,109	125,758	2,240	60.00	2.47
Total Future		746,950	545,786	12,257	643,128	469,925	8,370	60.00	2.47

Cumulative
Ultimate

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	6,397	2,448	3,427	0	12,272	397	264	11,611
2017	6,012	2,300	3,221	0	11,533	365	252	10,916
2018	5,313	2,033	2,847	0	10,193	316	220	9,657
2019	2,522	965	1,351	0	4,838	140	101	4,597
2020	2,274	870	1,218	0	4,362	121	89	4,152
2021	2,086	798	1,117	0	4,001	108	81	3,812
2022	1,911	732	1,024	0	3,667	96	74	3,497
2023	1,746	668	936	0	3,350	86	66	3,198
Sub-Total	28,261	10,814	15,141	0	54,216	1,629	1,147	51,440
Remainder	10,327	3,951	5,532	0	19,810	426	383	19,001
Total Future	38,588	14,765	20,673	0	74,026	2,055	1,530	70,441

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted	Discounted	
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	1,135	0	1,135	-1,135	-3,036	-622
2016	1,080	0	38	2,334	3,452	8,159	5,123	4,071
2017	1,060	0	59	2,193	3,312	7,604	12,727	3,435
2018	955	0	40	1,938	2,933	6,724	19,451	2,749
2019	483	0	15	920	1,418	3,179	22,630	1,175
2020	486	0	19	830	1,335	2,817	25,447	944
2021	482	0	16	761	1,259	2,553	28,000	774
2022	435	0	18	697	1,150	2,347	30,347	644
2023	426	0	18	637	1,081	2,117	32,464	525
Sub-Total	5,407	0	3,259	10,310	18,976	32,464		11,802
Remainder	2,887	0	2,384	3,767	9,038	9,963	42,427	1,810
Total Future	8,294	0	5,643	14,077	28,014	42,427		13,612

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 63

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_07 (TURNEISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	17,312
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	14,546
								15.00% -	11,225
								20.00% -	7,270
								25.00% -	4,626

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	42,057	30,731	690	37,004	27,038	482	60.00	2.47
2014	1	90,702	66,274	1,488	75,946	55,493	988	60.00	2.47
2015	1	90,993	66,488	1,494	76,240	55,708	992	60.00	2.47
2016	1	91,140	66,595	1,495	75,855	55,426	987	60.00	2.47
2017	1	85,187	62,245	1,398	71,285	52,087	928	60.00	2.47
2018	1	74,149	54,179	1,217	63,007	46,039	820	60.00	2.47
2019	1	34,046	24,877	558	29,892	21,841	389	60.00	2.47
2020	1	31,061	22,696	510	26,967	19,704	351	60.00	2.47
2021	1	28,339	20,707	465	24,726	18,068	322	60.00	2.47
2022	1	25,855	18,892	424	22,660	16,556	295	60.00	2.47
2023	1	23,588	17,236	387	20,701	15,126	269	60.00	2.47
Sub-Total		617,117	450,920	10,126	524,283	383,086	6,823	60.00	2.47
Remainder		137,992	100,828	2,265	122,407	89,442	1,593	60.00	2.47
Total Future		755,109	551,748	12,391	646,690	472,528	8,416	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	2,220	850	1,189	0	4,259	133	88	4,038
2014	4,557	1,743	2,442	0	8,742	278	183	8,281
2015	4,574	1,750	2,451	0	8,775	281	185	8,309
2016	4,552	1,742	2,438	0	8,732	282	189	8,261
2017	4,277	1,637	2,291	0	8,205	260	178	7,767
2018	3,780	1,446	2,026	0	7,252	225	157	6,870
2019	1,794	686	961	0	3,441	100	72	3,269
2020	1,618	619	866	0	3,103	85	64	2,954
2021	1,483	568	795	0	2,846	77	57	2,712
2022	1,360	520	729	0	2,609	69	52	2,488
2023	1,242	476	665	0	2,383	61	48	2,274
Sub-Total	31,457	12,037	16,853	0	60,347	1,851	1,273	57,223
Remainder	7,344	2,810	3,935	0	14,089	303	272	13,514
Total Future	38,801	14,847	20,788	0	74,436	2,154	1,545	70,737

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	369	0	1,135	810	2,314	1,724	-177	1,107
2014	788	0	78	1,662	2,528	5,753	5,576	3,500
2015	808	0	53	1,669	2,530	5,779	11,355	3,185
2016	768	0	27	1,661	2,456	5,805	17,160	2,896
2017	755	0	42	1,560	2,357	5,410	22,570	2,444
2018	679	0	29	1,379	2,087	4,783	27,353	1,956
2019	344	0	10	654	1,008	2,261	29,614	836
2020	345	0	14	591	950	2,004	31,618	672
2021	343	0	11	541	895	1,817	33,435	550
2022	310	0	13	496	819	1,669	35,104	458
2023	303	0	13	453	769	1,505	36,609	374
Sub-Total	5,812	0	3,326	11,476	20,614	36,609		16,085
Remainder	2,053	0	2,332	2,679	7,064	6,450	43,059	1,227
Total Future	7,865	0	5,658	14,155	27,678	43,059		17,312

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 64

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_08 (TURNISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	31,780
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	27,378
REMARKS								15.00% -	22,022
								20.00% -	15,498
								25.00% -	10,996

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	39,330	28,738	645	37,145	27,141	483	60.00	2.47
2013	1	150,046	109,636	2,463	132,017	96,464	1,719	60.00	2.47
2014	1	129,880	94,902	2,131	108,750	79,462	1,415	60.00	2.47
2015	1	130,034	95,014	2,134	108,952	79,609	1,418	60.00	2.47
2016	1	129,944	94,949	2,132	108,151	79,025	1,407	60.00	2.47
2017	1	121,140	88,515	1,988	101,371	74,071	1,320	60.00	2.47
2018	1	105,150	76,832	1,725	89,350	65,286	1,162	60.00	2.47
2019	1	48,171	35,198	791	42,294	30,904	551	60.00	2.47
2020	1	43,884	32,065	720	38,098	27,838	496	60.00	2.47
2021	1	39,977	29,211	656	34,882	25,488	454	60.00	2.47
2022	1	36,419	26,611	597	31,918	23,321	415	60.00	2.47
2023	1	33,178	24,242	545	29,116	21,275	379	60.00	2.47
Sub-Total		1,007,153	735,913	16,527	862,044	629,884	11,219	60.00	2.47
Remainder		192,824	140,895	3,164	171,041	124,977	2,226	60.00	2.47
Total Future		1,199,977	876,808	19,691	1,033,085	754,861	13,445	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	2,229	853	1,194	0	4,276	112	64	4,100
2013	7,921	3,031	4,244	0	15,196	473	314	14,409
2014	6,525	2,496	3,496	0	12,517	398	262	11,857
2015	6,537	2,502	3,502	0	12,541	402	265	11,874
2016	6,489	2,483	3,476	0	12,448	402	268	11,778
2017	6,082	2,327	3,259	0	11,668	369	254	11,045
2018	5,361	2,051	2,872	0	10,284	319	222	9,743
2019	2,538	971	1,360	0	4,869	142	102	4,625
2020	2,286	875	1,224	0	4,385	121	90	4,174
2021	2,093	801	1,122	0	4,016	108	81	3,827
2022	1,915	733	1,026	0	3,674	97	74	3,503
2023	1,747	668	936	0	3,351	86	67	3,198
Sub-Total	51,723	19,791	27,711	0	99,225	3,029	2,063	94,133
Remainder	10,262	3,927	5,498	0	19,687	424	380	18,883
Total Future	61,985	23,718	33,209	0	118,912	3,453	2,443	113,016

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	432	0	1,135	813	2,380	1,720	-181	1,201	
2013	1,345	0	243	2,890	4,478	9,931	9,750	6,679	
2014	1,128	0	112	2,380	3,620	8,237	17,987	5,012	
2015	1,155	0	75	2,385	3,615	8,259	26,246	4,552	
2016	1,096	0	39	2,367	3,502	8,276	34,522	4,130	
2017	1,072	0	59	2,219	3,350	7,695	42,217	3,475	
2018	964	0	41	1,956	2,961	6,782	48,999	2,774	
2019	486	0	15	926	1,427	3,198	52,197	1,182	
2020	488	0	19	834	1,341	2,833	55,030	949	
2021	484	0	17	763	1,264	2,563	57,593	777	
2022	436	0	17	699	1,152	2,351	59,944	645	
2023	426	0	18	637	1,081	2,117	62,061	526	
Sub-Total	9,512	0	3,691	18,869	32,072	62,061		30,009	
Remainder	2,868	0	2,638	3,744	9,250	9,633	71,694	1,771	
Total Future	12,380	0	6,329	22,613	41,322	71,694		31,780	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 65

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_09 (TURNEISKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	1.000000	0.837868	0.837868	0.837868	50.00	24.80	2.47	10.00% -	9,720
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	7,787
								15.00% -	5,526
								20.00% -	2,950
								25.00% -	1,325

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015	1	65,134	47,592	1,069	54,573	39,876	710	60.00	2.47
2016	1	79,396	58,014	1,303	66,081	48,284	860	60.00	2.47
2017	1	74,460	54,407	1,221	62,309	45,529	811	60.00	2.47
2018	1	65,047	47,529	1,068	55,272	40,386	719	60.00	2.47
2019	1	29,953	21,886	491	26,299	19,217	343	60.00	2.47
2020	1	27,380	20,007	450	23,771	17,369	309	60.00	2.47
2021	1	25,029	18,288	410	21,838	15,957	284	60.00	2.47
2022	1	22,878	16,717	376	20,051	14,650	261	60.00	2.47
2023	1	20,914	15,281	343	18,353	13,411	239	60.00	2.47
Sub-Total		410,191	299,721	6,731	348,547	254,679	4,536	60.00	2.47
Remainder		123,382	90,154	2,025	109,453	79,976	1,425	60.00	2.47
Total Future		533,573	389,875	8,756	458,000	334,655	5,961	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	3,274	1,253	1,754	0	6,281	201	133	5,947
2016	3,965	1,517	2,124	0	7,606	246	163	7,197
2017	3,739	1,430	2,003	0	7,172	227	157	6,788
2018	3,316	1,269	1,777	0	6,362	197	137	6,028
2019	1,578	604	846	0	3,028	88	64	2,876
2020	1,426	546	764	0	2,736	76	56	2,604
2021	1,311	501	702	0	2,514	67	50	2,397
2022	1,203	461	644	0	2,308	61	47	2,200
2023	1,101	421	590	0	2,112	54	42	2,016
Sub-Total	20,913	8,002	11,204	0	40,119	1,217	849	38,053
Remainder	6,567	2,513	3,518	0	12,598	271	243	12,084
Total Future	27,480	10,515	14,722	0	52,717	1,488	1,092	50,137

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	579	0	1,181	1,195	2,955	2,992	1,091	1,601
2016	670	0	23	1,446	2,139	5,058	6,149	2,523
2017	659	0	37	1,364	2,060	4,728	10,877	2,136
2018	596	0	25	1,210	1,831	4,197	15,074	1,716
2019	302	0	9	575	886	1,990	17,064	735
2020	305	0	12	521	838	1,766	18,830	592
2021	303	0	11	478	792	1,605	20,435	486
2022	274	0	10	439	723	1,477	21,912	406
2023	268	0	12	401	681	1,335	23,247	331
Sub-Total	3,956	0	3,221	7,629	14,806	23,247		8,633
Remainder	1,837	0	2,194	2,396	6,427	5,657	28,904	1,087
Total Future	5,793	0	5,415	10,025	21,233	28,904		9,720

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **66**

GRAND SUMMARY
NE ARDATOVSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	132,991	
							12.00%	117,660	
							15.00%	98,242	
							20.00%	73,267	
							25.00%	54,972	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	2	190,163	202,423	6,727	180,393	192,024	4,869	55.00	2.47
2011	3	469,814	514,846	17,111	444,654	487,279	12,356	60.00	2.47
2012	4	285,397	326,551	10,852	269,282	308,112	7,812	60.00	2.47
2013	4	603,756	718,975	23,895	525,213	625,480	15,861	60.00	2.47
2014	4	368,513	459,740	15,279	312,405	389,710	9,883	60.00	2.47
2015	4	224,520	294,103	9,773	192,250	251,786	6,384	60.00	2.47
2016	4	136,510	188,222	6,256	115,443	159,150	4,036	60.00	2.47
2017	6	447,329	609,182	20,246	375,530	511,496	12,971	60.00	2.47
2018	6	267,614	381,141	12,664	228,207	325,093	8,242	60.00	2.47
2019	6	159,780	238,516	7,928	140,696	210,078	5,327	60.00	2.47
2020	6	95,186	149,302	4,962	82,898	130,061	3,299	60.00	2.47
2021	6	56,565	93,478	3,106	49,509	81,845	2,074	60.00	2.47
2022	6	33,521	58,541	1,946	29,468	51,482	1,306	60.00	2.47
2023	6	19,802	36,673	1,219	17,431	32,297	820	60.00	2.47
Sub-Total		3,358,470	4,271,693	141,964	2,963,379	3,755,893	95,240	59.70	2.47
Remainder		23,251	47,267	1,570	20,509	41,709	1,057	60.00	2.47
Total Future		3,381,721	4,318,960	143,534	2,983,888	3,797,602	96,297	59.70	2.47
Cumulative		440,699	0	8,808					
Ultimate		3,822,420	4,318,960	152,342					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	9,922	5,398	12,027	0	27,347	417	697	26,233
2011	26,679	15,310	30,519	0	72,508	1,208	1,846	69,454
2012	16,157	9,681	19,298	0	45,136	815	1,012	43,309
2013	31,513	19,653	39,176	0	90,342	1,758	2,471	86,113
2014	18,744	12,244	24,408	0	55,396	1,041	1,537	52,818
2015	11,535	7,911	15,770	0	35,216	620	991	33,605
2016	6,926	5,001	9,968	0	21,895	364	632	20,899
2017	22,532	16,071	32,036	0	70,639	1,321	2,159	67,159
2018	13,693	10,214	20,362	0	44,269	782	1,361	42,126
2019	8,441	6,601	13,157	0	28,199	453	856	26,890
2020	4,974	4,087	8,146	0	17,207	253	520	16,434
2021	2,971	2,571	5,126	0	10,668	148	322	10,198
2022	1,768	1,618	3,225	0	6,611	86	202	6,323
2023	1,046	1,015	2,023	0	4,084	49	125	3,910
Sub-Total	176,901	117,375	235,241	0	529,517	9,315	14,731	505,471
Remainder	1,230	1,310	2,612	0	5,152	55	160	4,937
Total Future	178,131	118,685	237,853	0	534,669	9,370	14,891	510,408

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	20,845	0	20,845	-20,845	-20,845	-20,365	
2010	3,586	0	0	4,521	8,107	18,126	-2,719	15,879	
2011	10,103	0	38,870	11,277	60,250	9,204	6,485	7,863	
2012	5,675	0	23,775	6,954	36,404	6,905	13,390	5,039	
2013	9,250	0	1,555	13,795	24,600	61,513	74,903	41,480	
2014	5,760	0	630	8,373	14,763	38,055	112,958	23,231	
2015	3,736	0	309	5,267	9,312	24,293	137,251	13,424	
2016	2,249	0	23,608	3,238	29,095	-8,196	129,055	-3,528	
2017	7,581	0	445	10,475	18,501	48,658	177,713	22,035	
2018	4,840	0	221	6,501	11,562	30,564	208,277	12,530	
2019	3,269	0	107	4,100	7,476	19,414	227,691	7,205	
2020	2,207	0	89	2,475	4,771	11,663	239,354	3,917	
2021	1,479	0	53	1,518	3,050	7,148	246,502	2,174	
2022	906	0	39	930	1,875	4,448	250,950	1,224	
2023	597	0	27	567	1,191	2,719	253,669	677	
Sub-Total	61,238	0	110,573	79,991	251,802	253,669		132,785	
Remainder	808	0	3,773	703	5,284	-347	253,322	206	
Total Future	62,046	0	114,346	80,694	257,086	253,322		132,991	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 67

GRAND SUMMARY
NE ARDATOVSKI
TOTAL PROVED

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	67,086
							12.00%	—	61,472
							15.00%	—	54,097
							20.00%	—	44,088
							25.00%	—	36,290

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	86,684	92,210	3,064	81,574	86,774	2,200	55.00	2.47
2011	1	193,583	211,447	7,028	182,240	199,057	5,048	60.00	2.47
2012	2	116,429	133,160	4,425	109,700	125,464	3,181	60.00	2.47
2013	2	317,814	376,526	12,514	273,628	324,177	8,220	60.00	2.47
2014	2	196,990	244,088	8,112	168,786	209,141	5,304	60.00	2.47
2015	2	121,864	158,267	5,259	106,238	137,973	3,498	60.00	2.47
2016	2	75,226	102,640	3,411	64,437	87,921	2,230	60.00	2.47
2017	2	46,325	66,580	2,213	39,966	57,441	1,456	60.00	2.47
2018	2	28,450	43,197	1,435	24,982	37,932	962	60.00	2.47
2019	2	17,420	28,032	932	15,706	25,273	641	60.00	2.47
2020	2	10,630	18,197	604	9,488	16,240	412	60.00	2.47
2021	2	6,461	11,813	393	5,791	10,590	268	60.00	2.47
2022	2	3,909	7,670	255	3,517	6,898	175	60.00	2.47
2023	2	2,354	4,983	166	2,118	4,486	114	60.00	2.47
Sub-Total		1,224,139	1,498,810	49,811	1,088,171	1,329,367	33,709	59.63	2.47
Remainder		1,801	4,179	139	1,627	3,772	96	60.00	2.47
Total Future		1,225,940	1,502,989	49,950	1,089,798	1,333,139	33,805	59.63	2.47
Cumulative		440,699	0	8,808					
Ultimate		1,666,639	1,502,989	58,758					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	4,487	2,439	5,435	0	12,361	230	315	11,816
2011	10,934	6,255	12,467	0	29,656	568	762	28,326
2012	6,582	3,942	7,858	0	18,382	335	472	17,575
2013	16,418	10,185	20,304	0	46,907	857	1,250	44,800
2014	10,127	6,572	13,099	0	29,798	514	793	28,491
2015	6,374	4,335	8,642	0	19,351	304	519	18,528
2016	3,866	2,762	5,507	0	12,135	174	331	11,630
2017	2,398	1,805	3,597	0	7,800	99	216	7,485
2018	1,499	1,192	2,376	0	5,067	57	142	4,868
2019	943	794	1,583	0	3,320	34	95	3,191
2020	569	510	1,017	0	2,096	20	62	2,014
2021	347	333	663	0	1,343	12	39	1,292
2022	211	217	433	0	861	7	26	828
2023	127	141	281	0	549	4	17	528
Sub-Total	64,882	41,482	83,262	0	189,626	3,215	5,039	181,372
Remainder	98	118	236	0	452	3	14	435
Total Future	64,980	41,600	83,498	0	190,078	3,218	5,053	181,807

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,500	0	1,500	-1,500	-1,500	-1,481	
2010	1,621	0	0	2,044	3,665	8,151	6,651	7,140	
2011	3,800	0	4,674	4,616	13,090	15,236	21,887	12,556	
2012	2,048	0	15,878	2,832	20,758	-3,183	18,704	-2,493	
2013	4,803	0	850	7,171	12,824	31,976	50,680	21,561	
2014	3,072	0	396	4,510	7,978	20,513	71,193	12,520	
2015	2,030	0	212	2,900	5,142	13,386	84,579	7,397	
2016	1,237	0	97	1,798	3,132	8,498	93,077	4,250	
2017	827	0	119	1,144	2,090	5,395	98,472	2,442	
2018	549	0	61	734	1,344	3,524	101,996	1,445	
2019	383	0	29	475	887	2,304	104,300	854	
2020	267	0	23	296	586	1,428	105,728	480	
2021	186	0	14	187	387	905	106,633	275	
2022	117	0	11	118	246	582	107,215	160	
2023	80	0	7	75	162	366	107,581	91	
Sub-Total	21,020	0	23,871	28,900	73,791	107,581		67,197	
Remainder	70	0	1,329	60	1,459	-1,024	106,557	-111	
Total Future	21,090	0	25,200	28,960	75,250	106,557		67,086	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 68

GRAND SUMMARY
NE ARDATOVSKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	65,905
							12.00%	—	56,188
							15.00%	—	44,145
							20.00%	—	29,180
							25.00%	—	18,682

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	103,479	110,213	3,663	98,819	105,250	2,669	55.00	2.47
2011	2	276,231	303,399	10,083	262,414	288,222	7,308	60.00	2.47
2012	2	168,968	193,391	6,427	159,582	182,648	4,631	60.00	2.47
2013	2	285,942	342,449	11,381	251,585	301,303	7,641	60.00	2.47
2014	2	171,523	215,652	7,167	143,619	180,569	4,579	60.00	2.47
2015	2	102,656	135,836	4,514	86,012	113,813	2,886	60.00	2.47
2016	2	61,284	85,582	2,845	51,006	71,229	1,806	60.00	2.47
2017	4	401,004	542,602	18,033	335,564	454,055	11,515	60.00	2.47
2018	4	239,164	337,944	11,229	203,225	287,161	7,280	60.00	2.47
2019	4	142,360	210,484	6,996	124,990	184,805	4,686	60.00	2.47
2020	4	84,556	131,105	4,358	73,410	113,821	2,887	60.00	2.47
2021	4	50,104	81,665	2,713	43,718	71,255	1,806	60.00	2.47
2022	4	29,612	50,871	1,691	25,951	44,584	1,131	60.00	2.47
2023	4	17,448	31,690	1,053	15,313	27,811	706	60.00	2.47
Sub-Total		2,134,331	2,772,883	92,153	1,875,208	2,426,526	61,531	59.74	2.47
Remainder		21,450	43,088	1,431	18,882	37,937	961	60.00	2.47
Total Future		2,155,781	2,815,971	93,584	1,894,090	2,464,463	62,492	59.74	2.47
Cumulative		0	0	0					
Ultimate		2,155,781	2,815,971	93,584					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	5,435	2,959	6,592	0	14,986	187	382	14,417
2011	15,745	9,056	18,052	0	42,853	639	1,084	41,130
2012	9,575	5,738	11,440	0	26,753	481	540	25,732
2013	15,095	9,467	18,871	0	43,433	901	1,221	41,311
2014	8,617	5,674	11,310	0	25,601	527	744	24,330
2015	5,161	3,576	7,128	0	15,865	316	472	15,077
2016	3,060	2,238	4,461	0	9,759	190	302	9,267
2017	20,134	14,266	28,439	0	62,839	1,222	1,943	59,674
2018	12,193	9,023	17,985	0	39,201	726	1,218	37,257
2019	7,500	5,806	11,575	0	24,881	418	761	23,702
2020	4,404	3,577	7,129	0	15,110	233	458	14,419
2021	2,624	2,238	4,463	0	9,325	136	283	8,906
2022	1,557	1,401	2,792	0	5,750	79	176	5,495
2023	918	874	1,742	0	3,534	45	108	3,381
Sub-Total	112,018	75,893	151,979	0	339,890	6,100	9,692	324,098
Remainder	1,133	1,192	2,376	0	4,701	52	145	4,504
Total Future	113,151	77,085	154,355	0	344,591	6,152	9,837	328,602

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	19,345	0	19,345	-19,345	-19,345	-18,884	
2010	1,965	0	0	2,477	4,442	9,975	-9,370	8,739	
2011	6,303	0	34,196	6,662	47,161	-6,031	-15,401	-4,694	
2012	3,627	0	7,897	4,121	15,645	10,087	-5,314	7,533	
2013	4,447	0	705	6,624	11,776	29,535	24,221	19,919	
2014	2,688	0	233	3,863	6,784	17,546	41,767	10,711	
2015	1,706	0	98	2,367	4,171	10,906	52,673	6,027	
2016	1,012	0	23,511	1,440	25,963	-16,696	35,977	-7,777	
2017	6,754	0	326	9,331	16,411	43,263	79,240	19,592	
2018	4,291	0	159	5,767	10,217	27,040	106,280	11,086	
2019	2,886	0	79	3,625	6,590	17,112	123,392	6,350	
2020	1,940	0	66	2,179	4,185	10,234	133,626	3,437	
2021	1,293	0	39	1,331	2,663	6,243	139,869	1,899	
2022	789	0	28	812	1,629	3,866	143,735	1,064	
2023	517	0	19	493	1,029	2,352	146,087	586	
Sub-Total	40,218	0	86,701	51,092	178,011	146,087		65,588	
Remainder	739	0	2,445	643	3,827	677	146,764	317	
Total Future	40,957	0	89,146	51,735	181,838	146,764		65,905	

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RYDER SCOTT COMPANY
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ZHAIKMUNAI LLP
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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 69

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 30 (MULINSKI)

OIL LEASE
PROVED
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000							10.00%	0
FINAL	1.000000							12.00%	0
REMARKS	RECOMPLETED TO TURNEISKI IN DECEMBER 2007							15.00%	0
								20.00%	0
								25.00%	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		20,904	0	54					
Ultimate		20,904	0	54					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %	
						Annual	Cumulative		
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0		0	0
Remainder	0	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0		0	0

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AS OF JULY 1, 2009

TABLE 70

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 54 (MULINSKI)

OIL LEASE
PROVED
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000							10.00%	0
FINAL	1.000000							12.00%	0
REMARKS	RECOMPLETED TO TURNEISKI IN OCTOBER 2007							15.00%	0
								20.00%	0
								25.00%	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		42,805	0	208					
Ultimate		42,805	0	208					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0		0	0
Remainder	0	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0		0	0

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 71

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL #28 (ARDATOVSKI)

GAS LEASE
PROVED
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.941046	0.941046	0.941046	50.00	24.80	2.47	10.00% -	38,296
	1.000000	0.901927	0.901927	0.901927	60.00	31.42	2.47	12.00% -	35,796
								15.00% -	32,439
								20.00% -	27,724
								25.00% -	23,882

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	86,684	92,210	3,064	81,574	86,774	2,200	55.00	2.47
2011	1	193,583	211,447	7,028	182,240	199,057	5,048	60.00	2.47
2012	1	56,479	64,461	2,142	53,215	60,736	1,540	60.00	2.47
2013	1	99,081	118,186	3,928	85,306	101,754	2,580	60.00	2.47
2014	1	62,572	78,237	2,600	53,613	67,036	1,700	60.00	2.47
2015	1	39,424	51,793	1,721	34,368	45,151	1,145	60.00	2.47
2016	1	24,775	34,285	1,139	21,222	29,369	745	60.00	2.47
2017	1	15,525	22,697	755	13,394	19,581	496	60.00	2.47
2018	1	9,697	15,025	499	8,515	13,194	335	60.00	2.47
2019	1	6,036	9,946	331	5,442	8,967	227	60.00	2.47
2020	1	3,742	6,585	218	3,340	5,877	149	60.00	2.47
2021	1	2,308	4,359	145	2,069	3,907	99	60.00	2.47
2022	1	1,417	2,885	96	1,275	2,595	66	60.00	2.47
2023	1	865	1,910	64	778	1,720	44	60.00	2.47
Sub-Total		602,188	714,026	23,730	546,351	645,718	16,374	59.25	2.47
Remainder		464	1,115	37	419	1,006	25	60.00	2.47
Total Future		602,652	715,141	23,767	546,770	646,724	16,399	59.25	2.47
Cumulative		440,699	0	8,808	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,043,351	715,141	32,575	SHRINKAGE FACTOR = 23.70 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	4,487	2,439	5,435	0	12,361	230	315	11,816
2011	10,934	6,255	12,467	0	29,656	568	762	28,326
2012	3,193	1,908	3,804	0	8,905	162	228	8,515
2013	5,118	3,197	6,373	0	14,688	268	393	14,027
2014	3,217	2,106	4,199	0	9,522	163	254	9,105
2015	2,062	1,419	2,828	0	6,309	98	170	6,041
2016	1,273	923	1,839	0	4,035	58	110	3,867
2017	804	615	1,227	0	2,646	33	74	2,539
2018	511	414	826	0	1,751	19	50	1,682
2019	326	282	562	0	1,170	12	33	1,125
2020	201	185	368	0	754	7	22	725
2021	124	123	245	0	492	4	15	473
2022	76	81	162	0	319	3	10	306
2023	47	54	108	0	209	2	6	201
Sub-Total	32,373	20,001	40,443	0	92,817	1,627	2,442	88,748
Remainder	25	32	63	0	120	0	4	116
Total Future	32,398	20,033	40,506	0	92,937	1,627	2,446	88,864

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,500	0	1,500	-1,500	-1,500	-1,481	
2010	1,621	0	0	2,044	3,665	8,151	6,651	7,140	
2011	3,800	0	4,674	4,616	13,090	15,236	21,887	12,556	
2012	1,054	0	1,279	1,372	3,705	4,810	26,697	3,579	
2013	1,505	0	266	2,242	4,013	10,014	36,711	6,752	
2014	982	0	127	1,439	2,548	6,557	43,268	4,001	
2015	663	0	69	943	1,675	4,366	47,634	2,412	
2016	412	0	33	596	1,041	2,826	50,460	1,414	
2017	281	0	40	386	707	1,832	52,292	829	
2018	190	0	22	253	465	1,217	53,509	499	
2019	135	0	10	167	312	813	54,322	301	
2020	96	0	8	105	209	516	54,838	173	
2021	68	0	5	69	142	331	55,169	101	
2022	44	0	4	43	91	215	55,384	59	
2023	31	0	3	28	62	139	55,523	35	
Sub-Total	10,882	0	8,040	14,303	33,225	55,523		38,370	
Remainder	18	0	677	16	711	-595	54,928	-74	
Total Future	10,900	0	8,717	14,319	33,936	54,928		38,296	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 72

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_3 (ARDATOVSKI)

GAS LEASE
PROVED
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.942204	0.942204	0.942204	50.00	24.80	2.47	10.00% -	28,790
FINAL	1.000000	0.903299	0.903299	0.903299	60.00	31.42	2.47	12.00% -	25,677
REMARKS	WELL # 54 OFFSET							15.00% -	21,657
								20.00% -	16,364
								25.00% -	12,408

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	59,950	68,699	2,283	56,485	64,728	1,641	60.00	2.47
2013	1	218,733	258,340	8,586	188,322	222,423	5,640	60.00	2.47
2014	1	134,418	165,851	5,512	115,173	142,105	3,604	60.00	2.47
2015	1	82,440	106,474	3,538	71,870	92,822	2,353	60.00	2.47
2016	1	50,451	68,355	2,272	43,215	58,552	1,485	60.00	2.47
2017	1	30,800	43,883	1,458	26,572	37,860	960	60.00	2.47
2018	1	18,753	28,172	936	16,467	24,738	627	60.00	2.47
2019	1	11,384	18,086	601	10,264	16,306	414	60.00	2.47
2020	1	6,888	11,612	386	6,148	10,363	263	60.00	2.47
2021	1	4,153	7,454	248	3,722	6,683	169	60.00	2.47
2022	1	2,492	4,785	159	2,242	4,303	109	60.00	2.47
2023	1	1,489	3,073	102	1,340	2,766	70	60.00	2.47
Sub-Total		621,951	784,784	26,081	541,820	683,649	17,335	60.00	2.47
Remainder		1,337	3,064	102	1,208	2,766	71	60.00	2.47
Total Future		623,288	787,848	26,183	543,028	686,415	17,406	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		623,288	787,848	26,183	SHRINKAGE FACTOR = 23.70 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	3,389	2,034	4,054	0	9,477	172	244	9,061
2013	11,299	6,988	13,931	0	32,218	590	857	30,771
2014	6,911	4,465	8,900	0	20,276	351	539	19,386
2015	4,312	2,917	5,814	0	13,043	205	349	12,489
2016	2,593	1,839	3,667	0	8,099	117	220	7,762
2017	1,594	1,190	2,372	0	5,156	66	143	4,947
2018	988	777	1,549	0	3,314	37	93	3,184
2019	616	513	1,021	0	2,150	23	61	2,066
2020	369	325	649	0	1,343	13	39	1,291
2021	223	210	419	0	852	8	25	819
2022	135	135	269	0	539	4	16	519
2023	80	87	174	0	341	3	11	327
Sub-Total	32,509	21,480	42,819	0	96,808	1,589	2,597	92,622
Remainder	73	87	173	0	333	2	10	321
Total Future	32,582	21,567	42,992	0	97,141	1,591	2,607	92,943

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	994	0	14,599	1,459	17,052	-7,991	-7,991	-6,072	
2013	3,298	0	584	4,929	8,811	21,960	13,969	14,809	
2014	2,090	0	269	3,072	5,431	13,955	27,924	8,519	
2015	1,367	0	143	1,957	3,467	9,022	36,946	4,984	
2016	825	0	64	1,202	2,091	5,671	42,617	2,837	
2017	546	0	79	757	1,382	3,565	46,182	1,614	
2018	359	0	40	482	881	2,303	48,485	945	
2019	248	0	18	308	574	1,492	49,977	553	
2020	171	0	15	190	376	915	50,892	307	
2021	117	0	9	120	246	573	51,465	175	
2022	74	0	7	74	155	364	51,829	100	
2023	49	0	4	46	99	228	52,057	56	
Sub-Total	10,138	0	15,831	14,596	40,565	52,057		28,827	
Remainder	52	0	652	45	749	-428	51,629	-37	
Total Future	10,190	0	16,483	14,641	41,314	51,629		28,790	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 73

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_1 (ARDATOVSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	COMPOUNDED								
	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	24,331
	1.000000	0.878906	0.878906	0.878906	60.00	31.42	2.47	12.00% -	21,723
								15.00% -	18,314
								20.00% -	13,739
								25.00% -	10,240

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	49,808	55,546	1,846	47,317	52,767	1,338	60.00	2.47
2012	1	104,468	119,479	3,971	98,664	112,842	2,861	60.00	2.47
2013	1	175,369	209,793	6,972	154,298	184,586	4,681	60.00	2.47
2014	1	103,944	130,488	4,337	87,034	109,260	2,771	60.00	2.47
2015	1	61,458	81,162	2,697	51,494	68,003	1,724	60.00	2.47
2016	1	36,240	50,482	1,678	30,162	42,015	1,065	60.00	2.47
2017	1	21,306	31,399	1,043	17,828	26,275	667	60.00	2.47
2018	1	12,483	19,530	649	10,608	16,595	420	60.00	2.47
2019	1	7,287	12,147	404	6,397	10,666	271	60.00	2.47
2020	1	4,234	7,556	251	3,677	6,559	166	60.00	2.47
2021	1	2,450	4,699	156	2,137	4,100	104	60.00	2.47
2022	1	1,408	2,923	97	1,234	2,562	65	60.00	2.47
2023	1	804	1,818	61	706	1,596	41	60.00	2.47
Sub-Total		581,259	727,022	24,162	511,556	637,826	16,174	60.00	2.47
Remainder		292	710	23	256	624	15	60.00	2.47
Total Future		581,551	727,732	24,185	511,812	638,450	16,189	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		581,551	727,732	24,185	SHRINKAGE FACTOR = 23.70 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	2,839	1,658	3,305	0	7,802	115	199	7,488
2012	5,920	3,545	7,068	0	16,533	297	333	15,903
2013	9,258	5,800	11,561	0	26,619	553	748	25,318
2014	5,222	3,433	6,843	0	15,498	319	450	14,729
2015	3,089	2,137	4,259	0	9,485	190	282	9,013
2016	1,810	1,320	2,631	0	5,761	112	178	5,471
2017	1,070	825	1,646	0	3,541	65	112	3,364
2018	636	522	1,040	0	2,198	38	71	2,089
2019	384	335	668	0	1,387	21	44	1,322
2020	221	206	410	0	837	12	26	799
2021	128	129	257	0	514	7	16	491
2022	74	80	161	0	315	3	11	301
2023	42	50	100	0	192	2	6	184
Sub-Total	30,693	20,040	39,949	0	90,682	1,734	2,476	86,472
Remainder	16	20	39	0	75	1	2	72
Total Future	30,709	20,060	39,988	0	90,757	1,735	2,478	86,544

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	916	0	11,740	1,209	13,865	-6,377	-8,278	-5,129	
2012	2,242	0	4,879	2,547	9,668	6,235	-2,043	4,656	
2013	2,725	0	432	4,061	7,218	18,100	16,057	12,209	
2014	1,627	0	141	2,339	4,107	10,622	26,679	6,485	
2015	1,020	0	58	1,416	2,494	6,519	33,198	3,603	
2016	597	0	18	850	1,465	4,006	37,204	2,004	
2017	384	0	19	516	919	2,445	39,649	1,108	
2018	243	0	9	317	569	1,520	41,169	623	
2019	162	0	4	197	363	959	42,128	356	
2020	109	0	4	117	230	569	42,697	191	
2021	72	0	2	71	145	346	43,043	105	
2022	44	0	1	43	88	213	43,256	59	
2023	28	0	1	25	54	130	43,386	32	
Sub-Total	10,169	0	19,209	13,708	43,086	43,386		24,409	
Remainder	12	0	635	10	657	-585	42,801	-78	
Total Future	10,181	0	19,844	13,718	43,743	42,801		24,331	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 74

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_2 (ARDATOVSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.954969	0.954969	0.954969	50.00	24.80	2.47	10.00% -	16,344
FINAL	1.000000	0.878906	0.878906	0.878906	60.00	31.42	2.47	12.00% -	14,354
REMARKS	DEEPENING OF 61							15.00% -	11,724
								20.00% -	8,126
								25.00% -	5,300

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	103,479	110,213	3,663	98,819	105,250	2,669	55.00	2.47
2011	1	226,423	247,853	8,237	215,097	235,455	5,970	60.00	2.47
2012	1	64,500	73,912	2,456	60,918	69,806	1,770	60.00	2.47
2013	1	110,573	132,656	4,409	97,287	116,717	2,960	60.00	2.47
2014	1	67,579	85,164	2,830	56,585	71,309	1,808	60.00	2.47
2015	1	41,198	54,674	1,817	34,518	45,810	1,162	60.00	2.47
2016	1	25,044	35,100	1,167	20,844	29,214	741	60.00	2.47
2017	1	15,176	22,534	749	12,700	18,856	478	60.00	2.47
2018	1	9,165	14,467	480	7,787	12,293	312	60.00	2.47
2019	1	5,512	9,287	309	4,839	8,154	206	60.00	2.47
2020	1	3,300	5,962	198	2,865	5,176	132	60.00	2.47
2021	1	1,965	3,828	127	1,715	3,340	84	60.00	2.47
2022	1	1,164	2,457	82	1,020	2,154	55	60.00	2.47
2023	1	683	1,578	52	600	1,384	35	60.00	2.47
Sub-Total		675,761	799,685	26,576	615,594	724,918	18,382	59.20	2.47
Remainder		156	384	13	137	338	9	60.00	2.47
Total Future		675,917	800,069	26,589	615,731	725,256	18,391	59.20	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 23.70 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	5,435	2,959	6,592	0	14,986	187	382	14,417
2011	12,906	7,398	14,747	0	35,051	524	886	33,641
2012	3,655	2,193	4,372	0	10,220	183	206	9,831
2013	5,837	3,667	7,311	0	16,815	349	473	15,993
2014	3,395	2,241	4,466	0	10,102	207	294	9,601
2015	2,071	1,439	2,869	0	6,379	128	190	6,061
2016	1,251	918	1,830	0	3,999	77	124	3,798
2017	762	592	1,181	0	2,535	46	80	2,409
2018	467	387	770	0	1,624	28	52	1,544
2019	291	256	510	0	1,057	16	34	1,007
2020	171	162	325	0	658	9	21	628
2021	103	105	209	0	417	6	13	398
2022	62	68	135	0	265	3	9	253
2023	36	44	86	0	166	2	5	159
Sub-Total	36,442	22,429	45,403	0	104,274	1,765	2,769	99,740
Remainder	8	10	22	0	40	0	1	39
Total Future	36,450	22,439	45,425	0	104,314	1,765	2,770	99,779

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	13,641	0	13,641	-13,641	-13,641	-13,203	
2010	1,965	0	0	2,477	4,442	9,975	-3,666	8,738	
2011	5,387	0	22,456	5,453	33,296	345	-3,321	435	
2012	1,385	0	3,018	1,574	5,977	3,854	533	2,876	
2013	1,722	0	274	2,563	4,559	11,434	11,967	7,711	
2014	1,061	0	92	1,524	2,677	6,924	18,891	4,226	
2015	686	0	39	951	1,676	4,385	23,276	2,424	
2016	415	0	13	590	1,018	2,780	26,056	1,390	
2017	275	0	13	369	657	1,752	27,808	793	
2018	180	0	7	233	420	1,124	28,932	461	
2019	124	0	3	150	277	730	29,662	271	
2020	85	0	3	92	180	448	30,110	150	
2021	59	0	2	57	118	280	30,390	86	
2022	37	0	1	36	74	179	30,569	49	
2023	24	0	1	22	47	112	30,681	28	
Sub-Total	13,405	0	39,563	16,091	69,059	30,681		16,435	
Remainder	7	0	700	5	712	-673	30,008	-91	
Total Future	13,412	0	40,263	16,096	69,771	30,008		16,344	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 75

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_4 (ARDATOYSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.832291	0.832291	0.832291	50.00	24.80	2.47	10.00% -	15,970
FINAL	1.000000	0.886635	0.886635	0.886635	60.00	31.42	2.47	12.00% -	12,853
REMARKS								15.00% -	9,189
								20.00% -	5,027
								25.00% -	2,456

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017	1	213,281	284,578	9,458	178,476	238,138	6,039	60.00	2.47
2018	1	127,377	177,004	5,882	108,236	150,406	3,813	60.00	2.47
2019	1	75,941	110,094	3,659	66,676	96,662	2,451	60.00	2.47
2020	1	45,192	68,477	2,276	39,234	59,450	1,508	60.00	2.47
2021	1	26,837	42,592	1,415	23,417	37,163	942	60.00	2.47
2022	1	15,902	26,492	881	13,936	23,217	589	60.00	2.47
2023	1	9,400	16,477	547	8,249	14,461	367	60.00	2.47
Sub-Total		513,930	725,714	24,118	438,224	619,497	15,709	60.00	2.47
Remainder		12,559	24,831	825	11,057	21,865	554	60.00	2.47
Total Future		526,489	750,545	24,943	449,281	641,362	16,263	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		526,489	750,545	24,943	SHRINKAGE FACTOR = 23.70 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	10,709	7,482	14,915	0	33,106	650	1,019	31,437
2018	6,494	4,726	9,420	0	20,640	386	638	19,616
2019	4,000	3,037	6,055	0	13,092	224	398	12,470
2020	2,354	1,868	3,723	0	7,945	124	240	7,581
2021	1,405	1,168	2,328	0	4,901	73	147	4,681
2022	837	729	1,454	0	3,020	42	92	2,886
2023	494	455	906	0	1,855	24	56	1,775
Sub-Total	26,293	19,465	38,801	0	84,559	1,523	2,590	80,446
Remainder	664	687	1,369	0	2,720	31	84	2,605
Total Future	26,957	20,152	40,170	0	87,279	1,554	2,674	83,051

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	11,740	0	11,740	-11,740	-13,641	-5,586
2017	3,553	0	172	4,931	8,656	22,781	9,140	10,316
2018	2,256	0	84	3,048	5,388	14,228	23,368	5,834
2019	1,516	0	41	1,915	3,472	8,998	32,366	3,339
2020	1,018	0	35	1,151	2,204	5,377	37,743	1,806
2021	678	0	20	704	1,402	3,279	41,022	997
2022	413	0	15	429	857	2,029	43,051	559
2023	271	0	10	260	541	1,234	44,285	307
Sub-Total	9,705	0	14,018	12,438	36,161	44,285		15,679
Remainder	427	0	633	374	1,434	1,171	45,456	291
Total Future	10,132	0	14,651	12,812	37,595	45,456		15,970

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 76

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_5 (ARDATOVSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
	1.000000	0.832291	0.832291	0.832291	50.00	24.80	2.47	10.00% -	9,260
	1.000000	0.884755	0.884755	0.884755	60.00	31.42	2.47	12.00% -	7,258
								15.00% -	4,918
								20.00% -	2,288
								25.00% -	687

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017	1	151,241	204,091	6,783	126,560	170,786	4,331	60.00	2.47
2018	1	90,139	126,943	4,218	76,594	107,867	2,735	60.00	2.47
2019	1	53,620	78,956	2,624	47,078	69,323	1,758	60.00	2.47
2020	1	31,830	49,110	1,633	27,634	42,636	1,081	60.00	2.47
2021	1	18,852	30,546	1,015	16,449	26,652	676	60.00	2.47
2022	1	11,138	18,999	631	9,761	16,651	422	60.00	2.47
2023	1	6,561	11,817	393	5,758	10,370	263	60.00	2.47
Sub-Total		363,381	520,462	17,297	309,834	444,285	11,266	60.00	2.47
Remainder		8,443	17,163	570	7,432	15,110	383	60.00	2.47
Total Future		371,824	537,625	17,867	317,266	459,395	11,649	60.00	2.47

Cumulative
Ultimate

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.70 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	7,594	5,366	10,697	0	23,657	461	731	22,465
2018	4,595	3,389	6,756	0	14,740	273	457	14,010
2019	2,825	2,178	4,342	0	9,345	158	286	8,901
2020	1,658	1,340	2,670	0	5,668	88	172	5,408
2021	987	837	1,669	0	3,493	51	105	3,337
2022	586	524	1,043	0	2,153	29	66	2,058
2023	345	325	650	0	1,320	17	40	1,263
Sub-Total	18,590	13,959	27,827	0	60,376	1,077	1,857	57,442
Remainder	446	475	946	0	1,867	21	58	1,788
Total Future	19,036	14,434	28,773	0	62,243	1,098	1,915	59,230

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	0	0	0	0	0	0	-1,901	0	
2014	0	0	0	0	0	0	-1,901	0	
2015	0	0	0	0	0	0	-1,901	0	
2016	0	0	11,740	0	11,740	-11,740	-13,641	-5,586	
2017	2,542	0	123	3,515	6,180	16,285	2,644	7,375	
2018	1,613	0	60	2,170	3,843	10,167	12,811	4,168	
2019	1,083	0	30	1,363	2,476	6,425	19,236	2,384	
2020	728	0	24	818	1,570	3,838	23,074	1,290	
2021	484	0	15	499	998	2,339	25,413	711	
2022	295	0	10	304	609	1,449	26,862	398	
2023	193	0	8	185	386	877	27,739	219	
Sub-Total	6,938	0	13,911	8,854	29,703	27,739		9,066	
Remainder	294	0	477	255	1,026	762	28,501	194	
Total Future	7,232	0	14,388	9,109	30,729	28,501		9,260	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 77

GRAND SUMMARY
NE MULINSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	242,221
							12.00%	—	197,691
							15.00%	—	146,044
							20.00%	—	88,077
							25.00%	—	52,344

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	188,792	44,719	1,125	177,662	42,083	875	55.00	2.47
2011	1	134,272	59,632	801	126,404	56,138	507	60.00	2.47
2012	1	85,455	37,952	509	80,516	35,758	323	60.00	2.47
2013	3	470,187	208,816	2,803	407,683	181,058	1,637	60.00	2.47
2014	3	531,395	236,000	3,168	449,387	199,578	1,804	60.00	2.47
2015	5	717,210	318,523	4,275	619,071	274,937	2,486	60.00	2.47
2016	8	2,590,218	1,150,351	15,441	2,167,047	962,415	8,699	60.00	2.47
2017	10	3,028,134	1,344,832	18,052	2,541,819	1,128,855	10,202	60.00	2.47
2018	12	3,260,944	1,448,229	19,439	2,777,031	1,233,318	11,147	60.00	2.47
2019	12	2,080,428	923,946	12,400	1,830,404	812,905	7,349	60.00	2.47
2020	12	1,453,982	645,732	8,670	1,265,359	561,962	5,078	60.00	2.47
2021	12	1,077,673	478,610	6,423	942,721	418,676	3,787	60.00	2.47
2022	12	832,509	369,728	4,965	731,493	324,868	2,935	60.00	2.47
2023	12	663,225	294,545	3,951	583,613	259,189	2,344	60.00	2.47
Sub-Total		17,114,424	7,561,615	102,022	14,700,210	6,491,740	59,173	59.94	2.47
Remainder		2,642,143	1,173,413	15,751	2,344,463	1,041,206	9,412	60.00	2.47
Total Future		19,756,567	8,735,028	117,773	17,044,673	7,532,946	68,585	59.95	2.47
Cumulative		63,709	0	262					
Ultimate		19,820,276	8,735,028	118,035					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	9,771	1,183	2,160	0	13,114	500	134	12,480
2011	7,585	1,764	1,254	0	10,603	395	123	10,085
2012	4,831	1,123	798	0	6,752	245	76	6,431
2013	24,461	5,689	4,042	0	34,192	1,337	406	32,449
2014	26,963	6,271	4,456	0	37,690	1,527	454	35,709
2015	37,144	8,638	6,138	0	51,920	1,894	606	49,420
2016	130,023	30,240	21,487	0	181,750	7,658	2,280	171,812
2017	152,509	35,468	25,203	0	213,180	8,956	2,726	201,498
2018	166,622	38,751	27,536	0	232,909	9,669	2,967	220,273
2019	109,824	25,541	18,149	0	153,514	5,956	1,900	145,658
2020	75,922	17,657	12,546	0	106,125	3,899	1,286	100,940
2021	56,563	13,155	9,348	0	79,066	2,833	944	75,289
2022	43,890	10,207	7,253	0	61,350	2,142	729	58,479
2023	35,016	8,144	5,786	0	48,946	1,663	575	46,708
Sub-Total	881,124	203,831	146,156	0	1,231,111	48,674	15,206	1,167,231
Remainder	140,668	32,715	23,246	0	196,629	5,789	2,257	188,583
Total Future	1,021,792	236,546	169,402	0	1,427,740	54,463	17,463	1,355,814

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	16,811	0	16,811	-16,811	-16,811	-16,676	
2010	1,541	0	3,765	3,054	8,360	4,120	-12,691	3,705	
2011	1,105	0	1,523	2,423	5,051	5,034	-7,657	4,152	
2012	642	0	15,486	1,543	17,671	-11,240	-18,897	-7,841	
2013	2,642	0	15,070	7,812	25,524	6,925	-11,972	4,588	
2014	2,979	0	375	8,612	11,966	23,743	11,771	14,502	
2015	4,167	0	73,701	11,864	89,732	-40,312	-28,541	-21,544	
2016	14,006	0	29,924	41,528	85,458	86,354	57,813	43,800	
2017	17,289	0	30,568	48,710	96,567	104,931	162,744	47,914	
2018	19,259	0	975	53,218	73,452	146,821	309,565	60,202	
2019	13,651	0	506	35,077	49,234	96,424	405,989	35,756	
2020	10,583	0	485	24,249	35,317	65,623	471,612	22,015	
2021	8,602	0	354	18,066	27,022	48,267	519,879	14,652	
2022	6,564	0	317	14,018	20,899	37,580	557,459	10,324	
2023	5,629	0	289	11,184	17,102	29,606	587,065	7,360	
Sub-Total	108,659	0	190,149	281,358	580,166	587,065		222,909	
Remainder	25,561	0	10,661	44,928	81,150	107,433	694,498	19,312	
Total Future	134,220	0	200,810	326,286	661,316	694,498		242,221	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 78

GRAND SUMMARY
NE MULINSKI
TOTAL PROVED

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	42,536
							12.00%	—	36,681
							15.00%	—	29,647
							20.00%	—	21,292
							25.00%	—	15,730

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	188,792	44,719	1,125	177,662	42,083	875	55.00	2.47
2011	1	134,272	59,632	801	126,404	56,138	507	60.00	2.47
2012	1	85,455	37,952	509	80,516	35,758	323	60.00	2.47
2013	2	318,386	141,399	1,898	274,121	121,741	1,101	60.00	2.47
2014	2	227,753	101,149	1,358	195,144	86,666	783	60.00	2.47
2015	4	535,001	237,601	3,189	466,404	207,135	1,873	60.00	2.47
2016	4	462,395	205,356	2,757	396,078	175,904	1,589	60.00	2.47
2017	4	302,659	134,414	1,803	261,118	115,966	1,049	60.00	2.47
2018	4	214,901	95,440	1,282	188,705	83,807	756	60.00	2.47
2019	4	161,107	71,551	960	145,249	64,507	584	60.00	2.47
2020	4	125,535	55,751	749	112,042	49,759	449	60.00	2.47
2021	4	100,617	44,684	599	90,201	40,060	363	60.00	2.47
2022	4	82,412	36,601	493	74,109	32,912	297	60.00	2.47
2023	4	68,623	30,477	408	61,795	27,445	249	60.00	2.47
Sub-Total		3,007,908	1,296,726	17,931	2,649,548	1,139,881	10,798	59.66	2.47
Remainder		246,131	109,311	1,467	222,792	98,944	894	60.00	2.47
Total Future		3,254,039	1,406,037	19,398	2,872,340	1,238,825	11,692	59.69	2.47
Cumulative		63,709	0	262					
Ultimate		3,317,748	1,406,037	19,660					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	9,771	1,183	2,160	0	13,114	500	134	12,480
2011	7,585	1,764	1,254	0	10,603	395	123	10,085
2012	4,831	1,123	798	0	6,752	245	76	6,431
2013	16,447	3,825	2,718	0	22,990	859	269	21,862
2014	11,709	2,723	1,935	0	16,367	594	187	15,586
2015	27,984	6,509	4,624	0	39,117	1,332	446	37,339
2016	23,765	5,527	3,928	0	33,220	1,070	378	31,772
2017	15,667	3,643	2,589	0	21,899	650	249	21,000
2018	11,322	2,633	1,871	0	15,826	428	180	15,218
2019	8,715	2,027	1,440	0	12,182	315	139	11,728
2020	6,722	1,564	1,111	0	9,397	238	107	9,052
2021	5,412	1,258	894	0	7,564	188	86	7,290
2022	4,447	1,034	735	0	6,216	151	71	5,994
2023	3,708	863	613	0	5,184	122	59	5,003
Sub-Total	158,085	35,676	26,670	0	220,431	7,087	2,504	210,840
Remainder	13,367	3,109	2,209	0	18,685	408	213	18,064
Total Future	171,452	38,785	28,879	0	239,116	7,495	2,717	228,904

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,600	0	1,600	-1,600	-1,600	-1,529	
2010	1,541	0	3,765	3,054	8,360	4,120	2,520	3,706	
2011	1,105	0	1,523	2,423	5,051	5,034	7,554	4,152	
2012	642	0	15,487	1,543	17,672	-11,241	-3,687	-7,842	
2013	1,788	0	460	5,253	7,501	14,361	10,674	9,616	
2014	1,284	0	199	3,740	5,223	10,363	21,037	6,325	
2015	3,124	0	29,799	8,937	41,860	-4,521	16,516	-2,949	
2016	2,545	0	243	7,591	10,379	21,393	37,909	10,703	
2017	1,755	0	308	5,004	7,067	13,933	51,842	6,305	
2018	1,301	0	177	3,616	5,094	10,124	61,966	4,145	
2019	1,081	0	97	2,783	3,961	7,767	69,733	2,877	
2020	932	0	97	2,148	3,177	5,875	75,608	1,970	
2021	819	0	75	1,728	2,622	4,668	80,276	1,416	
2022	661	0	71	1,420	2,152	3,842	84,118	1,055	
2023	592	0	66	1,185	1,843	3,160	87,278	785	
Sub-Total	19,170	0	53,967	50,425	123,562	87,278		40,735	
Remainder	2,313	0	2,150	4,269	8,732	9,332	96,610	1,801	
Total Future	21,483	0	56,117	54,694	132,294	96,610		42,536	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 79

GRAND SUMMARY
NE MULINSKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	199,684
							12.00%	—	161,010
							15.00%	—	116,397
							20.00%	—	66,785
							25.00%	—	36,614

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	151,801	67,417	905	133,562	59,317	536	60.00	2.47
2014	1	303,642	134,851	1,810	254,243	112,912	1,021	60.00	2.47
2015	1	182,209	80,922	1,086	152,667	67,802	613	60.00	2.47
2016	4	2,127,823	944,995	12,684	1,770,969	786,511	7,110	60.00	2.47
2017	6	2,725,475	1,210,418	16,249	2,280,701	1,012,889	9,153	60.00	2.47
2018	8	3,046,043	1,352,789	18,157	2,588,326	1,149,511	10,391	60.00	2.47
2019	8	1,919,321	852,395	11,440	1,685,155	748,398	6,765	60.00	2.47
2020	8	1,328,447	589,981	7,921	1,153,317	512,203	4,629	60.00	2.47
2021	8	977,056	433,926	5,824	852,520	378,616	3,424	60.00	2.47
2022	8	750,097	333,127	4,472	657,384	291,956	2,638	60.00	2.47
2023	8	594,602	264,068	3,543	521,818	231,744	2,095	60.00	2.47
Sub-Total		14,106,516	6,264,889	84,091	12,050,662	5,351,859	48,375	60.00	2.47
Remainder		2,396,012	1,064,102	14,284	2,121,671	942,262	8,518	60.00	2.47
Total Future		16,502,528	7,328,991	98,375	14,172,333	6,294,121	56,893	60.00	2.47
Cumulative		0	0	0					
Ultimate		16,502,528	7,328,991	98,375					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	8,014	1,864	1,324	0	11,202	478	137	10,587
2014	15,254	3,547	2,521	0	21,322	932	266	20,124
2015	9,160	2,131	1,514	0	12,805	563	161	12,081
2016	106,258	24,712	17,560	0	148,530	6,588	1,902	140,040
2017	136,843	31,825	22,614	0	191,282	8,306	2,477	180,499
2018	155,299	36,118	25,664	0	217,081	9,241	2,786	205,054
2019	101,109	23,514	16,709	0	141,332	5,641	1,762	133,929
2020	69,199	16,094	11,435	0	96,728	3,661	1,179	91,888
2021	51,152	11,896	8,453	0	71,501	2,645	858	67,998
2022	39,443	9,173	6,518	0	55,134	1,991	658	52,485
2023	31,309	7,281	5,174	0	43,764	1,541	517	41,706
Sub-Total	723,040	168,155	119,486	0	1,010,681	41,587	12,703	956,391
Remainder	127,300	29,606	21,037	0	177,943	5,381	2,044	170,518
Total Future	850,340	197,761	140,523	0	1,188,624	46,968	14,747	1,126,909

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00	%
						Annual	Cumulative		
2009	0	0	15,211	0	15,211	-15,211	-15,211	-15,148	
2010	0	0	0	0	0	0	-15,211	0	
2011	0	0	0	0	0	0	-15,211	0	
2012	0	0	0	0	0	0	-15,211	0	
2013	855	0	14,610	2,560	18,025	-7,438	-22,649	-5,027	
2014	1,695	0	175	4,872	6,742	13,382	-9,267	8,177	
2015	1,041	0	43,902	2,925	47,868	-35,787	-45,054	-18,595	
2016	11,463	0	29,682	33,938	75,083	64,957	19,903	33,097	
2017	15,533	0	30,259	43,707	89,499	91,000	110,903	41,609	
2018	17,959	0	797	49,601	68,357	136,697	247,600	56,058	
2019	12,569	0	410	32,294	45,273	88,656	336,256	32,878	
2020	9,651	0	388	22,101	32,140	59,748	396,004	20,046	
2021	7,782	0	278	16,337	24,397	43,601	439,605	13,235	
2022	5,904	0	247	12,598	18,749	33,736	473,341	9,269	
2023	5,037	0	223	10,000	15,260	26,446	499,787	6,575	
Sub-Total	89,489	0	136,182	230,933	456,604	499,787		182,174	
Remainder	23,248	0	8,511	40,659	72,418	98,100	597,887	17,510	
Total Future	112,737	0	144,693	271,592	529,022	597,887		199,684	

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 80

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO1H (MULINSKI)

GAS LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	COMPOUNDED								
	1.000000	0.860969	0.860969	0.860969	50.00	24.80	2.47	10.00% -	11,952
	1.000000	0.904827	0.904827	0.904827	60.00	31.42	2.47	12.00% -	10,145
								15.00% -	7,945
								20.00% -	5,286
								25.00% -	3,496

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	259,221	115,123	1,545	223,181	99,118	896	60.00	2.47
2014	1	184,363	81,879	1,099	157,967	70,155	634	60.00	2.47
2015	1	117,334	52,109	700	102,290	45,428	411	60.00	2.47
2016	1	81,237	36,079	484	69,586	30,904	279	60.00	2.47
2017	1	59,577	26,459	355	51,399	22,827	206	60.00	2.47
2018	1	45,560	20,233	272	40,007	17,768	161	60.00	2.47
2019	1	35,970	15,975	214	32,429	14,402	130	60.00	2.47
2020	1	29,119	12,932	174	25,989	11,542	104	60.00	2.47
2021	1	24,055	10,683	143	21,566	9,578	87	60.00	2.47
2022	1	20,207	8,974	121	18,170	8,069	73	60.00	2.47
2023	1	17,154	7,619	102	15,447	6,861	62	60.00	2.47
Sub-Total		873,797	388,065	5,209	758,031	336,652	3,043	60.00	2.47
Remainder		62,524	27,768	373	56,457	25,073	227	60.00	2.47
Total Future		936,321	415,833	5,582	814,488	361,725	3,270	60.00	2.47

Cumulative
Ultimate

0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
936,321 415,833 5,582 SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	13,391	3,114	2,213	0	18,718	699	218	17,801
2014	9,478	2,205	1,566	0	13,249	481	152	12,616
2015	6,137	1,427	1,014	0	8,578	293	98	8,187
2016	4,175	971	690	0	5,836	188	66	5,582
2017	3,084	717	510	0	4,311	127	50	4,134
2018	2,401	558	397	0	3,356	91	38	3,227
2019	1,946	453	321	0	2,720	70	31	2,619
2020	1,559	363	258	0	2,180	56	25	2,099
2021	1,294	300	214	0	1,808	45	20	1,743
2022	1,090	254	180	0	1,524	37	17	1,470
2023	927	216	153	0	1,296	30	15	1,251
Sub-Total	45,482	10,578	7,516	0	63,576	2,117	730	60,729
Remainder	3,387	787	560	0	4,734	104	54	4,576
Total Future	48,869	11,365	8,076	0	68,310	2,221	784	65,305

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	14,610	0	14,610	-14,610	-14,610	-10,353	
2013	1,453	0	388	4,277	6,118	11,683	-2,927	7,809	
2014	1,039	0	161	3,027	4,227	8,389	5,462	5,123	
2015	687	0	86	1,960	2,733	5,454	10,916	3,013	
2016	447	0	43	1,334	1,824	3,758	14,674	1,878	
2017	346	0	62	985	1,393	2,741	17,415	1,240	
2018	276	0	37	767	1,080	2,147	19,562	878	
2019	241	0	22	621	884	1,735	21,297	642	
2020	217	0	23	498	738	1,361	22,658	457	
2021	195	0	18	413	626	1,117	23,775	338	
2022	163	0	17	349	529	941	24,716	259	
2023	148	0	16	296	460	791	25,507	196	
Sub-Total	5,212	0	15,483	14,527	35,222	25,507		11,480	
Remainder	579	0	530	1,081	2,190	2,386	27,893	472	
Total Future	5,791	0	16,013	15,608	37,412	27,893		11,952	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 81

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO2H (MULINSKI)

GAS LEASE
PROVED
BEHIND PIPE

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.941046	0.941046	0.941046	50.00	24.80	2.47	10.00% -	14,923
FINAL	1.000000	0.903299	0.903299	0.903299	60.00	31.42	2.47	12.00% -	13,852
REMARKS	DEEPENING OF WELL 57							15.00% -	12,448
								20.00% -	10,539
								25.00% -	9,031

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	188,792	44,719	1,125	177,662	42,083	875	55.00	2.47
2011	1	134,272	59,632	801	126,404	56,138	507	60.00	2.47
2012	1	85,455	37,952	509	80,516	35,758	323	60.00	2.47
2013	1	59,165	26,276	353	50,940	22,623	205	60.00	2.47
2014	1	43,390	19,270	259	37,177	16,511	149	60.00	2.47
2015	1	33,182	14,737	197	28,928	12,847	116	60.00	2.47
2016	1	26,197	11,634	157	22,439	9,966	90	60.00	2.47
2017	1	21,207	9,418	126	18,297	8,125	74	60.00	2.47
2018	1	17,520	7,781	104	15,384	6,833	61	60.00	2.47
2019	1	14,716	6,536	88	13,268	5,892	54	60.00	2.47
2020	1	12,493	5,548	75	11,150	4,952	44	60.00	2.47
2021	1	10,620	4,716	63	9,520	4,228	39	60.00	2.47
2022	1	9,026	4,009	54	8,117	3,605	32	60.00	2.47
2023	1	7,673	3,408	46	6,909	3,069	28	60.00	2.47
Sub-Total		663,708	255,636	3,957	606,711	232,630	2,597	58.54	2.47
Remainder		8,796	3,906	52	7,937	3,524	32	60.00	2.47
Total Future		672,504	259,542	4,009	614,648	236,154	2,629	58.55	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		672,504	259,542	4,009	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	9,771	1,183	2,160	0	13,114	500	134	12,480
2011	7,585	1,764	1,254	0	10,603	395	123	10,085
2012	4,831	1,123	798	0	6,752	245	76	6,431
2013	3,056	711	505	0	4,272	160	50	4,062
2014	2,231	519	369	0	3,119	113	36	2,970
2015	1,735	404	286	0	2,425	83	28	2,314
2016	1,347	313	223	0	1,883	60	21	1,802
2017	1,097	255	181	0	1,533	46	18	1,469
2018	924	215	153	0	1,292	35	14	1,243
2019	796	185	131	0	1,112	28	13	1,071
2020	669	155	111	0	935	24	11	900
2021	571	133	94	0	798	20	9	769
2022	487	114	81	0	682	16	7	659
2023	414	96	68	0	578	14	7	557
Sub-Total	35,514	7,170	6,414	0	49,098	1,739	547	46,812
Remainder	477	111	79	0	667	15	8	644
Total Future	35,991	7,281	6,493	0	49,765	1,754	555	47,456

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,600	0	1,600	-1,600	-1,600	-1,529	
2010	1,541	0	3,765	3,054	8,360	4,120	2,520	3,706	
2011	1,105	0	1,523	2,423	5,051	5,034	7,554	4,152	
2012	642	0	877	1,543	3,062	3,369	10,923	2,512	
2013	335	0	71	976	1,382	2,680	13,603	1,805	
2014	244	0	39	712	995	1,975	15,578	1,203	
2015	194	0	24	555	773	1,541	17,119	851	
2016	145	0	14	430	589	1,213	18,332	605	
2017	123	0	22	350	495	974	19,306	441	
2018	106	0	15	295	416	827	20,133	338	
2019	99	0	9	255	363	708	20,841	262	
2020	93	0	10	213	316	584	21,425	196	
2021	86	0	8	183	277	492	21,917	149	
2022	73	0	7	155	235	424	22,341	116	
2023	66	0	8	133	207	350	22,691	88	
Sub-Total	4,852	0	7,992	11,277	24,121	22,691		14,895	
Remainder	81	0	403	152	636	8	22,699	28	
Total Future	4,933	0	8,395	11,429	24,757	22,699		14,923	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 82

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO3H (MULINSKI)

GAS LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	COMPOUNDED								
	1.000000	0.871779	0.871779	0.871779	50.00	24.80	2.47	10.00% -	5,475
	1.000000	0.904827	0.904827	0.904827	60.00	31.42	2.47	12.00% -	4,340
								15.00% -	3,050
								20.00% -	1,659
								25.00% -	860

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015	1	164,273	72,956	979	143,210	63,601	575	60.00	2.47
2016	1	151,659	67,354	904	129,908	57,694	521	60.00	2.47
2017	1	94,797	42,100	565	81,786	36,323	329	60.00	2.47
2018	1	64,866	28,808	387	56,959	25,296	228	60.00	2.47
2019	1	47,178	20,953	281	42,534	18,890	171	60.00	2.47
2020	1	35,857	15,924	214	32,003	14,213	129	60.00	2.47
2021	1	28,174	12,512	168	25,257	11,217	101	60.00	2.47
2022	1	22,721	10,091	136	20,432	9,074	82	60.00	2.47
2023	1	18,712	8,310	111	16,851	7,483	68	60.00	2.47
Sub-Total		628,237	279,008	3,745	548,940	243,791	2,204	60.00	2.47
Remainder		69,643	30,930	415	62,888	27,930	252	60.00	2.47
Total Future		697,880	309,938	4,160	611,828	271,721	2,456	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	8,593	1,998	1,420	0	12,011	409	137	11,465
2016	7,794	1,813	1,288	0	10,895	351	124	10,420
2017	4,907	1,141	811	0	6,859	203	78	6,578
2018	3,418	795	565	0	4,778	130	54	4,594
2019	2,552	594	422	0	3,568	92	41	3,435
2020	1,920	446	317	0	2,683	68	30	2,585
2021	1,515	353	250	0	2,118	52	25	2,041
2022	1,226	285	203	0	1,714	42	19	1,653
2023	1,011	235	167	0	1,413	33	16	1,364
Sub-Total	32,936	7,660	5,443	0	46,039	1,380	524	44,135
Remainder	3,774	877	623	0	5,274	115	60	5,099
Total Future	36,710	8,537	6,066	0	51,313	1,495	584	49,234

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	959	0	14,810	2,744	18,513	-7,048	-7,048	-4,105	
2016	834	0	79	2,490	3,403	7,017	-31	3,512	
2017	550	0	97	1,567	2,214	4,364	4,333	1,976	
2018	392	0	53	1,092	1,537	3,057	7,390	1,251	
2019	317	0	28	815	1,160	2,275	9,665	843	
2020	266	0	28	613	907	1,678	11,343	563	
2021	229	0	21	484	734	1,307	12,650	397	
2022	182	0	19	392	593	1,060	13,710	290	
2023	162	0	19	323	504	860	14,570	215	
Sub-Total	3,891	0	15,154	10,520	29,565	14,570		4,942	
Remainder	646	0	459	1,205	2,310	2,789	17,359	533	
Total Future	4,537	0	15,613	11,725	31,875	17,359		5,475	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 83

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO4H (MULINSKI)

GAS LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	COMPOUNDED								
	1.000000	0.871779	0.871779	0.871779	50.00	24.80	2.47	10.00% -	10,185
	1.000000	0.955313	0.955313	0.955313	60.00	31.42	2.47	12.00% -	8,343
								15.00% -	6,204
								20.00% -	3,807
								25.00% -	2,343

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015	1	220,212	97,799	1,313	191,976	85,259	771	60.00	2.47
2016	1	203,302	90,289	1,212	174,145	77,340	699	60.00	2.47
2017	1	127,078	56,437	757	109,636	48,691	440	60.00	2.47
2018	1	86,955	38,618	519	76,355	33,910	306	60.00	2.47
2019	1	63,243	28,087	377	57,018	25,323	229	60.00	2.47
2020	1	48,066	21,347	286	42,900	19,052	172	60.00	2.47
2021	1	37,768	16,773	225	33,858	15,037	136	60.00	2.47
2022	1	30,458	13,527	182	27,390	12,164	110	60.00	2.47
2023	1	25,084	11,140	149	22,588	10,032	91	60.00	2.47
Sub-Total		842,166	374,017	5,020	735,866	326,808	2,954	60.00	2.47
Remainder		105,168	46,707	627	95,510	42,417	383	60.00	2.47
Total Future		947,334	420,724	5,647	831,376	369,225	3,337	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	11,519	2,679	1,904	0	16,102	548	183	15,371
2016	10,448	2,430	1,726	0	14,604	470	167	13,967
2017	6,578	1,530	1,087	0	9,195	273	104	8,818
2018	4,582	1,065	757	0	6,404	174	73	6,157
2019	3,421	796	566	0	4,783	123	55	4,605
2020	2,574	598	425	0	3,597	92	41	3,464
2021	2,031	473	336	0	2,840	70	32	2,738
2022	1,644	382	271	0	2,297	56	26	2,215
2023	1,355	315	224	0	1,894	44	22	1,828
Sub-Total	44,152	10,268	7,296	0	61,716	1,850	703	59,163
Remainder	5,731	1,333	947	0	8,011	175	91	7,745
Total Future	49,883	11,601	8,243	0	69,727	2,025	794	66,908

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0
2015	1,285	0	14,878	3,679	19,842	-4,471	-4,471	-2,708	
2016	1,119	0	107	3,337	4,563	9,404	4,933	4,708	
2017	737	0	129	2,101	2,967	5,851	10,784	2,648	
2018	526	0	71	1,463	2,060	4,097	14,881	1,678	
2019	424	0	38	1,093	1,555	3,050	17,931	1,130	
2020	357	0	37	822	1,216	2,248	20,179	754	
2021	307	0	28	649	984	1,754	21,933	532	
2022	244	0	26	525	795	1,420	23,353	390	
2023	217	0	25	433	675	1,153	24,506	287	
Sub-Total	5,216	0	15,339	14,102	34,657	24,506		9,419	
Remainder	1,006	0	756	1,830	3,592	4,153	28,659	766	
Total Future	6,222	0	16,095	15,932	38,249	28,659		10,185	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 84

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO5H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	14,538
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	12,159
								15.00% -	9,272
								20.00% -	5,794
								25.00% -	3,448

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	151,801	67,417	905	133,562	59,317	536	60.00	2.47
2014	1	303,642	134,851	1,810	254,243	112,912	1,021	60.00	2.47
2015	1	182,209	80,922	1,086	152,667	67,802	613	60.00	2.47
2016	1	121,482	53,952	724	101,109	44,904	406	60.00	2.47
2017	1	86,779	38,539	518	72,617	32,250	291	60.00	2.47
2018	1	65,086	28,906	388	55,306	24,562	222	60.00	2.47
2019	1	50,625	22,483	301	44,448	19,740	178	60.00	2.47
2020	1	40,501	17,987	242	35,162	15,616	142	60.00	2.47
2021	1	33,137	14,717	197	28,914	12,841	116	60.00	2.47
2022	1	27,615	12,264	165	24,201	10,748	97	60.00	2.47
2023	1	23,351	10,370	139	20,493	9,101	82	60.00	2.47
Sub-Total		1,086,228	482,408	6,475	922,722	409,793	3,704	60.00	2.47
Remainder		97,632	43,360	582	86,407	38,374	347	60.00	2.47
Total Future		1,183,860	525,768	7,057	1,009,129	448,167	4,051	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		1,183,860	525,768	7,057	SHRINKAGE FACTOR = 32.66 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	8,014	1,864	1,324	0	11,202	478	137	10,587
2014	15,254	3,547	2,521	0	21,322	932	266	20,124
2015	9,160	2,131	1,514	0	12,805	563	161	12,081
2016	6,067	1,411	1,002	0	8,480	376	109	7,995
2017	4,357	1,013	721	0	6,091	264	78	5,749
2018	3,318	772	548	0	4,638	198	60	4,380
2019	2,667	620	441	0	3,728	149	46	3,533
2020	2,110	491	348	0	2,949	111	36	2,802
2021	1,735	403	287	0	2,425	90	29	2,306
2022	1,452	338	240	0	2,030	73	25	1,932
2023	1,229	286	203	0	1,718	61	20	1,637
Sub-Total	55,363	12,876	9,149	0	77,388	3,295	967	73,126
Remainder	5,185	1,205	857	0	7,247	221	83	6,943
Total Future	60,548	14,081	10,006	0	84,635	3,516	1,050	80,069

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	855	0	14,610	2,560	18,025	-7,438	-9,339	-5,028
2014	1,695	0	176	4,872	6,743	13,381	4,042	8,177
2015	1,041	0	71	2,925	4,037	8,044	12,086	4,444
2016	656	0	25	1,938	2,619	5,376	17,462	2,687
2017	494	0	29	1,392	1,915	3,834	21,296	1,733
2018	385	0	18	1,059	1,462	2,918	24,214	1,194
2019	332	0	11	852	1,195	2,338	26,552	866
2020	294	0	12	674	980	1,822	28,374	611
2021	265	0	9	554	828	1,478	29,852	448
2022	217	0	9	464	690	1,242	31,094	341
2023	198	0	9	393	600	1,037	32,131	258
Sub-Total	6,432	0	16,880	17,683	40,995	32,131		13,838
Remainder	928	0	589	1,655	3,172	3,771	35,902	700
Total Future	7,360	0	17,469	19,338	44,167	35,902		14,538

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 85

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO6H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	MONTHLY
	COMPOUNDED								
	1.000000	0.836809	0.836809	0.836809	50.00	24.80	2.47	10.00% -	14,467
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	11,105
								15.00% -	7,357
								20.00% -	3,412
								25.00% -	1,187

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018	1	498,104	221,215	2,969	423,256	187,974	1,699	60.00	2.47
2019	1	284,677	126,428	1,697	249,945	111,003	1,003	60.00	2.47
2020	1	184,220	81,815	1,099	159,934	71,029	642	60.00	2.47
2021	1	128,963	57,274	768	112,525	49,974	452	60.00	2.47
2022	1	95,324	42,335	569	83,543	37,103	336	60.00	2.47
2023	1	73,330	32,566	437	64,353	28,580	258	60.00	2.47
Sub-Total		1,264,618	561,633	7,539	1,093,556	485,663	4,390	60.00	2.47
Remainder		281,408	124,978	1,677	249,177	110,663	1,000	60.00	2.47
Total Future		1,546,026	686,611	9,216	1,342,733	596,326	5,390	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	25,395	5,906	4,197	0	35,498	1,511	456	33,531
2019	14,997	3,488	2,478	0	20,963	837	261	19,865
2020	9,596	2,232	1,586	0	13,414	507	163	12,744
2021	6,752	1,570	1,116	0	9,438	350	114	8,974
2022	5,012	1,166	828	0	7,006	253	83	6,670
2023	3,861	898	638	0	5,397	190	64	5,143
Sub-Total	65,613	15,260	10,843	0	91,716	3,648	1,141	86,927
Remainder	14,951	3,477	2,471	0	20,899	632	240	20,027
Total Future	80,564	18,737	13,314	0	112,615	4,280	1,381	106,954

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	0	0	0	0	-1,901	0
2017	0	0	14,610	0	14,610	-14,610	-16,511	-6,293
2018	2,933	0	129	8,111	11,173	22,358	5,847	9,178
2019	1,863	0	61	4,790	6,714	13,151	18,998	4,880
2020	1,338	0	53	3,065	4,456	8,288	27,286	2,781
2021	1,027	0	37	2,156	3,220	5,754	33,040	1,748
2022	750	0	31	1,601	2,382	4,288	37,328	1,178
2023	621	0	27	1,233	1,881	3,262	40,590	811
Sub-Total	8,532	0	16,849	20,956	46,337	40,590		12,390
Remainder	2,733	0	857	4,775	8,365	11,662	52,252	2,077
Total Future	11,265	0	17,706	25,731	54,702	52,252		14,467

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 86

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM07H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.836809	0.836809	0.836809	50.00	24.80	2.47	10.00% -	21,972
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	17,175
								15.00% -	11,792
								20.00% -	6,071
								25.00% -	2,800

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018	1	663,114	294,498	3,953	563,470	250,245	2,262	60.00	2.47
2019	1	378,983	168,311	2,259	332,746	147,776	1,336	60.00	2.47
2020	1	245,248	108,918	1,462	212,917	94,559	854	60.00	2.47
2021	1	171,685	76,248	1,024	149,801	66,529	602	60.00	2.47
2022	1	126,903	56,359	756	111,218	49,394	446	60.00	2.47
2023	1	97,622	43,355	582	85,672	38,048	344	60.00	2.47
Sub-Total		1,683,555	747,689	10,036	1,455,824	646,551	5,844	60.00	2.47
Remainder		374,631	166,379	2,233	331,724	147,323	1,332	60.00	2.47
Total Future		2,058,186	914,068	12,269	1,787,548	793,874	7,176	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	33,808	7,863	5,587	0	47,258	2,012	607	44,639
2019	19,965	4,643	3,299	0	27,907	1,114	347	26,446
2020	12,775	2,971	2,111	0	17,857	675	218	16,964
2021	8,988	2,090	1,486	0	12,564	465	151	11,948
2022	6,673	1,552	1,103	0	9,328	337	111	8,880
2023	5,140	1,196	849	0	7,185	253	85	6,847
Sub-Total	87,349	20,315	14,435	0	122,099	4,856	1,519	115,724
Remainder	19,904	4,629	3,289	0	27,822	842	320	26,660
Total Future	107,253	24,944	17,724	0	149,921	5,698	1,839	142,384

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	0	0	0	0	-1,901	0
2017	0	0	14,610	0	14,610	-14,610	-16,511	-6,293
2018	3,905	0	172	10,798	14,875	29,764	13,253	12,218
2019	2,480	0	80	6,377	8,937	17,509	30,762	6,497
2020	1,781	0	71	4,080	5,932	11,032	41,794	3,703
2021	1,367	0	49	2,871	4,287	7,661	49,455	2,326
2022	998	0	42	2,131	3,171	5,709	55,164	1,569
2023	827	0	36	1,642	2,505	4,342	59,506	1,080
Sub-Total	11,358	0	16,961	27,899	56,218	59,506		19,207
Remainder	3,638	0	1,117	6,357	11,112	15,548	75,054	2,765
Total Future	14,996	0	18,078	34,256	67,330	75,054		21,972

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 87

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE G08H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.837868	0.837868	0.837868	50.00	24.80	2.47	10.00% -	17,171
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	13,820
								15.00% -	9,923
								20.00% -	5,540
								25.00% -	2,838

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016	1	485,366	215,557	2,893	403,966	179,406	1,622	60.00	2.47
2017	1	277,397	123,196	1,654	232,128	103,092	931	60.00	2.47
2018	1	179,509	79,722	1,070	152,535	67,743	613	60.00	2.47
2019	1	125,665	55,810	749	110,333	49,000	443	60.00	2.47
2020	1	92,886	41,252	554	80,641	35,814	323	60.00	2.47
2021	1	71,454	31,734	426	62,347	27,689	251	60.00	2.47
2022	1	56,672	25,168	338	49,667	22,058	199	60.00	2.47
2023	1	46,047	20,450	274	40,410	17,946	162	60.00	2.47
Sub-Total		1,334,996	592,889	7,958	1,132,027	502,748	4,544	60.00	2.47
Remainder		193,895	86,112	1,156	171,713	76,260	690	60.00	2.47
Total Future		1,528,891	679,001	9,114	1,303,740	579,008	5,234	60.00	2.47

Cumulative
Ultimate

0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
1,528,891 679,001 9,114 SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	24,238	5,637	4,005	0	33,880	1,503	434	31,943
2017	13,928	3,239	2,302	0	19,469	845	252	18,372
2018	9,152	2,129	1,513	0	12,794	545	164	12,085
2019	6,620	1,539	1,094	0	9,253	369	116	8,768
2020	4,838	1,125	799	0	6,762	256	82	6,424
2021	3,741	870	618	0	5,229	193	63	4,973
2022	2,980	693	493	0	4,166	151	49	3,966
2023	2,425	564	400	0	3,389	119	40	3,230
Sub-Total	67,922	15,796	11,224	0	94,942	3,981	1,200	89,761
Remainder	10,302	2,396	1,703	0	14,401	435	166	13,800
Total Future	78,224	18,192	12,927	0	109,343	4,416	1,366	103,561

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	0	0	0	0	0	0	-1,901	0	
2014	0	0	0	0	0	0	-1,901	0	
2015	0	0	14,610	0	14,610	-14,610	-16,511	-7,680	
2016	2,614	0	97	7,741	10,452	21,491	4,980	10,766	
2017	1,578	0	92	4,449	6,119	12,253	17,233	5,548	
2018	1,060	0	48	2,923	4,031	8,054	25,287	3,299	
2019	824	0	27	2,114	2,965	5,803	31,090	2,151	
2020	675	0	27	1,546	2,248	4,176	35,266	1,401	
2021	569	0	20	1,194	1,783	3,190	38,456	968	
2022	446	0	19	952	1,417	2,549	41,005	700	
2023	390	0	17	775	1,182	2,048	43,053	509	
Sub-Total	8,156	0	16,858	21,694	46,708	43,053		15,769	
Remainder	1,886	0	788	3,290	5,964	7,836	50,889	1,402	
Total Future	10,042	0	17,646	24,984	52,672	50,889		17,171	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 88

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GMO9H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
	1.000000	0.832291	0.832291	0.832291	50.00	24.80	2.47	10.00% -	4,596
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	3,238
								15.00% -	1,713
								20.00% -	95
								25.00% -	-817

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016	1	243,493	108,139	1,452	202,657	90,003	814	60.00	2.47
2017	1	154,573	68,647	921	129,348	57,445	519	60.00	2.47
2018	1	99,213	44,062	591	84,305	37,441	338	60.00	2.47
2019	1	69,077	30,678	412	60,649	26,935	244	60.00	2.47
2020	1	50,861	22,588	303	44,156	19,610	177	60.00	2.47
2021	1	39,012	17,326	233	34,039	15,117	137	60.00	2.47
2022	1	30,870	13,710	184	27,055	12,016	108	60.00	2.47
2023	1	25,038	11,119	149	21,973	9,758	88	60.00	2.47
Sub-Total		712,137	316,269	4,245	604,182	268,325	2,425	60.00	2.47
Remainder		102,091	45,340	609	90,368	40,134	363	60.00	2.47
Total Future		814,228	361,609	4,854	694,550	308,459	2,788	60.00	2.47

Cumulative
Ultimate

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	12,159	2,828	2,009	0	16,996	754	218	16,024
2017	7,761	1,805	1,283	0	10,849	471	140	10,238
2018	5,059	1,176	836	0	7,071	301	91	6,679
2019	3,639	847	601	0	5,087	203	63	4,821
2020	2,649	616	438	0	3,703	140	45	3,518
2021	2,042	475	338	0	2,855	106	35	2,714
2022	1,624	377	268	0	2,269	82	27	2,160
2023	1,318	307	218	0	1,843	65	22	1,756
Sub-Total	36,251	8,431	5,991	0	50,673	2,122	641	47,910
Remainder	5,422	1,261	896	0	7,579	230	87	7,262
Total Future	41,673	9,692	6,887	0	58,252	2,352	728	55,172

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	0	0	0	0	0	0	-1,901	0	
2014	0	0	0	0	0	0	-1,901	0	
2015	0	0	14,610	0	14,610	-14,610	-16,511	-7,680	
2016	1,312	0	55	3,884	5,251	10,773	-5,738	5,371	
2017	879	0	51	2,478	3,408	6,830	1,092	3,092	
2018	586	0	26	1,616	2,228	4,451	5,543	1,823	
2019	453	0	15	1,162	1,630	3,191	8,734	1,183	
2020	369	0	15	846	1,230	2,288	11,022	767	
2021	311	0	11	653	975	1,739	12,761	528	
2022	243	0	10	518	771	1,389	14,150	381	
2023	212	0	10	421	643	1,113	15,263	277	
Sub-Total	4,365	0	16,704	11,578	32,647	15,263		3,849	
Remainder	976	0	447	1,732	3,155	4,107	19,370	747	
Total Future	5,341	0	17,151	13,310	35,802	19,370		4,596	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 89

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM10H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.836809	0.836809	0.836809	50.00	24.80	2.47	10.00% -	48,856
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	39,433
REMARKS								15.00% -	28,625
								20.00% -	16,732
								25.00% -	9,610

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017	1	953,593	423,503	5,685	797,975	354,391	3,203	60.00	2.47
2018	1	767,786	340,984	4,577	652,414	289,746	2,619	60.00	2.47
2019	1	484,349	215,106	2,887	425,256	188,862	1,707	60.00	2.47
2020	1	333,407	148,070	1,987	289,454	128,550	1,162	60.00	2.47
2021	1	243,511	108,147	1,452	212,473	94,362	853	60.00	2.47
2022	1	185,654	82,452	1,107	162,707	72,261	653	60.00	2.47
2023	1	146,228	64,941	871	128,328	56,992	516	60.00	2.47
Sub-Total		3,114,528	1,383,203	18,566	2,668,607	1,185,164	10,713	60.00	2.47
Remainder		585,463	260,012	3,491	518,450	230,250	2,081	60.00	2.47
Total Future		3,699,991	1,643,215	22,057	3,187,057	1,415,414	12,794	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	47,879	11,135	7,912	0	66,926	2,906	867	63,153
2018	39,144	9,104	6,469	0	54,717	2,329	702	51,686
2019	25,516	5,934	4,217	0	35,667	1,424	445	33,798
2020	17,367	4,039	2,870	0	24,276	919	295	23,062
2021	12,748	2,965	2,106	0	17,819	659	214	16,946
2022	9,763	2,270	1,614	0	13,647	493	163	12,991
2023	7,699	1,791	1,272	0	10,762	379	127	10,256
Sub-Total	160,116	37,238	26,460	0	223,814	9,109	2,813	211,892
Remainder	31,107	7,234	5,141	0	43,482	1,314	500	41,668
Total Future	191,223	44,472	31,601	0	267,296	10,423	3,313	253,560

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	14,610	0	14,610	-14,610	-16,511	-6,952
2017	5,451	0	454	15,292	21,197	41,956	25,445	18,742
2018	4,527	0	202	12,503	17,232	34,454	59,899	14,128
2019	3,172	0	103	8,149	11,424	22,374	82,273	8,298
2020	2,422	0	97	5,547	8,066	14,996	97,269	5,031
2021	1,940	0	70	4,072	6,082	10,864	108,133	3,299
2022	1,461	0	61	3,118	4,640	8,351	116,484	2,294
2023	1,239	0	55	2,459	3,753	6,503	122,987	1,617
Sub-Total	20,212	0	17,553	51,140	88,905	122,987		44,564
Remainder	5,689	0	1,885	9,935	17,509	24,159	147,146	4,292
Total Future	25,901	0	19,438	61,075	106,414	147,146		48,856

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 90

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM11H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.832291	0.832291	0.832291	50.00	24.80	2.47	10.00% -	64,847
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	53,770
REMARKS								15.00% -	40,727
								20.00% -	25,749
								25.00% -	16,258

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016	1	1,277,482	567,347	7,615	1,063,237	472,198	4,268	60.00	2.47
2017	1	810,960	360,158	4,835	678,618	301,383	2,724	60.00	2.47
2018	1	520,519	231,169	3,103	442,303	196,432	1,776	60.00	2.47
2019	1	362,410	160,951	2,160	318,195	141,315	1,277	60.00	2.47
2020	1	266,843	118,509	1,591	231,664	102,885	930	60.00	2.47
2021	1	204,673	90,898	1,220	178,585	79,312	717	60.00	2.47
2022	1	161,963	71,930	965	141,944	63,040	570	60.00	2.47
2023	1	131,358	58,338	783	115,280	51,197	463	60.00	2.47
Sub-Total		3,736,208	1,659,300	22,272	3,169,826	1,407,762	12,725	60.00	2.47
Remainder		551,679	245,007	3,289	488,563	216,977	1,961	60.00	2.47
Total Future		4,287,887	1,904,307	25,561	3,658,389	1,624,739	14,686	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	63,794	14,836	10,542	0	89,172	3,955	1,142	84,075
2017	40,717	9,470	6,729	0	56,916	2,472	737	53,707
2018	26,538	6,172	4,386	0	37,096	1,579	476	35,041
2019	19,092	4,440	3,155	0	26,687	1,065	333	25,289
2020	13,900	3,233	2,297	0	19,430	735	237	18,458
2021	10,715	2,492	1,770	0	14,977	554	179	14,244
2022	8,517	1,980	1,408	0	11,905	430	142	11,333
2023	6,917	1,609	1,143	0	9,669	341	115	9,213
Sub-Total	190,190	44,232	31,430	0	265,852	11,131	3,361	251,360
Remainder	29,313	6,817	4,844	0	40,974	1,237	470	39,267
Total Future	219,503	51,049	36,274	0	306,826	12,368	3,831	290,627

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	14,610	0	14,610	-14,610	-16,511	-7,680
2016	6,882	0	286	20,375	27,543	56,532	40,021	28,177
2017	4,615	0	269	13,005	17,889	35,818	75,839	16,222
2018	3,073	0	138	8,476	11,687	23,354	99,193	9,567
2019	2,375	0	78	6,098	8,551	16,738	115,931	6,203
2020	1,939	0	78	4,439	6,456	12,002	127,933	4,025
2021	1,631	0	58	3,423	5,112	9,132	137,065	2,771
2022	1,275	0	54	2,720	4,049	7,284	144,349	2,001
2023	1,113	0	49	2,209	3,371	5,842	150,191	1,452
Sub-Total	22,903	0	17,521	60,745	101,169	150,191		60,845
Remainder	5,364	0	2,084	9,363	16,811	22,456	172,647	4,002
Total Future	28,267	0	19,605	70,108	117,980	172,647		64,847

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 91

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM12H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.832291	0.832291	0.832291	50.00	24.80	2.47	10.00% -	13,238
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	10,311
								15.00% -	6,988
								20.00% -	3,393
								25.00% -	1,289

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017	1	442,173	196,375	2,636	370,015	164,328	1,485	60.00	2.47
2018	1	252,712	112,233	1,506	214,737	95,368	862	60.00	2.47
2019	1	163,535	72,628	975	143,583	63,767	577	60.00	2.47
2020	1	114,481	50,842	683	99,389	44,140	399	60.00	2.47
2021	1	84,621	37,582	504	73,836	32,792	296	60.00	2.47
2022	1	65,096	28,909	388	57,049	25,336	229	60.00	2.47
2023	1	51,628	22,929	308	45,309	20,122	182	60.00	2.47
Sub-Total		1,174,246	521,498	7,000	1,003,918	445,853	4,030	60.00	2.47
Remainder		209,213	92,914	1,247	185,269	82,281	744	60.00	2.47
Total Future		1,383,459	614,412	8,247	1,189,187	528,134	4,774	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	22,201	5,163	3,669	0	31,033	1,348	402	29,283
2018	12,884	2,997	2,129	0	18,010	766	231	17,013
2019	8,615	2,003	1,424	0	12,042	481	150	11,411
2020	5,963	1,387	985	0	8,335	315	102	7,918
2021	4,431	1,030	732	0	6,193	229	74	5,890
2022	3,423	796	566	0	4,785	173	57	4,555
2023	2,718	633	449	0	3,800	134	45	3,621
Sub-Total	60,235	14,009	9,954	0	84,198	3,446	1,061	79,691
Remainder	11,116	2,585	1,837	0	15,538	469	178	14,891
Total Future	71,351	16,594	11,791	0	99,736	3,915	1,239	94,582

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	0	0	0	0	-1,901	0
2016	0	0	14,610	0	14,610	-14,610	-16,511	-6,952
2017	2,514	0	144	7,091	9,749	19,534	3,023	8,858
2018	1,491	0	67	4,115	5,673	11,340	14,363	4,648
2019	1,071	0	35	2,751	3,857	7,554	21,917	2,801
2020	832	0	33	1,905	2,770	5,148	27,065	1,728
2021	674	0	24	1,415	2,113	3,777	30,842	1,146
2022	512	0	22	1,093	1,627	2,928	33,770	804
2023	437	0	19	869	1,325	2,296	36,066	571
Sub-Total	7,531	0	16,855	19,239	43,625	36,066		11,711
Remainder	2,034	0	744	3,550	6,328	8,563	44,629	1,527
Total Future	9,565	0	17,599	22,789	49,953	44,629		13,238

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 92

GRAND SUMMARY
SO MULINSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	–	103,663
							12.00%	–	92,627
							15.00%	–	79,159
							20.00%	–	62,645
							25.00%	–	51,078

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	0	0	3,582	0	0	0	0.00	0.00
2010	1	777,636	149,661	4,635	731,791	140,838	3,745	55.00	2.47
2011	1	481,450	213,819	2,870	453,240	201,290	1,819	60.00	2.47
2012	1	327,411	145,408	1,952	308,488	137,004	1,239	60.00	2.47
2013	1	237,103	105,300	1,414	204,139	90,661	819	60.00	2.47
2014	1	179,631	79,777	1,070	153,912	68,354	618	60.00	2.47
2015	1	140,796	62,529	840	122,743	54,512	493	60.00	2.47
2016	2	898,151	398,881	5,354	750,276	333,207	3,012	60.00	2.47
2017	2	556,712	247,242	3,319	468,277	207,969	1,879	60.00	2.47
2018	2	383,980	170,532	2,289	328,494	145,888	1,319	60.00	2.47
2019	2	283,212	125,778	1,688	250,217	111,125	1,004	60.00	2.47
2020	2	218,230	96,918	1,300	190,827	84,748	767	60.00	2.47
2021	2	173,325	76,977	1,034	152,378	67,673	611	60.00	2.47
2022	2	140,757	62,511	839	124,286	55,197	499	60.00	2.47
2023	2	116,265	51,635	694	102,823	45,665	413	60.00	2.47
Sub-Total		4,914,659	1,986,968	32,880	4,341,891	1,744,131	18,237	59.16	2.47
Remainder		496,712	220,597	2,960	443,431	196,934	1,780	60.00	2.47
Total Future		5,411,371	2,207,565	35,840	4,785,322	1,941,065	20,017	59.24	2.47
Cumulative		0	0	728					
Ultimate		5,411,371	2,207,565	36,568					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	40,249	3,959	9,250	0	53,458	2,061	528	50,869
2011	27,194	6,324	4,494	0	38,012	1,414	441	36,157
2012	18,509	4,305	3,059	0	25,873	940	294	24,639
2013	12,249	2,849	2,024	0	17,122	639	200	16,283
2014	9,234	2,147	1,526	0	12,907	470	148	12,289
2015	7,365	1,713	1,217	0	10,295	350	117	9,828
2016	45,016	10,470	7,439	0	62,925	2,692	795	59,438
2017	28,097	6,534	4,643	0	39,274	1,613	498	37,163
2018	19,710	4,584	3,258	0	27,552	1,084	345	26,123
2019	15,013	3,491	2,481	0	20,985	767	256	19,962
2020	11,449	2,663	1,892	0	16,004	553	192	15,259
2021	9,143	2,126	1,511	0	12,780	429	151	12,200
2022	7,457	1,735	1,232	0	10,424	340	123	9,961
2023	6,170	1,434	1,019	0	8,623	274	100	8,249
Sub-Total	256,855	54,334	45,045	0	356,234	13,626	4,188	338,420
Remainder	26,605	6,188	4,397	0	37,190	1,026	426	35,738
Total Future	283,460	60,522	49,442	0	393,424	14,652	4,614	374,158

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	616	0	1,901	0	2,517	-2,517	-2,517	-2,495
2010	6,545	0	12,307	12,272	31,124	19,745	17,228	18,018
2011	3,956	0	5,503	8,686	18,145	18,012	35,240	14,845
2012	2,456	0	3,375	5,912	11,743	12,896	48,136	9,611
2013	1,340	0	288	3,912	5,540	10,743	58,879	7,234
2014	1,012	0	160	2,949	4,121	8,168	67,047	4,978
2015	824	0	14,715	2,352	17,891	-8,063	58,984	-4,069
2016	4,853	0	218	14,378	19,449	39,989	98,973	20,016
2017	3,179	0	250	8,974	12,403	24,760	123,733	11,207
2018	2,280	0	146	6,295	8,721	17,402	141,135	7,124
2019	1,867	0	87	4,795	6,749	13,213	154,348	4,895
2020	1,595	0	92	3,657	5,344	9,915	164,263	3,325
2021	1,389	0	71	2,920	4,380	7,820	172,083	2,372
2022	1,114	0	68	2,382	3,564	6,397	178,480	1,757
2023	991	0	64	1,971	3,026	5,223	183,703	1,298
Sub-Total	34,017	0	39,245	81,455	154,717	183,703		100,116
Remainder	4,828	0	2,854	8,497	16,179	19,559	203,262	3,547
Total Future	38,845	0	42,099	89,952	170,896	203,262		103,663

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RYDER SCOTT COMPANY
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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **93**

GRAND SUMMARY
SO MULINSKI
TOTAL PROVED

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00%	68,426
								12.00%	63,692
							15.00%	57,602	
							20.00%	49,487	
							25.00%	43,184	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	0	0	3,582	0	0	0	0.00	0.00
2010	1	777,636	149,661	4,635	731,791	140,838	3,745	55.00	2.47
2011	1	481,450	213,819	2,870	453,240	201,290	1,819	60.00	2.47
2012	1	327,411	145,408	1,952	308,488	137,004	1,239	60.00	2.47
2013	1	237,103	105,300	1,414	204,139	90,661	819	60.00	2.47
2014	1	179,631	79,777	1,070	153,912	68,354	618	60.00	2.47
2015	1	140,796	62,529	840	122,743	54,512	493	60.00	2.47
2016	1	113,326	50,330	675	97,073	43,111	390	60.00	2.47
2017	1	93,181	41,382	556	80,391	35,703	322	60.00	2.47
2018	1	77,969	34,628	465	68,465	30,406	275	60.00	2.47
2019	1	66,088	29,350	394	59,583	26,462	239	60.00	2.47
2020	1	56,175	24,948	334	50,137	22,266	202	60.00	2.47
2021	1	47,748	21,206	285	42,806	19,011	171	60.00	2.47
2022	1	40,586	18,024	242	36,496	16,208	147	60.00	2.47
2023	1	34,498	15,321	206	31,066	13,797	125	60.00	2.47
Sub-Total		2,673,598	991,683	19,520	2,440,330	899,623	10,604	58.50	2.47
Remainder		150,211	66,711	895	136,569	60,652	548	60.00	2.47
Total Future		2,823,809	1,058,394	20,415	2,576,899	960,275	11,152	58.58	2.47
Cumulative		0	0	728					
Ultimate		2,823,809	1,058,394	21,143					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	40,249	3,959	9,250	0	53,458	2,061	528	50,869
2011	27,194	6,324	4,494	0	38,012	1,414	441	36,157
2012	18,509	4,305	3,059	0	25,873	940	294	24,639
2013	12,249	2,849	2,024	0	17,122	639	200	16,283
2014	9,234	2,147	1,526	0	12,907	470	148	12,289
2015	7,365	1,713	1,217	0	10,295	350	117	9,828
2016	5,824	1,355	963	0	8,142	262	93	7,787
2017	4,824	1,122	797	0	6,743	200	77	6,466
2018	4,108	955	679	0	5,742	156	65	5,521
2019	3,575	831	590	0	4,996	129	57	4,810
2020	3,008	700	497	0	4,205	107	48	4,050
2021	2,568	597	425	0	3,590	89	41	3,460
2022	2,190	509	362	0	3,061	74	35	2,952
2023	1,864	434	308	0	2,606	61	29	2,516
Sub-Total	142,761	27,800	26,191	0	196,752	6,952	2,173	187,627
Remainder	8,194	1,906	1,354	0	11,454	250	131	11,073
Total Future	150,955	29,706	27,545	0	208,206	7,202	2,304	198,700

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	616	0	0	0	616	-616	-616	-602
2010	6,545	0	12,307	12,272	31,124	19,745	19,129	18,018
2011	3,956	0	5,503	8,686	18,145	18,012	37,141	14,846
2012	2,456	0	3,375	5,912	11,743	12,896	50,037	9,610
2013	1,340	0	288	3,912	5,540	10,743	60,780	7,234
2014	1,012	0	160	2,949	4,121	8,168	68,948	4,979
2015	824	0	105	2,352	3,281	6,547	75,495	3,610
2016	625	0	60	1,861	2,546	5,241	80,736	2,615
2017	541	0	97	1,540	2,178	4,288	85,024	1,938
2018	473	0	65	1,312	1,850	3,671	88,695	1,501
2019	444	0	40	1,142	1,626	3,184	91,879	1,179
2020	417	0	44	961	1,422	2,628	94,507	881
2021	389	0	35	820	1,244	2,216	96,723	672
2022	325	0	35	700	1,060	1,892	98,615	519
2023	298	0	33	595	926	1,590	100,205	395
Sub-Total	20,261	0	22,147	45,014	87,422	100,205		67,395
Remainder	1,459	0	1,559	2,617	5,635	5,438	105,643	1,031
Total Future	21,720	0	23,706	47,631	93,057	105,643		68,426

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 94

GRAND SUMMARY
SO MULINSKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	35,236
							12.00%	—	28,935
							15.00%	—	21,557
							20.00%	—	13,158
							25.00%	—	7,894

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016	1	784,825	348,551	4,679	653,203	290,096	2,622	60.00	2.47
2017	1	463,531	205,860	2,763	387,886	172,266	1,557	60.00	2.47
2018	1	306,011	135,904	1,824	260,029	115,482	1,044	60.00	2.47
2019	1	217,124	96,428	1,294	190,634	84,663	765	60.00	2.47
2020	1	162,055	71,970	966	140,690	62,482	565	60.00	2.47
2021	1	125,577	55,771	749	109,572	48,662	440	60.00	2.47
2022	1	100,171	44,487	597	87,790	38,989	352	60.00	2.47
2023	1	81,767	36,314	488	71,757	31,868	288	60.00	2.47
Sub-Total		2,241,061	995,285	13,360	1,901,561	844,508	7,633	60.00	2.47
Remainder		346,501	153,886	2,065	306,862	136,282	1,232	60.00	2.47
Total Future		2,587,562	1,149,171	15,425	2,208,423	980,790	8,865	60.00	2.47
Cumulative		0	0	0					
Ultimate		2,587,562	1,149,171	15,425					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	39,192	9,115	6,477	0	54,784	2,430	702	51,652
2017	23,273	5,412	3,846	0	32,531	1,413	421	30,697
2018	15,602	3,629	2,578	0	21,809	928	280	20,601
2019	11,438	2,660	1,890	0	15,988	638	199	15,151
2020	8,442	1,963	1,395	0	11,800	447	144	11,209
2021	6,574	1,529	1,087	0	9,190	340	110	8,740
2022	5,267	1,225	870	0	7,362	266	88	7,008
2023	4,306	1,001	712	0	6,019	211	71	5,737
Sub-Total	114,094	26,534	18,855	0	159,483	6,673	2,015	150,795
Remainder	18,411	4,282	3,042	0	25,735	777	296	24,662
Total Future	132,505	30,816	21,897	0	185,218	7,450	2,311	175,457

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00	%
						Annual	Cumulative		
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	0	0	0	0	0	0	-1,901	0	
2014	0	0	0	0	0	0	-1,901	0	
2015	0	0	14,610	0	14,610	-14,610	-16,511	-7,680	
2016	4,227	0	157	12,518	16,902	34,750	18,239	17,401	
2017	2,639	0	154	7,433	10,226	20,471	38,710	9,269	
2018	1,807	0	82	4,983	6,872	13,729	52,439	5,623	
2019	1,423	0	46	3,653	5,122	10,029	62,468	3,716	
2020	1,178	0	48	2,696	3,922	7,287	69,755	2,444	
2021	1,001	0	36	2,100	3,137	5,603	75,358	1,700	
2022	788	0	33	1,682	2,503	4,505	79,863	1,238	
2023	693	0	31	1,376	2,100	3,637	83,500	904	
Sub-Total	13,756	0	17,098	36,441	67,295	83,500		32,722	
Remainder	3,369	0	1,295	5,880	10,544	14,118	97,618	2,514	
Total Future	17,125	0	18,393	42,321	77,839	97,618		35,236	

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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 95

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
SOUTH GM32H (MULINSKI)

GAS LEASE
PROVED
SHUT IN

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	68,426
	1.000000	0.955313	0.955313	0.955313	60.00	31.42	2.47	12.00% -	63,692
								15.00% -	57,602
								20.00% -	49,487
								25.00% -	43,184

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MCMF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MCMF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009	1	0	0	3,582	0	0	0	0.00	0.00
2010	1	777,636	149,661	4,635	731,791	140,838	3,745	55.00	2.47
2011	1	481,450	213,819	2,870	453,240	201,290	1,819	60.00	2.47
2012	1	327,411	145,408	1,952	308,488	137,004	1,239	60.00	2.47
2013	1	237,103	105,300	1,414	204,139	90,661	819	60.00	2.47
2014	1	179,631	79,777	1,070	153,912	68,354	618	60.00	2.47
2015	1	140,796	62,529	840	122,743	54,512	493	60.00	2.47
2016	1	113,326	50,330	675	97,073	43,111	390	60.00	2.47
2017	1	93,181	41,382	556	80,391	35,703	322	60.00	2.47
2018	1	77,969	34,628	465	68,465	30,406	275	60.00	2.47
2019	1	66,088	29,350	394	59,583	26,462	239	60.00	2.47
2020	1	56,175	24,948	334	50,137	22,266	202	60.00	2.47
2021	1	47,748	21,206	285	42,806	19,011	171	60.00	2.47
2022	1	40,586	18,024	242	36,496	16,208	147	60.00	2.47
2023	1	34,498	15,321	206	31,066	13,797	125	60.00	2.47
Sub-Total		2,673,598	991,683	19,520	2,440,330	899,623	10,604	58.50	2.47
Remainder		150,211	66,711	895	136,569	60,652	548	60.00	2.47
Total Future		2,823,809	1,058,394	20,415	2,576,899	960,275	11,152	58.58	2.47
Cumulative		0	0	728	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		2,823,809	1,058,394	21,143	INITIAL SHRINKAGE FACTOR = 0.00 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	40,249	3,959	9,250	0	53,458	2,061	528	50,869
2011	27,194	6,324	4,494	0	38,012	1,414	441	36,157
2012	18,509	4,305	3,059	0	25,873	940	294	24,639
2013	12,249	2,849	2,024	0	17,122	639	200	16,283
2014	9,234	2,147	1,526	0	12,907	470	148	12,289
2015	7,365	1,713	1,217	0	10,295	350	117	9,828
2016	5,824	1,355	963	0	8,142	262	93	7,787
2017	4,824	1,122	797	0	6,743	200	77	6,466
2018	4,108	955	679	0	5,742	156	65	5,521
2019	3,575	831	590	0	4,996	129	57	4,810
2020	3,008	700	497	0	4,205	107	48	4,050
2021	2,568	597	425	0	3,590	89	41	3,460
2022	2,190	509	362	0	3,061	74	35	2,952
2023	1,864	434	308	0	2,606	61	29	2,516
Sub-Total	142,761	27,800	26,191	0	196,752	6,952	2,173	187,627
Remainder	8,194	1,906	1,354	0	11,454	250	131	11,073
Total Future	150,955	29,706	27,545	0	208,206	7,202	2,304	198,700

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	616	0	0	0	616	-616	-616	-602
2010	6,545	0	12,307	12,272	31,124	19,745	19,129	18,018
2011	3,956	0	5,503	8,686	18,145	18,012	37,141	14,846
2012	2,456	0	3,375	5,912	11,743	12,896	50,037	9,610
2013	1,340	0	288	3,912	5,540	10,743	60,780	7,234
2014	1,012	0	160	2,949	4,121	8,168	68,948	4,979
2015	824	0	105	2,352	3,281	6,547	75,495	3,610
2016	625	0	60	1,861	2,546	5,241	80,736	2,615
2017	541	0	97	1,540	2,178	4,288	85,024	1,938
2018	473	0	65	1,312	1,850	3,671	88,695	1,501
2019	444	0	40	1,142	1,626	3,184	91,879	1,179
2020	417	0	44	961	1,422	2,628	94,507	881
2021	389	0	35	820	1,244	2,216	96,723	672
2022	325	0	35	700	1,060	1,892	98,615	519
2023	298	0	33	595	926	1,590	100,205	395
Sub-Total	20,261	0	22,147	45,014	87,422	100,205		67,395
Remainder	1,459	0	1,559	2,617	5,635	5,438	105,643	1,031
Total Future	21,720	0	23,706	47,631	93,057	105,643		68,426

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 96

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
SOUTH GM13H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.837868	0.837868	0.837868	50.00	24.80	2.47	10.00% -	35,236
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	28,935
								15.00% -	21,557
								20.00% -	13,158
								25.00% -	7,894

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016	1	784,825	348,551	4,679	653,203	290,096	2,622	60.00	2.47
2017	1	463,531	205,860	2,763	387,886	172,266	1,557	60.00	2.47
2018	1	306,011	135,904	1,824	260,029	115,482	1,044	60.00	2.47
2019	1	217,124	96,428	1,294	190,634	84,663	765	60.00	2.47
2020	1	162,055	71,970	966	140,690	62,482	565	60.00	2.47
2021	1	125,577	55,771	749	109,572	48,662	440	60.00	2.47
2022	1	100,171	44,487	597	87,790	38,989	352	60.00	2.47
2023	1	81,767	36,314	488	71,757	31,868	288	60.00	2.47
Sub-Total		2,241,061	995,285	13,360	1,901,561	844,508	7,633	60.00	2.47
Remainder		346,501	153,886	2,065	306,862	136,282	1,232	60.00	2.47
Total Future		2,587,562	1,149,171	15,425	2,208,423	980,790	8,865	60.00	2.47

Cumulative
Ultimate

0
2,587,562

0
1,149,171

0
15,425

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 32.66 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	39,192	9,115	6,477	0	54,784	2,430	702	51,652
2017	23,273	5,412	3,846	0	32,531	1,413	421	30,697
2018	15,602	3,629	2,578	0	21,809	928	280	20,601
2019	11,438	2,660	1,890	0	15,988	638	199	15,151
2020	8,442	1,963	1,395	0	11,800	447	144	11,209
2021	6,574	1,529	1,087	0	9,190	340	110	8,740
2022	5,267	1,225	870	0	7,362	266	88	7,008
2023	4,306	1,001	712	0	6,019	211	71	5,737
Sub-Total	114,094	26,534	18,855	0	159,483	6,673	2,015	150,795
Remainder	18,411	4,282	3,042	0	25,735	777	296	24,662
Total Future	132,505	30,816	21,897	0	185,218	7,450	2,311	175,457

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	0	0	0	0	-1,901	0
2015	0	0	14,610	0	14,610	-14,610	-16,511	-7,680
2016	4,227	0	157	12,518	16,902	34,750	18,239	17,401
2017	2,639	0	154	7,433	10,226	20,471	38,710	9,269
2018	1,807	0	82	4,983	6,872	13,729	52,439	5,623
2019	1,423	0	46	3,653	5,122	10,029	62,468	3,716
2020	1,178	0	48	2,696	3,922	7,287	69,755	2,444
2021	1,001	0	36	2,100	3,137	5,603	75,358	1,700
2022	788	0	33	1,682	2,503	4,505	79,863	1,238
2023	693	0	31	1,376	2,100	3,637	83,500	904
Sub-Total	13,756	0	17,098	36,441	67,295	83,500		32,722
Remainder	3,369	0	1,295	5,880	10,544	14,118	97,618	2,514
Total Future	17,125	0	18,393	42,321	77,839	97,618		35,236

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 97

GRAND SUMMARY
BISKI & AFONINSKI
TOTAL PROVED & PROBABLE RESERVES

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	–	1,701,656
							12.00%	–	1,436,876
							15.00%	–	1,122,323
							20.00%	–	752,212
							25.00%	–	506,577

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	4	2,751,216	314,545	13,576	2,604,847	297,049	11,180	55.00	2.47
2011	10	4,013,004	994,364	22,704	3,792,946	939,373	16,238	60.00	2.47
2012	17	4,946,531	1,348,585	30,787	4,668,206	1,272,696	21,999	60.00	2.47
2013	21	10,965,495	3,083,356	70,395	9,601,951	2,699,973	46,676	60.00	2.47
2014	26	11,631,238	3,329,682	76,021	9,784,746	2,801,063	48,417	60.00	2.47
2015	28	11,255,737	3,645,329	83,228	9,469,086	3,076,170	53,174	60.00	2.47
2016	28	9,742,267	3,538,245	80,782	8,130,289	2,959,496	51,159	60.00	2.47
2017	28	7,126,301	3,377,601	77,117	5,983,973	2,840,827	49,108	60.00	2.47
2018	28	5,672,691	3,154,646	72,021	4,840,091	2,695,120	46,590	60.00	2.47
2019	28	4,509,952	2,917,343	66,607	3,974,152	2,572,512	44,468	60.00	2.47
2020	28	3,802,860	2,678,359	61,146	3,314,561	2,335,808	40,379	60.00	2.47
2021	28	3,367,291	2,450,200	55,943	2,949,280	2,147,436	37,121	60.00	2.47
2022	28	2,978,270	2,241,595	51,176	2,619,423	1,972,903	34,100	60.00	2.47
2023	28	2,631,021	2,050,875	46,827	2,317,023	1,807,562	31,251	60.00	2.47
Sub-Total		85,393,874	35,124,725	808,330	74,050,574	30,417,988	531,860	59.82	2.47
Remainder		12,633,880	11,479,430	262,086	11,217,491	10,209,444	176,483	60.00	2.47
Total Future		98,027,754	46,604,155	1,070,416	85,268,065	40,627,432	708,343	59.85	2.47
Cumulative		0	0	0					
Ultimate		98,027,754	46,604,155	1,070,416					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	143,267	8,350	27,613	0	179,230	6,332	1,439	171,459
2011	227,576	29,515	40,108	0	297,199	10,691	2,814	283,694
2012	280,093	39,988	54,341	0	374,422	14,115	3,223	357,084
2013	576,117	84,833	115,281	0	776,231	33,450	8,534	734,247
2014	587,085	88,010	119,597	0	794,692	34,629	8,944	751,119
2015	568,145	96,653	131,344	0	796,142	34,070	9,884	752,188
2016	487,817	92,987	126,362	0	707,166	29,457	9,679	668,030
2017	359,039	89,259	121,296	0	569,594	21,004	9,385	539,205
2018	290,405	84,681	115,074	0	490,160	16,480	8,839	464,841
2019	238,449	80,828	109,839	0	429,116	12,653	8,232	408,231
2020	198,874	73,391	99,732	0	371,997	10,022	7,329	354,646
2021	176,957	67,473	91,689	0	336,119	8,722	6,658	320,739
2022	157,165	61,988	84,238	0	303,391	7,573	6,081	289,737
2023	139,022	56,794	77,178	0	272,994	6,530	5,526	260,938
Sub-Total	4,430,011	954,750	1,313,692	0	6,698,453	245,728	96,567	6,356,158
Remainder	673,049	320,781	435,914	0	1,429,744	27,402	30,462	1,371,880
Total Future	5,103,060	1,275,531	1,749,606	0	8,128,197	273,130	127,029	7,728,038

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	89,462	0	89,462	-89,462	-89,462	-88,613	
2010	25,248	0	164,462	41,741	231,451	-59,992	-149,454	-54,227	
2011	33,901	0	224,468	65,600	323,969	-40,275	-189,729	-32,850	
2012	39,817	0	185,857	81,847	307,521	49,563	-140,166	36,683	
2013	62,937	0	68,909	169,130	300,976	433,271	293,105	290,047	
2014	65,566	0	95,363	172,822	333,751	417,368	710,473	254,517	
2015	67,936	0	5,072	170,722	243,730	508,458	1,218,931	280,013	
2016	58,207	0	2,543	149,612	210,362	457,668	1,676,599	228,413	
2017	50,360	0	3,618	116,417	170,395	368,810	2,045,409	166,577	
2018	44,921	0	2,456	97,941	145,318	319,523	2,364,932	130,653	
2019	42,571	0	1,648	83,839	128,058	280,173	2,645,105	103,698	
2020	41,382	0	1,960	71,733	115,075	239,571	2,884,676	80,226	
2021	40,649	0	1,705	64,484	106,838	213,901	3,098,577	64,840	
2022	36,202	0	1,759	57,896	95,857	193,880	3,292,457	53,201	
2023	34,935	0	1,802	51,807	88,544	172,394	3,464,851	42,821	
Sub-Total	644,632	0	851,084	1,395,591	2,891,307	3,464,851		1,555,999	
Remainder	207,391	0	61,125	264,681	533,197	838,683	4,303,534	145,772	
Total Future	852,023	0	912,209	1,660,272	3,424,504	4,303,534		1,701,771	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 98

GRAND SUMMARY
BISKI & AFONINSKI
TOTAL PROVED RESERVES

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	408,959
							12.00%	—	361,467
							15.00%	—	303,230
							20.00%	—	231,035
							25.00%	—	179,617

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	3	1,614,560	239,405	9,886	1,519,376	225,292	8,054	55.00	2.47
2011	4	2,254,156	612,349	13,981	2,122,076	576,468	9,965	60.00	2.47
2012	4	1,576,671	434,457	9,919	1,485,545	409,348	7,076	60.00	2.47
2013	4	2,436,300	683,460	15,604	2,097,580	588,436	10,173	60.00	2.47
2014	4	2,344,418	669,789	15,291	2,008,754	573,894	9,920	60.00	2.47
2015	4	1,128,309	644,709	14,720	983,638	562,044	9,715	60.00	2.47
2016	4	901,006	603,043	13,768	771,787	516,555	8,929	60.00	2.47
2017	4	795,078	556,057	12,695	685,948	479,734	8,293	60.00	2.47
2018	4	698,507	511,572	11,681	613,356	449,211	7,765	60.00	2.47
2019	4	612,297	470,648	10,745	552,032	424,324	7,335	60.00	2.47
2020	4	535,413	432,994	9,885	477,866	386,455	6,681	60.00	2.47
2021	4	466,908	398,356	9,096	418,578	357,122	6,172	60.00	2.47
2022	4	405,941	366,486	8,366	365,037	329,557	5,697	60.00	2.47
2023	4	351,738	337,169	7,698	316,744	303,624	5,249	60.00	2.47
Sub-Total		16,121,302	6,960,494	163,335	14,418,317	6,182,064	111,024	59.47	2.47
Remainder		1,421,786	1,781,118	40,665	1,286,214	1,612,561	27,876	60.00	2.47
Total Future		17,543,088	8,741,612	204,000	15,704,531	7,794,625	138,900	59.52	2.47
Cumulative		0	0	0					
Ultimate		17,543,088	8,741,612	204,000					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	83,566	6,333	19,893	0	109,792	4,279	1,049	104,464
2011	127,324	18,113	24,613	0	170,050	6,620	1,739	161,691
2012	89,133	12,861	17,478	0	119,472	4,528	1,214	113,730
2013	125,855	18,489	25,125	0	169,469	6,570	1,788	161,111
2014	120,525	18,032	24,503	0	163,060	6,123	1,714	155,223
2015	59,018	17,659	23,998	0	100,675	2,809	1,666	96,200
2016	46,307	16,230	22,056	0	84,593	2,084	1,532	80,977
2017	41,157	15,074	20,483	0	76,714	1,708	1,422	73,584
2018	36,802	14,114	19,180	0	70,096	1,391	1,332	67,373
2019	33,122	13,332	18,117	0	64,571	1,196	1,258	62,117
2020	28,672	12,142	16,501	0	57,315	1,017	1,145	55,153
2021	25,114	11,221	15,248	0	51,583	872	1,059	49,652
2022	21,902	10,355	14,071	0	46,328	742	977	44,609
2023	19,005	9,540	12,964	0	41,509	626	900	39,983
Sub-Total	857,502	193,495	274,230	0	1,325,227	40,565	18,795	1,265,867
Remainder	77,173	50,666	68,852	0	196,691	2,353	4,781	189,557
Total Future	934,675	244,161	343,082	0	1,521,918	42,918	23,576	1,455,424

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	29,220	0	29,220	-29,220	-29,220	-28,620
2010	13,236	0	37,455	24,842	75,533	28,931	-289	25,721
2011	17,589	0	44,168	37,186	98,943	62,748	62,459	51,053
2012	11,597	0	16,088	26,087	53,772	59,958	122,417	44,538
2013	13,739	0	2,933	36,934	53,606	107,505	229,922	72,236
2014	13,300	0	2,070	35,468	50,838	104,385	334,307	63,495
2015	8,934	0	1,006	20,041	29,981	66,219	400,526	36,539
2016	7,352	0	663	16,443	24,458	56,519	457,045	28,187
2017	6,964	0	1,144	14,810	22,918	50,666	507,711	22,875
2018	6,533	0	828	13,436	20,797	46,576	554,287	19,036
2019	6,470	0	537	12,282	19,289	42,828	597,115	15,845
2020	6,393	0	626	10,815	17,834	37,319	634,434	12,497
2021	6,268	0	536	9,650	16,454	33,198	667,632	10,065
2022	5,558	0	549	8,587	14,694	29,915	697,547	8,209
2023	5,339	0	562	7,620	13,521	26,462	724,009	6,573
Sub-Total	129,272	0	138,385	274,201	541,858	724,009		388,249
Remainder	27,791	0	12,562	34,552	74,905	114,652	838,661	20,710
Total Future	157,063	0	150,947	308,753	616,763	838,661		408,959

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **99**

GRAND SUMMARY
BISKI & AFONINSKI
TOTAL PROBABLE RESERVES

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	–	1,292,696
							12.00%	–	1,075,410
							15.00%	–	819,093
							20.00%	–	521,177
							25.00%	–	326,959

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	1,136,656	75,140	3,690	1,085,471	71,757	3,126	55.00	2.47
2011	6	1,758,848	382,015	8,723	1,670,870	362,905	6,273	60.00	2.47
2012	13	3,369,860	914,128	20,868	3,182,661	863,348	14,923	60.00	2.47
2013	17	8,529,195	2,399,896	54,791	7,504,371	2,111,537	36,503	60.00	2.47
2014	22	9,286,820	2,659,893	60,730	7,775,992	2,227,169	38,497	60.00	2.47
2015	24	10,127,428	3,000,620	68,508	8,485,448	2,514,126	43,459	60.00	2.47
2016	24	8,841,261	2,935,202	67,014	7,358,502	2,442,941	42,230	60.00	2.47
2017	24	6,331,223	2,821,544	64,422	5,298,025	2,361,093	40,815	60.00	2.47
2018	24	4,974,184	2,643,074	60,340	4,226,735	2,245,909	38,825	60.00	2.47
2019	24	3,897,655	2,446,695	55,862	3,422,120	2,148,188	37,133	60.00	2.47
2020	24	3,267,447	2,245,365	51,261	2,836,695	1,949,353	33,698	60.00	2.47
2021	24	2,900,383	2,051,844	46,847	2,530,702	1,790,314	30,949	60.00	2.47
2022	24	2,572,329	1,875,109	42,810	2,254,386	1,643,346	28,403	60.00	2.47
2023	24	2,279,283	1,713,706	39,129	2,000,279	1,503,938	26,002	60.00	2.47
Sub-Total		69,272,572	28,164,231	644,995	59,632,257	24,235,924	420,836	59.91	2.47
Remainder		11,212,094	9,698,312	221,421	9,931,277	8,596,883	148,607	60.00	2.47
Total Future		80,484,666	37,862,543	866,416	69,563,534	32,832,807	569,443	59.92	2.47
Cumulative		0	0	0					
Ultimate		80,484,666	37,862,543	866,416					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	59,701	2,017	7,720	0	69,438	2,054	389	66,995
2011	100,252	11,403	15,495	0	127,150	4,070	1,076	122,004
2012	190,960	27,126	36,863	0	254,949	9,586	2,010	243,353
2013	450,262	66,344	90,156	0	606,762	26,881	6,745	573,136
2014	466,560	69,978	95,094	0	631,632	28,507	7,230	595,895
2015	509,127	78,994	107,346	0	695,467	31,260	8,218	655,989
2016	441,510	76,757	104,307	0	622,574	27,374	8,147	587,053
2017	317,881	74,186	100,812	0	492,879	19,295	7,963	465,621
2018	253,604	70,566	95,894	0	420,064	15,089	7,507	397,468
2019	205,327	67,496	91,721	0	364,544	11,458	6,974	346,112
2020	170,202	61,249	83,232	0	314,683	9,003	6,184	299,496
2021	151,842	56,252	76,441	0	284,535	7,851	5,599	271,085
2022	135,263	51,634	70,167	0	257,064	6,830	5,104	245,130
2023	120,017	47,253	64,214	0	231,484	5,905	4,626	220,953
Sub-Total	3,572,508	761,255	1,039,462	0	5,373,225	205,163	77,772	5,090,290
Remainder	595,877	270,114	367,062	0	1,233,053	25,049	25,681	1,182,323
Total Future	4,168,385	1,031,369	1,406,524	0	6,606,278	230,212	103,453	6,272,613

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	60,242	0	60,242	-60,242	-60,242	-59,993	
2010	12,012	0	127,007	16,899	155,918	-88,923	-149,165	-79,948	
2011	16,312	0	180,301	28,414	225,027	-103,023	-252,188	-83,903	
2012	28,220	0	169,767	55,760	253,747	-10,394	-262,582	-7,855	
2013	49,197	0	65,977	132,196	247,370	325,766	63,184	217,811	
2014	52,267	0	93,294	137,354	282,915	312,980	376,164	191,022	
2015	59,002	0	4,064	150,681	213,747	442,242	818,406	243,474	
2016	50,855	0	1,881	133,169	185,905	401,148	1,219,554	200,226	
2017	43,396	0	2,474	101,606	147,476	318,145	1,537,699	143,702	
2018	38,388	0	1,629	84,506	124,523	272,945	1,810,644	111,616	
2019	36,101	0	1,110	71,556	108,767	237,345	2,047,989	87,854	
2020	34,989	0	1,335	60,919	97,243	202,253	2,250,242	67,729	
2021	34,381	0	1,168	54,834	90,383	180,702	2,430,944	54,775	
2022	30,644	0	1,210	49,309	81,163	163,967	2,594,911	44,992	
2023	29,596	0	1,240	44,187	75,023	145,930	2,740,841	36,248	
Sub-Total	515,360	0	712,699	1,121,390	2,349,449	2,740,841		1,167,750	
Remainder	179,600	0	48,562	230,129	458,291	724,032	3,464,873	125,061	
Total Future	694,960	0	761,261	1,351,519	2,807,740	3,464,873		1,292,811	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 100

BISKI & AFONINSKI SUMMARY
WEST AREA

TOTAL PROVED & PROBABLE RESERVES

**PROVED AND
PROBABLE**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	522,693
							12.00%	—	430,189
							15.00%	—	322,749
							20.00%	—	201,044
							25.00%	—	124,394

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	30,071	8,346	191	28,566	7,928	137	60.00	2.47
2012	4	465,943	129,891	2,965	440,059	122,676	2,120	60.00	2.47
2013	7	2,102,739	589,346	13,454	1,850,086	518,534	8,964	60.00	2.47
2014	12	3,165,755	893,613	20,403	2,650,734	748,236	12,934	60.00	2.47
2015	14	4,501,209	1,278,476	29,189	3,771,419	1,071,196	18,517	60.00	2.47
2016	14	4,378,262	1,260,598	28,781	3,643,988	1,049,182	18,136	60.00	2.47
2017	14	3,426,340	1,230,810	28,103	2,867,191	1,029,953	17,805	60.00	2.47
2018	14	2,778,497	1,184,515	27,041	2,360,986	1,006,521	17,399	60.00	2.47
2019	14	1,951,121	1,121,804	25,614	1,713,073	984,940	17,026	60.00	2.47
2020	14	1,542,746	1,041,830	23,784	1,339,364	904,483	15,635	60.00	2.47
2021	14	1,373,129	958,497	21,884	1,198,112	836,325	14,458	60.00	2.47
2022	14	1,220,754	881,820	20,134	1,069,866	772,829	13,357	60.00	2.47
2023	14	1,083,969	811,274	18,523	951,281	711,967	12,309	60.00	2.47
Sub-Total		28,020,535	11,390,820	260,066	23,884,725	9,764,770	168,797	60.00	2.47
Remainder		5,250,122	4,612,225	105,301	4,647,961	4,086,563	70,641	60.00	2.47
Total Future		33,270,657	16,003,045	365,367	28,532,686	13,851,333	239,438	60.00	2.47
Cumulative		0	0	0					
Ultimate		33,270,657	16,003,045	365,367					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	1,714	249	339	0	2,302	70	24	2,208
2012	26,404	3,855	5,237	0	35,496	1,325	285	33,886
2013	111,005	16,292	22,140	0	149,437	6,627	1,656	141,154
2014	159,044	23,509	31,948	0	214,501	9,718	2,429	202,354
2015	226,285	33,657	45,737	0	305,679	13,894	3,502	288,283
2016	218,639	32,966	44,797	0	296,402	13,555	3,499	279,348
2017	172,032	32,361	43,976	0	248,369	10,443	3,473	234,453
2018	141,659	31,625	42,976	0	216,260	8,428	3,365	204,467
2019	102,784	30,947	42,054	0	175,785	5,736	3,197	166,852
2020	80,362	28,418	38,619	0	147,399	4,251	2,870	140,278
2021	71,887	26,278	35,709	0	133,874	3,716	2,615	127,543
2022	64,192	24,282	32,997	0	121,471	3,242	2,400	115,829
2023	57,077	22,370	30,399	0	109,846	2,808	2,190	104,848
Sub-Total	1,433,084	306,809	416,928	0	2,156,821	83,813	31,505	2,041,503
Remainder	278,877	128,400	174,485	0	581,762	11,790	12,209	557,763
Total Future	1,711,961	435,209	591,413	0	2,738,583	95,603	43,714	2,599,266

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	26,619	0	26,619	-26,619	-26,619	-26,509
2010	0	0	0	0	0	0	-26,619	0
2011	216	0	14,610	502	15,328	-13,120	-39,739	-10,462
2012	3,876	0	53,255	7,741	64,872	-30,986	-70,725	-22,884
2013	12,089	0	58,907	32,572	103,568	37,586	-33,139	24,157
2014	17,733	0	89,669	46,718	154,120	48,234	15,095	29,980
2015	25,837	0	1,790	66,532	94,159	194,124	209,219	106,850
2016	23,925	0	899	64,419	89,243	190,105	399,324	94,751
2017	21,427	0	1,232	52,630	75,289	159,164	558,488	71,825
2018	19,323	0	822	44,845	64,990	139,477	697,965	57,069
2019	17,252	0	529	34,960	52,741	114,111	812,076	42,263
2020	16,364	0	625	28,612	45,601	94,677	906,753	31,704
2021	16,159	0	549	25,853	42,561	84,982	991,735	25,759
2022	14,469	0	572	23,334	38,375	77,454	1,069,189	21,252
2023	14,039	0	588	20,983	35,610	69,238	1,138,427	17,198
Sub-Total	202,709	0	250,666	449,701	903,076	1,138,427		462,953
Remainder	83,909	0	20,338	108,304	212,551	345,212	1,483,639	59,855
Total Future	286,618	0	271,004	558,005	1,115,627	1,483,639		522,808

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 101

BISKI & AFONINSKI SUMMARY
WEST AREA
TOTAL PROBABLE RESERVES

**TOTAL
PROBABLE**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00%	522,693
								12.00%	430,189
							15.00%	322,749	
							20.00%	201,044	
							25.00%	124,394	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	30,071	8,346	191	28,566	7,928	137	60.00	2.47
2012	4	465,943	129,891	2,965	440,059	122,676	2,120	60.00	2.47
2013	7	2,102,739	589,346	13,454	1,850,086	518,534	8,964	60.00	2.47
2014	12	3,165,755	893,613	20,403	2,650,734	748,236	12,934	60.00	2.47
2015	14	4,501,209	1,278,476	29,189	3,771,419	1,071,196	18,517	60.00	2.47
2016	14	4,378,262	1,260,598	28,781	3,643,988	1,049,182	18,136	60.00	2.47
2017	14	3,426,340	1,230,810	28,103	2,867,191	1,029,953	17,805	60.00	2.47
2018	14	2,778,497	1,184,515	27,041	2,360,986	1,006,521	17,399	60.00	2.47
2019	14	1,951,121	1,121,804	25,614	1,713,073	984,940	17,026	60.00	2.47
2020	14	1,542,746	1,041,830	23,784	1,339,364	904,483	15,635	60.00	2.47
2021	14	1,373,129	958,497	21,884	1,198,112	836,325	14,458	60.00	2.47
2022	14	1,220,754	881,820	20,134	1,069,866	772,829	13,357	60.00	2.47
2023	14	1,083,969	811,274	18,523	951,281	711,967	12,309	60.00	2.47
Sub-Total		28,020,535	11,390,820	260,066	23,884,725	9,764,770	168,797	60.00	2.47
Remainder		5,250,122	4,612,225	105,301	4,647,961	4,086,563	70,641	60.00	2.47
Total Future		33,270,657	16,003,045	365,367	28,532,686	13,851,333	239,438	60.00	2.47
Cumulative		0	0	0					
Ultimate		33,270,657	16,003,045	365,367					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	1,714	249	339	0	2,302	70	24	2,208
2012	26,404	3,855	5,237	0	35,496	1,325	285	33,886
2013	111,005	16,292	22,140	0	149,437	6,627	1,656	141,154
2014	159,044	23,509	31,948	0	214,501	9,718	2,429	202,354
2015	226,285	33,657	45,737	0	305,679	13,894	3,502	288,283
2016	218,639	32,966	44,797	0	296,402	13,555	3,499	279,348
2017	172,032	32,361	43,976	0	248,369	10,443	3,473	234,453
2018	141,659	31,625	42,976	0	216,260	8,428	3,365	204,467
2019	102,784	30,947	42,054	0	175,785	5,736	3,197	166,852
2020	80,362	28,418	38,619	0	147,399	4,251	2,870	140,278
2021	71,887	26,278	35,709	0	133,874	3,716	2,615	127,543
2022	64,192	24,282	32,997	0	121,471	3,242	2,400	115,829
2023	57,077	22,370	30,399	0	109,846	2,808	2,190	104,848
Sub-Total	1,433,084	306,809	416,928	0	2,156,821	83,813	31,505	2,041,503
Remainder	278,877	128,400	174,485	0	581,762	11,790	12,209	557,763
Total Future	1,711,961	435,209	591,413	0	2,738,583	95,603	43,714	2,599,266

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	26,619	0	26,619	-26,619	-26,619	-26,509	
2010	0	0	0	0	0	0	-26,619	0	
2011	216	0	14,610	502	15,328	-13,120	-39,739	-10,462	
2012	3,876	0	53,255	7,741	64,872	-30,986	-70,725	-22,884	
2013	12,089	0	58,907	32,572	103,568	37,586	-33,139	24,157	
2014	17,733	0	89,669	46,718	154,120	48,234	15,095	29,980	
2015	25,837	0	1,790	66,532	94,159	194,124	209,219	106,850	
2016	23,925	0	899	64,419	89,243	190,105	399,324	94,751	
2017	21,427	0	1,232	52,630	75,289	159,164	558,488	71,825	
2018	19,323	0	822	44,845	64,990	139,477	697,965	57,069	
2019	17,252	0	529	34,960	52,741	114,111	812,076	42,263	
2020	16,364	0	625	28,612	45,601	94,677	906,753	31,704	
2021	16,159	0	549	25,853	42,561	84,982	991,735	25,759	
2022	14,469	0	572	23,334	38,375	77,454	1,069,189	21,252	
2023	14,039	0	588	20,983	35,610	69,238	1,138,427	17,198	
Sub-Total	202,709	0	250,666	449,701	903,076	1,138,427		462,953	
Remainder	83,909	0	20,338	108,304	212,551	345,212	1,483,639	59,855	
Total Future	286,618	0	271,004	558,005	1,115,627	1,483,639		522,808	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 102

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED & PROBABLE RESERVES

**PROVED AND
PROBABLE**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	1,178,962
							12.00%	—	1,006,688
							15.00%	—	799,575
							20.00%	—	551,168
							25.00%	—	382,183

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	4	2,751,216	314,545	13,576	2,604,847	297,049	11,180	55.00	2.47
2011	9	3,982,933	986,018	22,513	3,764,380	931,445	16,101	60.00	2.47
2012	13	4,480,588	1,218,694	27,822	4,228,147	1,150,020	19,879	60.00	2.47
2013	14	8,862,756	2,494,010	56,941	7,751,865	2,181,439	37,712	60.00	2.47
2014	14	8,465,483	2,436,069	55,618	7,134,012	2,052,827	35,483	60.00	2.47
2015	14	6,754,528	2,366,853	54,039	5,697,667	2,004,974	34,657	60.00	2.47
2016	14	5,364,005	2,277,647	52,001	4,486,301	1,910,314	33,023	60.00	2.47
2017	14	3,699,961	2,146,791	49,014	3,116,782	1,810,874	31,303	60.00	2.47
2018	14	2,894,194	1,970,131	44,980	2,479,105	1,688,599	29,191	60.00	2.47
2019	14	2,558,831	1,795,539	40,993	2,261,079	1,587,572	27,442	60.00	2.47
2020	14	2,260,114	1,636,529	37,362	1,975,197	1,431,325	24,744	60.00	2.47
2021	14	1,994,162	1,491,703	34,059	1,751,168	1,311,111	22,663	60.00	2.47
2022	14	1,757,516	1,359,775	31,042	1,549,557	1,200,074	20,743	60.00	2.47
2023	14	1,547,052	1,239,601	28,304	1,365,742	1,095,595	18,942	60.00	2.47
Sub-Total		57,373,339	23,733,905	548,264	50,165,849	20,653,218	363,063	59.74	2.47
Remainder		7,383,758	6,867,205	156,785	6,569,530	6,122,881	105,842	60.00	2.47
Total Future		64,757,097	30,601,110	705,049	56,735,379	26,776,099	468,905	59.77	2.47

Cumulative	0	0	0
Ultimate	64,757,097	30,601,110	705,049

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	143,267	8,350	27,613	0	179,230	6,332	1,439	171,459
2011	225,862	29,266	39,770	0	294,898	10,622	2,791	281,485
2012	253,689	36,134	49,102	0	338,925	12,788	2,937	323,200
2013	465,112	68,541	93,142	0	626,795	26,824	6,877	593,094
2014	428,041	64,499	87,650	0	580,190	24,912	6,515	548,763
2015	341,860	62,997	85,606	0	490,463	20,175	6,383	463,905
2016	269,178	60,022	81,565	0	410,765	15,902	6,180	388,683
2017	187,007	56,897	77,320	0	321,224	10,561	5,911	304,752
2018	148,746	53,056	72,098	0	273,900	8,052	5,475	260,373
2019	135,665	49,882	67,785	0	253,332	6,918	5,034	241,380
2020	118,512	44,972	61,113	0	224,597	5,770	4,460	214,367
2021	105,070	41,195	55,981	0	202,246	5,005	4,043	193,198
2022	92,973	37,706	51,240	0	181,919	4,332	3,681	173,906
2023	81,945	34,424	46,779	0	163,148	3,722	3,336	156,090
Sub-Total	2,996,927	647,941	896,764	0	4,541,632	161,915	65,062	4,314,655
Remainder	394,172	192,381	261,429	0	847,982	15,612	18,254	814,116
Total Future	3,391,099	840,322	1,158,193	0	5,389,614	177,527	83,316	5,128,771

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	62,844	0	62,844	-62,844	-62,844	-62,104	
2010	25,248	0	164,461	41,741	231,450	-59,991	-122,835	-54,227	
2011	33,685	0	209,858	65,098	308,641	-27,156	-149,991	-22,388	
2012	35,941	0	132,601	74,105	242,647	80,553	-69,438	59,568	
2013	50,847	0	10,003	136,559	197,409	395,685	326,247	265,889	
2014	47,834	0	5,694	126,104	179,632	369,131	695,378	224,537	
2015	42,099	0	3,282	104,191	149,572	314,333	1,009,711	173,164	
2016	34,282	0	1,644	85,192	121,118	267,565	1,277,276	133,662	
2017	28,934	0	2,386	63,786	95,106	209,646	1,486,922	94,750	
2018	25,597	0	1,634	53,097	80,328	180,045	1,666,967	73,585	
2019	25,319	0	1,120	48,878	75,317	166,063	1,833,030	61,435	
2020	25,018	0	1,335	43,121	69,474	144,893	1,977,923	48,522	
2021	24,491	0	1,155	38,632	64,278	128,920	2,106,843	39,081	
2022	21,732	0	1,187	34,563	57,482	116,424	2,223,267	31,948	
2023	20,896	0	1,214	30,823	52,933	103,157	2,326,424	25,625	
Sub-Total	441,923	0	600,418	945,890	1,988,231	2,326,424		1,093,047	
Remainder	123,482	0	40,787	156,377	320,646	493,470	2,819,894	85,915	
Total Future	565,405	0	641,205	1,102,267	2,308,877	2,819,894		1,178,962	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 103

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED

**TOTAL
PROVED**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	–	408,959
							12.00%	–	361,467
							15.00%	–	303,230
							20.00%	–	231,035
							25.00%	–	179,617

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	3	1,614,560	239,405	9,886	1,519,376	225,292	8,054	55.00	2.47
2011	4	2,254,156	612,349	13,981	2,122,076	576,468	9,965	60.00	2.47
2012	4	1,576,671	434,457	9,919	1,485,545	409,348	7,076	60.00	2.47
2013	4	2,436,300	683,460	15,604	2,097,580	588,436	10,173	60.00	2.47
2014	4	2,344,418	669,789	15,291	2,008,754	573,894	9,920	60.00	2.47
2015	4	1,128,309	644,709	14,720	983,638	562,044	9,715	60.00	2.47
2016	4	901,006	603,043	13,768	771,787	516,555	8,929	60.00	2.47
2017	4	795,078	556,057	12,695	685,948	479,734	8,293	60.00	2.47
2018	4	698,507	511,572	11,681	613,356	449,211	7,765	60.00	2.47
2019	4	612,297	470,648	10,745	552,032	424,324	7,335	60.00	2.47
2020	4	535,413	432,994	9,885	477,866	386,455	6,681	60.00	2.47
2021	4	466,908	398,356	9,096	418,578	357,122	6,172	60.00	2.47
2022	4	405,941	366,486	8,366	365,037	329,557	5,697	60.00	2.47
2023	4	351,738	337,169	7,698	316,744	303,624	5,249	60.00	2.47
Sub-Total		16,121,302	6,960,494	163,335	14,418,317	6,182,064	111,024	59.47	2.47
Remainder		1,421,786	1,781,118	40,665	1,286,214	1,612,561	27,876	60.00	2.47
Total Future		17,543,088	8,741,612	204,000	15,704,531	7,794,625	138,900	59.52	2.47
Cumulative		0	0	0					
Ultimate		17,543,088	8,741,612	204,000					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	83,566	6,333	19,893	0	109,792	4,279	1,049	104,464
2011	127,324	18,113	24,613	0	170,050	6,620	1,739	161,691
2012	89,133	12,861	17,478	0	119,472	4,528	1,214	113,730
2013	125,855	18,489	25,125	0	169,469	6,570	1,788	161,111
2014	120,525	18,032	24,503	0	163,060	6,123	1,714	155,223
2015	59,018	17,659	23,998	0	100,675	2,809	1,666	96,200
2016	46,307	16,230	22,056	0	84,593	2,084	1,532	80,977
2017	41,157	15,074	20,483	0	76,714	1,708	1,422	73,584
2018	36,802	14,114	19,180	0	70,096	1,391	1,332	67,373
2019	33,122	13,332	18,117	0	64,571	1,196	1,258	62,117
2020	28,672	12,142	16,501	0	57,315	1,017	1,145	55,153
2021	25,114	11,221	15,248	0	51,583	872	1,059	49,652
2022	21,902	10,355	14,071	0	46,328	742	977	44,609
2023	19,005	9,540	12,964	0	41,509	626	900	39,983
Sub-Total	857,502	193,495	274,230	0	1,325,227	40,565	18,795	1,265,867
Remainder	77,173	50,666	68,852	0	196,691	2,353	4,781	189,557
Total Future	934,675	244,161	343,082	0	1,521,918	42,918	23,576	1,455,424

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	29,220	0	29,220	-29,220	-29,220	-28,620
2010	13,236	0	37,455	24,842	75,533	28,931	-289	25,721
2011	17,589	0	44,168	37,186	98,943	62,748	62,459	51,053
2012	11,597	0	16,088	26,087	53,772	59,958	122,417	44,538
2013	13,739	0	2,933	36,934	53,606	107,505	229,922	72,236
2014	13,300	0	2,070	35,468	50,838	104,385	334,307	63,495
2015	8,934	0	1,006	20,041	29,981	66,219	400,526	36,539
2016	7,352	0	663	16,443	24,458	56,519	457,045	28,187
2017	6,964	0	1,144	14,810	22,918	50,666	507,711	22,875
2018	6,533	0	828	13,436	20,797	46,576	554,287	19,036
2019	6,470	0	537	12,282	19,289	42,828	597,115	15,845
2020	6,393	0	626	10,815	17,834	37,319	634,434	12,497
2021	6,268	0	536	9,650	16,454	33,198	667,632	10,065
2022	5,558	0	549	8,587	14,694	29,915	697,547	8,209
2023	5,339	0	562	7,620	13,521	26,462	724,009	6,573
Sub-Total	129,272	0	138,385	274,201	541,858	724,009		388,249
Remainder	27,791	0	12,562	34,552	74,905	114,652	838,661	20,710
Total Future	157,063	0	150,947	308,753	616,763	838,661		408,959

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RYDER SCOTT COMPANY
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BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE **104**

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED NON-PRODUCING

PROVED
NON PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	94,352
							12.00%	—	81,792
							15.00%	—	66,651
							20.00%	—	48,385
							25.00%	—	35,839

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	347,924	92,981	2,123	327,538	87,533	1,513	60.00	2.47
2012	1	424,655	114,974	2,625	400,111	108,329	1,873	60.00	2.47
2013	1	656,368	180,869	4,129	565,113	155,722	2,692	60.00	2.47
2014	1	631,797	177,251	4,047	541,339	151,874	2,625	60.00	2.47
2015	1	281,551	173,707	3,966	245,451	151,434	2,618	60.00	2.47
2016	1	262,902	168,911	3,856	225,197	144,686	2,501	60.00	2.47
2017	1	233,740	156,656	3,577	201,658	135,154	2,336	60.00	2.47
2018	1	205,736	144,124	3,291	180,656	126,555	2,188	60.00	2.47
2019	1	180,716	132,595	3,027	162,929	119,544	2,066	60.00	2.47
2020	1	158,383	121,986	2,785	141,360	108,875	1,882	60.00	2.47
2021	1	138,466	112,228	2,562	124,133	100,611	1,739	60.00	2.47
2022	1	120,723	103,249	2,357	108,559	92,845	1,605	60.00	2.47
2023	1	104,932	94,990	2,169	94,492	85,539	1,479	60.00	2.47
Sub-Total		3,747,893	1,774,521	40,514	3,318,536	1,568,701	27,117	60.00	2.47
Remainder		456,076	546,879	12,486	413,825	497,301	8,597	60.00	2.47
Total Future		4,203,969	2,321,400	53,000	3,732,361	2,066,002	35,714	60.00	2.47
Cumulative		0	0	0					
Ultimate		4,203,969	2,321,400	53,000					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	19,652	2,750	3,737	0	26,139	1,022	264	24,853
2012	24,007	3,404	4,626	0	32,037	1,219	321	30,497
2013	33,907	4,893	6,649	0	45,449	1,770	473	43,206
2014	32,480	4,772	6,484	0	43,736	1,650	454	41,632
2015	14,727	4,758	6,466	0	25,951	701	449	24,801
2016	13,512	4,546	6,178	0	24,236	608	429	23,199
2017	12,099	4,246	5,770	0	22,115	503	401	21,211
2018	10,840	3,977	5,404	0	20,221	409	375	19,437
2019	9,776	3,756	5,104	0	18,636	353	354	17,929
2020	8,481	3,421	4,649	0	16,551	301	323	15,927
2021	7,448	3,161	4,296	0	14,905	259	298	14,348
2022	6,514	2,917	3,964	0	13,395	221	276	12,898
2023	5,669	2,688	3,652	0	12,009	186	253	11,570
Sub-Total	199,112	49,289	66,979	0	315,380	9,202	4,670	301,508
Remainder	24,830	15,625	21,233	0	61,688	756	1,475	59,457
Total Future	223,942	64,914	88,212	0	377,068	9,958	6,145	360,965

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	2,362	0	22,531	5,726	30,619	-5,766	-5,766	-5,178
2012	3,105	0	4,312	7,008	14,425	16,072	10,306	11,937
2013	3,679	0	786	9,923	14,388	28,818	39,124	19,363
2014	3,562	0	555	9,532	13,649	27,983	67,107	17,022
2015	2,321	0	277	5,108	7,706	17,095	84,202	9,414
2016	2,098	0	190	4,740	7,028	16,171	100,373	8,062
2017	1,999	0	330	4,298	6,627	14,584	114,957	6,586
2018	1,876	0	238	3,903	6,017	13,420	128,377	5,484
2019	1,860	0	155	3,571	5,586	12,343	140,720	4,566
2020	1,838	0	181	3,147	5,166	10,761	151,481	3,604
2021	1,804	0	154	2,811	4,769	9,579	161,060	2,904
2022	1,600	0	159	2,505	4,264	8,634	169,694	2,369
2023	1,538	0	162	2,225	3,925	7,645	177,339	1,899
Sub-Total	29,642	0	30,030	64,497	124,169	177,339		88,032
Remainder	8,827	0	3,581	10,912	23,320	36,137	213,476	6,320
Total Future	38,469	0	33,611	75,409	147,489	213,476		94,352

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 105

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED UNDEVELOPED

**PROVED
UNDEVELOPED**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	314,607
							12.00%	—	279,674
							15.00%	—	236,579
							20.00%	—	182,650
							25.00%	—	143,778

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	3	1,614,560	239,405	9,886	1,519,376	225,292	8,054	55.00	2.47
2011	3	1,906,232	519,368	11,858	1,794,538	488,935	8,452	60.00	2.47
2012	3	1,152,016	319,483	7,294	1,085,434	301,019	5,203	60.00	2.47
2013	3	1,779,932	502,591	11,475	1,532,467	432,714	7,481	60.00	2.47
2014	3	1,712,621	492,538	11,244	1,467,415	422,020	7,295	60.00	2.47
2015	3	846,758	471,002	10,754	738,187	410,610	7,097	60.00	2.47
2016	3	638,104	434,132	9,912	546,590	371,869	6,428	60.00	2.47
2017	3	561,338	399,401	9,118	484,290	344,580	5,957	60.00	2.47
2018	3	492,771	367,448	8,390	432,700	322,656	5,577	60.00	2.47
2019	3	431,581	338,053	7,718	389,103	304,780	5,269	60.00	2.47
2020	3	377,030	311,008	7,100	336,506	277,580	4,799	60.00	2.47
2021	3	328,442	286,128	6,534	294,445	256,511	4,433	60.00	2.47
2022	3	285,218	263,237	6,009	256,478	236,712	4,092	60.00	2.47
2023	3	246,806	242,179	5,529	222,252	218,085	3,770	60.00	2.47
Sub-Total		12,373,409	5,185,973	122,821	11,099,781	4,613,363	83,907	59.32	2.47
Remainder		965,710	1,234,239	28,179	872,389	1,115,260	19,279	60.00	2.47
Total Future		13,339,119	6,420,212	151,000	11,972,170	5,728,623	103,186	59.37	2.47
Cumulative		0	0	0					
Ultimate		13,339,119	6,420,212	151,000					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	83,566	6,333	19,893	0	109,792	4,279	1,049	104,464
2011	107,672	15,362	20,876	0	143,910	5,599	1,475	136,836
2012	65,126	9,458	12,852	0	87,436	3,308	892	83,236
2013	91,948	13,596	18,476	0	124,020	4,800	1,315	117,905
2014	88,045	13,260	18,019	0	119,324	4,472	1,261	113,591
2015	44,291	12,901	17,532	0	74,724	2,109	1,217	71,398
2016	32,796	11,685	15,878	0	60,359	1,475	1,103	57,781
2017	29,057	10,826	14,712	0	54,595	1,206	1,021	52,368
2018	25,962	10,138	13,777	0	49,877	982	957	47,938
2019	23,346	9,576	13,013	0	45,935	842	903	44,190
2020	20,190	8,722	11,852	0	40,764	717	823	39,224
2021	17,667	8,059	10,952	0	36,678	613	761	35,304
2022	15,389	7,438	10,107	0	32,934	522	702	31,710
2023	13,335	6,852	9,312	0	29,499	439	646	28,414
Sub-Total	658,390	144,206	207,251	0	1,009,847	31,363	14,125	964,359
Remainder	52,343	35,042	47,618	0	135,003	1,597	3,307	130,099
Total Future	710,733	179,248	254,869	0	1,144,850	32,960	17,432	1,094,458

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	29,220	0	29,220	-29,220	-29,220	-28,620
2010	13,236	0	37,455	24,842	75,533	28,931	-289	25,721
2011	15,227	0	21,637	31,460	68,324	68,512	68,223	56,230
2012	8,492	0	11,777	19,079	39,348	43,888	112,111	32,602
2013	10,060	0	2,146	27,010	39,216	78,689	190,800	52,873
2014	9,738	0	1,515	25,937	37,190	76,401	267,201	46,473
2015	6,613	0	730	14,933	22,276	49,122	316,323	27,126
2016	5,254	0	471	11,703	17,428	40,353	356,676	20,124
2017	4,965	0	815	10,512	16,292	36,076	392,752	16,289
2018	4,656	0	589	9,533	14,778	33,160	425,912	13,553
2019	4,611	0	383	8,712	13,706	30,484	456,396	11,278
2020	4,555	0	445	7,667	12,667	26,557	482,953	8,893
2021	4,464	0	382	6,838	11,684	23,620	506,573	7,161
2022	3,958	0	390	6,083	10,431	21,279	527,852	5,839
2023	3,801	0	400	5,395	9,596	18,818	546,670	4,675
Sub-Total	99,630	0	108,355	209,704	417,689	546,670		300,217
Remainder	18,964	0	8,982	23,639	51,585	78,514	625,184	14,390
Total Future	118,594	0	117,337	233,343	469,274	625,184		314,607

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 106

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROBABLE RESERVES

**TOTAL
PROBABLE**

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	—	770,003
							12.00%	—	645,221
							15.00%	—	496,345
							20.00%	—	320,133
							25.00%	—	202,565

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	1,136,656	75,140	3,690	1,085,471	71,757	3,126	55.00	2.47
2011	5	1,728,777	373,669	8,532	1,642,304	354,977	6,136	60.00	2.47
2012	9	2,903,917	784,237	17,903	2,742,602	740,672	12,803	60.00	2.47
2013	10	6,426,456	1,810,550	41,337	5,654,285	1,593,003	27,539	60.00	2.47
2014	10	6,121,065	1,766,280	40,327	5,125,258	1,478,933	25,563	60.00	2.47
2015	10	5,626,219	1,722,144	39,319	4,714,029	1,442,930	24,942	60.00	2.47
2016	10	4,462,999	1,674,604	38,233	3,714,514	1,393,759	24,094	60.00	2.47
2017	10	2,904,883	1,590,734	36,319	2,430,834	1,331,140	23,010	60.00	2.47
2018	10	2,195,687	1,458,559	33,299	1,865,749	1,239,388	21,426	60.00	2.47
2019	10	1,946,534	1,324,891	30,248	1,709,047	1,163,248	20,107	60.00	2.47
2020	10	1,724,701	1,203,535	27,477	1,497,331	1,044,870	18,063	60.00	2.47
2021	10	1,527,254	1,093,347	24,963	1,332,590	953,989	16,491	60.00	2.47
2022	10	1,351,575	993,289	22,676	1,184,520	870,517	15,046	60.00	2.47
2023	10	1,195,314	902,432	20,606	1,048,998	791,971	13,693	60.00	2.47
Sub-Total		41,252,037	16,773,411	384,929	35,747,532	14,471,154	252,039	59.85	2.47
Remainder		5,961,972	5,086,087	116,120	5,283,316	4,510,320	77,966	60.00	2.47
Total Future		47,214,009	21,859,498	501,049	41,030,848	18,981,474	330,005	59.87	2.47
Cumulative		0	0	0					
Ultimate		47,214,009	21,859,498	501,049					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	59,701	2,017	7,720	0	69,438	2,054	389	66,995
2011	98,538	11,153	15,157	0	124,848	4,000	1,053	119,795
2012	164,556	23,272	31,624	0	219,452	8,261	1,724	209,467
2013	339,257	50,053	68,017	0	457,327	20,254	5,088	431,985
2014	307,516	46,468	63,146	0	417,130	18,789	4,802	393,539
2015	282,842	45,336	61,609	0	389,787	17,366	4,716	367,705
2016	222,871	43,792	59,510	0	326,173	13,818	4,648	307,707
2017	145,849	41,825	56,836	0	244,510	8,853	4,489	231,168
2018	111,945	38,941	52,918	0	203,804	6,661	4,143	193,000
2019	102,543	36,550	49,667	0	188,760	5,722	3,777	179,261
2020	89,840	32,829	44,613	0	167,282	4,753	3,314	159,215
2021	79,956	29,975	40,733	0	150,664	4,133	2,984	143,547
2022	71,071	27,351	37,169	0	135,591	3,589	2,703	129,299
2023	62,940	24,884	33,814	0	121,638	3,097	2,436	116,105
Sub-Total	2,139,425	454,446	622,533	0	3,216,404	121,350	46,266	3,048,788
Remainder	316,999	141,714	192,578	0	651,291	13,259	13,474	624,558
Total Future	2,456,424	596,160	815,111	0	3,867,695	134,609	59,740	3,673,346

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	33,624	0	33,624	-33,624	-33,624	-33,484	
2010	12,012	0	127,006	16,899	155,917	-88,922	-122,546	-79,948	
2011	16,096	0	165,691	27,912	209,699	-89,904	-212,450	-73,441	
2012	24,343	0	116,512	48,018	188,873	20,594	-191,856	15,030	
2013	37,109	0	7,070	99,625	143,804	288,181	96,325	193,653	
2014	34,534	0	3,625	90,636	128,795	264,744	361,069	161,042	
2015	33,164	0	2,274	84,150	119,588	248,117	609,186	136,625	
2016	26,931	0	982	68,749	96,662	211,045	820,231	105,474	
2017	21,969	0	1,242	48,976	72,187	158,981	979,212	71,877	
2018	19,065	0	806	39,661	59,532	133,468	1,112,680	54,548	
2019	18,849	0	582	36,596	56,027	123,234	1,235,914	45,590	
2020	18,625	0	710	32,306	51,641	107,574	1,343,488	36,025	
2021	18,223	0	619	28,982	47,824	95,723	1,439,211	29,017	
2022	16,174	0	638	25,975	42,787	86,512	1,525,723	23,739	
2023	15,556	0	652	23,204	39,412	76,693	1,602,416	19,050	
Sub-Total	312,650	0	462,033	671,689	1,446,372	1,602,416		704,797	
Remainder	95,692	0	28,225	121,826	245,743	378,815	1,981,231	65,206	
Total Future	408,342	0	490,258	793,515	1,692,115	1,981,231		770,003	

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ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 107

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST #33_1 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED MONTHLY	
INITIAL	1.000000	0.837315	0.837315	0.837315	50.00	24.80	2.47	10.00% -	33,816
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	27,132
REMARKS								15.00% -	19,545
								20.00% -	11,272
								25.00% -	6,331

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	28,304	7,855	179	23,699	6,578	114	60.00	2.47
2015	1	333,546	93,242	2,129	279,468	78,124	1,350	60.00	2.47
2016	1	322,510	91,377	2,086	268,422	76,052	1,315	60.00	2.47
2017	1	311,782	89,549	2,045	260,902	74,935	1,295	60.00	2.47
2018	1	301,353	87,758	2,003	256,070	74,571	1,289	60.00	2.47
2019	1	265,569	85,984	1,964	233,168	75,494	1,305	60.00	2.47
2020	1	124,816	81,255	1,855	108,361	70,543	1,220	60.00	2.47
2021	1	111,259	74,755	1,706	97,079	65,227	1,127	60.00	2.47
2022	1	99,073	68,775	1,571	86,827	60,274	1,042	60.00	2.47
2023	1	88,125	63,273	1,444	77,337	55,528	960	60.00	2.47
Sub-Total		1,986,337	743,823	16,982	1,691,333	637,326	11,017	60.00	2.47
Remainder		453,285	384,073	8,769	401,770	340,766	5,891	60.00	2.47
Total Future		2,439,622	1,127,896	25,751	2,093,103	978,092	16,908	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,422	207	281	0	1,910	87	21	1,802
2015	16,768	2,454	3,336	0	22,558	1,029	256	21,273
2016	16,105	2,390	3,247	0	21,742	999	253	20,490
2017	15,654	2,354	3,199	0	21,207	950	253	20,004
2018	15,365	2,343	3,184	0	20,892	914	249	19,729
2019	13,990	2,372	3,224	0	19,586	781	245	18,560
2020	6,501	2,217	3,012	0	11,730	344	224	11,162
2021	5,825	2,049	2,785	0	10,659	301	204	10,154
2022	5,210	1,894	2,573	0	9,677	263	187	9,227
2023	4,640	1,745	2,371	0	8,756	228	171	8,357
Sub-Total	101,480	20,025	27,212	0	148,717	5,896	2,063	140,758
Remainder	24,106	10,707	14,550	0	49,363	1,006	1,018	47,339
Total Future	125,586	30,732	41,762	0	198,080	6,902	3,081	188,097

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	0	0	0	0	0	0	-1,901	0	
2014	157	0	14,610	417	15,184	-13,382	-15,283	-7,842	
2015	1,904	0	132	4,918	6,954	14,319	-964	7,884	
2016	1,753	0	65	4,733	6,551	13,939	12,975	6,947	
2017	1,793	0	105	4,611	6,509	13,495	26,470	6,090	
2018	1,806	0	81	4,535	6,422	13,307	39,777	5,434	
2019	1,824	0	63	4,201	6,088	12,472	52,249	4,624	
2020	1,298	0	50	2,290	3,638	7,524	59,773	2,519	
2021	1,282	0	43	2,071	3,396	6,758	66,531	2,049	
2022	1,149	0	46	1,870	3,065	6,162	72,693	1,690	
2023	1,115	0	47	1,683	2,845	5,512	78,205	1,369	
Sub-Total	14,081	0	17,143	31,329	62,553	78,205		28,871	
Remainder	7,276	0	1,640	9,244	18,160	29,179	107,384	4,945	
Total Future	21,357	0	18,783	40,573	80,713	107,384		33,816	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 108

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_01 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	37,317
	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	30,944
								15.00% -	23,487
								20.00% -	14,942
								25.00% -	9,478

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	224,232	62,475	1,426	197,289	54,968	950	60.00	2.47
2014	1	327,070	92,149	2,104	273,861	77,158	1,334	60.00	2.47
2015	1	316,215	90,306	2,062	264,947	75,665	1,308	60.00	2.47
2016	1	305,663	88,500	2,021	254,400	73,658	1,273	60.00	2.47
2017	1	139,074	86,730	1,980	116,378	72,576	1,255	60.00	2.47
2018	1	130,426	83,825	1,914	110,828	71,229	1,231	60.00	2.47
2019	1	116,734	77,398	1,767	102,492	67,955	1,175	60.00	2.47
2020	1	103,993	71,206	1,625	90,283	61,819	1,068	60.00	2.47
2021	1	92,544	65,510	1,496	80,748	57,159	988	60.00	2.47
2022	1	82,261	60,268	1,376	72,094	52,820	914	60.00	2.47
2023	1	73,031	55,448	1,266	64,091	48,660	841	60.00	2.47
Sub-Total		1,911,243	833,815	19,037	1,627,411	713,667	12,337	60.00	2.47
Remainder		339,899	300,990	6,872	300,645	266,415	4,605	60.00	2.47
Total Future		2,251,142	1,134,805	25,909	1,928,056	980,082	16,942	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	11,837	1,727	2,347	0	15,911	707	176	15,028
2014	16,432	2,424	3,294	0	22,150	1,004	250	20,896
2015	15,897	2,378	3,231	0	21,506	976	247	20,283
2016	15,264	2,314	3,145	0	20,723	946	246	19,531
2017	6,983	2,280	3,099	0	12,362	424	245	11,693
2018	6,649	2,238	3,041	0	11,928	396	238	11,294
2019	6,150	2,136	2,902	0	11,188	343	221	10,624
2020	5,417	1,942	2,639	0	9,998	286	196	9,516
2021	4,845	1,796	2,441	0	9,082	251	178	8,653
2022	4,325	1,660	2,255	0	8,240	218	164	7,858
2023	3,846	1,528	2,078	0	7,452	189	150	7,113
Sub-Total	97,645	22,423	30,472	0	150,540	5,740	2,311	142,489
Remainder	18,038	8,371	11,375	0	37,784	771	796	36,217
Total Future	115,683	30,794	41,847	0	188,324	6,511	3,107	178,706

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	1,280	0	14,981	3,470	19,731	-4,703	-6,604	-3,474
2014	1,830	0	193	4,826	6,849	14,047	7,443	8,545
2015	1,818	0	125	4,677	6,620	13,663	21,106	7,521
2016	1,674	0	63	4,502	6,239	13,292	34,398	6,625
2017	1,127	0	62	2,428	3,617	8,076	42,474	3,644
2018	1,113	0	48	2,334	3,495	7,799	50,273	3,188
2019	1,114	0	34	2,177	3,325	7,299	57,572	2,699
2020	1,111	0	43	1,937	3,091	6,425	63,997	2,151
2021	1,098	0	37	1,750	2,885	5,768	69,765	1,748
2022	983	0	39	1,579	2,601	5,257	75,022	1,443
2023	953	0	40	1,420	2,413	4,700	79,722	1,167
Sub-Total	14,101	0	17,566	31,100	62,767	79,722		33,364
Remainder	5,353	0	1,462	7,026	13,841	22,376	102,098	3,953
Total Future	19,454	0	19,028	38,126	76,608	102,098		37,317

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 109

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_02 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.837315	0.837315	0.837315	50.00	24.80	2.47	10.00% -	30,456
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	24,490
REMARKS								15.00% -	17,712
								20.00% -	10,297
								25.00% -	5,833

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	168,643	46,935	1,072	141,207	39,300	679	60.00	2.47
2015	1	328,910	92,460	2,111	275,583	77,469	1,339	60.00	2.47
2016	1	318,003	90,611	2,068	264,671	75,414	1,304	60.00	2.47
2017	1	160,802	88,798	2,028	134,561	74,307	1,285	60.00	2.47
2018	1	140,236	87,023	1,986	119,163	73,946	1,278	60.00	2.47
2019	1	132,332	84,620	1,932	116,187	74,296	1,284	60.00	2.47
2020	1	118,992	78,481	1,792	103,306	68,135	1,178	60.00	2.47
2021	1	106,023	72,202	1,649	92,509	62,999	1,089	60.00	2.47
2022	1	94,368	66,426	1,516	82,704	58,216	1,006	60.00	2.47
2023	1	83,899	61,112	1,396	73,629	53,632	927	60.00	2.47
Sub-Total		1,652,208	768,668	17,550	1,403,520	657,714	11,369	60.00	2.47
Remainder		425,972	366,137	8,359	377,494	324,790	5,615	60.00	2.47
Total Future		2,078,180	1,134,805	25,909	1,781,014	982,504	16,984	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	8,472	1,235	1,678	0	11,385	518	128	10,739
2015	16,535	2,434	3,308	0	22,277	1,015	253	21,009
2016	15,881	2,369	3,220	0	21,470	984	251	20,235
2017	8,073	2,335	3,172	0	13,580	491	251	12,838
2018	7,150	2,324	3,158	0	12,632	425	247	11,960
2019	6,971	2,334	3,172	0	12,477	389	241	11,847
2020	6,199	2,141	2,909	0	11,249	328	216	10,705
2021	5,550	1,979	2,690	0	10,219	287	197	9,735
2022	4,962	1,829	2,486	0	9,277	250	181	8,846
2023	4,418	1,685	2,290	0	8,393	218	165	8,010
Sub-Total	84,211	20,665	28,083	0	132,959	4,905	2,130	125,924
Remainder	22,650	10,205	13,867	0	46,722	947	970	44,805
Total Future	106,861	30,870	41,950	0	179,681	5,852	3,100	170,729

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	944	0	14,810	2,483	18,237	-7,498	-9,399	-4,702
2015	1,881	0	129	4,854	6,864	14,145	4,746	7,787
2016	1,731	0	65	4,672	6,468	13,767	18,513	6,862
2017	1,222	0	66	2,717	4,005	8,833	27,346	3,995
2018	1,174	0	50	2,483	3,707	8,253	35,599	3,370
2019	1,239	0	38	2,443	3,720	8,127	43,726	3,006
2020	1,246	0	48	2,191	3,485	7,220	50,946	2,417
2021	1,231	0	42	1,981	3,254	6,481	57,427	1,965
2022	1,103	0	44	1,789	2,936	5,910	63,337	1,621
2023	1,070	0	44	1,610	2,724	5,286	68,623	1,313
Sub-Total	12,841	0	17,237	27,223	57,301	68,623		25,741
Remainder	6,847	0	1,525	8,729	17,101	27,704	96,327	4,715
Total Future	19,688	0	18,762	35,952	74,402	96,327		30,456

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 110

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_03 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.837315	0.837315	0.837315	50.00	24.80	2.47	10.00% -	32,137
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	25,713
REMARKS								15.00% -	18,441
								20.00% -	10,546
								25.00% -	5,851

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015	1	334,480	93,399	2,132	280,250	78,256	1,353	60.00	2.47
2016	1	323,418	91,530	2,090	269,178	76,180	1,317	60.00	2.47
2017	1	312,664	89,700	2,048	261,640	75,062	1,297	60.00	2.47
2018	1	302,211	87,906	2,007	256,799	74,696	1,291	60.00	2.47
2019	1	162,868	86,148	1,967	142,997	75,638	1,308	60.00	2.47
2020	1	126,012	81,822	1,868	109,400	71,035	1,228	60.00	2.47
2021	1	112,335	75,276	1,719	98,017	65,681	1,135	60.00	2.47
2022	1	100,040	69,254	1,581	87,674	60,695	1,049	60.00	2.47
2023	1	88,992	63,714	1,454	78,099	55,914	967	60.00	2.47
Sub-Total		1,863,020	738,749	16,866	1,584,054	633,157	10,945	60.00	2.47
Remainder		457,986	386,752	8,830	405,938	343,143	5,932	60.00	2.47
Total Future		2,321,006	1,125,501	25,696	1,989,992	976,300	16,877	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	16,815	2,459	3,341	0	22,615	1,032	256	21,327
2016	16,151	2,393	3,253	0	21,797	1,002	254	20,541
2017	15,698	2,359	3,205	0	21,262	953	253	20,056
2018	15,408	2,347	3,189	0	20,944	916	250	19,778
2019	8,580	2,376	3,230	0	14,186	479	245	13,462
2020	6,564	2,232	3,033	0	11,829	347	226	11,256
2021	5,881	2,064	2,804	0	10,749	304	205	10,240
2022	5,260	1,907	2,592	0	9,759	266	188	9,305
2023	4,686	1,757	2,387	0	8,830	231	172	8,427
Sub-Total	95,043	19,894	27,034	0	141,971	5,530	2,049	134,392
Remainder	24,357	10,781	14,651	0	49,789	1,016	1,025	47,748
Total Future	119,400	30,675	41,685	0	191,760	6,546	3,074	182,140

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	0	0	0	0	0	0	-1,901	0	
2013	0	0	0	0	0	0	-1,901	0	
2014	0	0	14,610	0	14,610	-14,610	-16,511	-8,484	
2015	1,909	0	132	4,931	6,972	14,355	-2,156	7,904	
2016	1,756	0	66	4,746	6,568	13,973	11,817	6,964	
2017	1,797	0	105	4,623	6,525	13,531	25,348	6,105	
2018	1,811	0	81	4,547	6,439	13,339	38,687	5,448	
2019	1,378	0	39	2,856	4,273	9,189	47,876	3,410	
2020	1,309	0	51	2,309	3,669	7,587	55,463	2,541	
2021	1,293	0	44	2,089	3,426	6,814	62,277	2,065	
2022	1,158	0	45	1,888	3,091	6,214	68,491	1,705	
2023	1,125	0	48	1,698	2,871	5,556	74,047	1,380	
Sub-Total	13,536	0	17,122	29,687	60,345	74,047		27,145	
Remainder	7,336	0	1,611	9,328	18,275	29,473	103,520	4,992	
Total Future	20,872	0	18,733	39,015	78,620	103,520		32,137	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 111

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_04 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
INITIAL	1.000000	0.837868	0.837868	0.837868	50.00	24.80	2.47	10.00%	31,613
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00%	25,225
REMARKS								15.00%	18,009
								20.00%	10,200
								25.00%	5,578

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015	1	307,034	85,687	1,956	257,254	71,795	1,241	60.00	2.47
2016	1	324,328	91,685	2,094	269,935	76,308	1,319	60.00	2.47
2017	1	313,548	89,851	2,051	262,380	75,188	1,300	60.00	2.47
2018	1	303,071	88,054	2,010	257,530	74,823	1,293	60.00	2.47
2019	1	163,486	86,293	1,971	143,539	75,765	1,310	60.00	2.47
2020	1	127,189	82,374	1,880	110,422	71,514	1,236	60.00	2.47
2021	1	113,420	75,801	1,731	98,964	66,139	1,144	60.00	2.47
2022	1	101,015	69,737	1,592	88,529	61,118	1,056	60.00	2.47
2023	1	89,868	64,158	1,465	78,868	56,305	973	60.00	2.47
Sub-Total		1,842,959	733,640	16,750	1,567,421	628,955	10,872	60.00	2.47
Remainder		462,730	389,449	8,891	410,143	345,535	5,973	60.00	2.47
Total Future		2,305,689	1,123,089	25,641	1,977,564	974,490	16,845	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	15,435	2,256	3,065	0	20,756	948	235	19,573
2016	16,196	2,397	3,259	0	21,852	1,004	254	20,594
2017	15,743	2,363	3,210	0	21,316	955	254	20,107
2018	15,452	2,351	3,195	0	20,998	920	250	19,828
2019	8,612	2,380	3,235	0	14,227	480	246	13,501
2020	6,626	2,247	3,053	0	11,926	351	227	11,348
2021	5,937	2,078	2,824	0	10,839	307	207	10,325
2022	5,312	1,921	2,610	0	9,843	268	189	9,386
2023	4,732	1,769	2,404	0	8,905	233	174	8,498
Sub-Total	94,045	19,762	26,855	0	140,662	5,466	2,036	133,160
Remainder	24,609	10,856	14,753	0	50,218	1,026	1,031	48,161
Total Future	118,654	30,618	41,608	0	190,880	6,492	3,067	181,321

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	0	0	14,610	0	14,610	-14,610	-16,511	-8,484
2015	1,752	0	132	4,526	6,410	13,163	-3,348	7,217
2016	1,761	0	66	4,759	6,586	14,008	10,660	6,981
2017	1,802	0	106	4,635	6,543	13,564	24,224	6,120
2018	1,815	0	81	4,559	6,455	13,373	37,597	5,462
2019	1,382	0	40	2,865	4,287	9,214	46,811	3,420
2020	1,319	0	50	2,330	3,699	7,649	54,460	2,561
2021	1,304	0	44	2,107	3,455	6,870	61,330	2,083
2022	1,167	0	47	1,904	3,118	6,268	67,598	1,719
2023	1,134	0	47	1,714	2,895	5,603	73,201	1,392
Sub-Total	13,436	0	17,124	29,399	59,959	73,201		26,578
Remainder	7,398	0	1,611	9,413	18,422	29,739	102,940	5,035
Total Future	20,834	0	18,735	38,812	78,381	102,940		31,613

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 112

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_05 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	32,998
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	26,845
								15.00% -	19,768
								20.00% -	11,875
								25.00% -	7,005

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	334,480	93,399	2,132	280,065	78,204	1,352	60.00	2.47
2015	1	323,418	91,530	2,090	270,982	76,691	1,326	60.00	2.47
2016	1	312,664	89,700	2,048	260,227	74,656	1,290	60.00	2.47
2017	1	143,760	87,906	2,007	120,300	73,561	1,272	60.00	2.47
2018	1	136,769	86,148	1,967	116,217	73,202	1,265	60.00	2.47
2019	1	126,012	81,822	1,868	110,638	71,840	1,242	60.00	2.47
2020	1	112,335	75,276	1,719	97,526	65,352	1,130	60.00	2.47
2021	1	100,039	69,254	1,581	87,288	60,427	1,044	60.00	2.47
2022	1	88,993	63,714	1,454	77,993	55,839	965	60.00	2.47
2023	1	79,072	58,617	1,339	69,393	51,441	890	60.00	2.47
Sub-Total		1,757,542	797,366	18,205	1,490,629	681,213	11,776	60.00	2.47
Remainder		387,611	337,439	7,704	343,318	299,158	5,171	60.00	2.47
Total Future		2,145,153	1,134,805	25,909	1,833,947	980,371	16,947	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	16,804	2,457	3,339	0	22,600	1,027	254	21,319
2015	16,259	2,410	3,275	0	21,944	998	251	20,695
2016	15,613	2,345	3,187	0	21,145	968	249	19,928
2017	7,218	2,312	3,141	0	12,671	438	248	11,985
2018	6,973	2,300	3,126	0	12,399	415	244	11,740
2019	6,639	2,257	3,067	0	11,963	371	234	11,358
2020	5,851	2,053	2,790	0	10,694	309	207	10,178
2021	5,238	1,899	2,580	0	9,717	271	189	9,257
2022	4,679	1,754	2,384	0	8,817	236	173	8,408
2023	4,164	1,617	2,197	0	7,978	205	158	7,615
Sub-Total	89,438	21,404	29,086	0	139,928	5,238	2,207	132,483
Remainder	20,599	9,399	12,773	0	42,771	870	894	41,007
Total Future	110,037	30,803	41,859	0	182,699	6,108	3,101	173,490

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	14,610	0	14,610	-14,610	-16,511	-9,529
2014	1,866	0	197	4,928	6,991	14,328	-2,183	8,716
2015	1,854	0	127	4,778	6,759	13,936	11,753	7,672
2016	1,706	0	64	4,597	6,367	13,561	25,314	6,759
2017	1,153	0	65	2,497	3,715	8,270	33,584	3,731
2018	1,155	0	49	2,433	3,637	8,103	41,687	3,310
2019	1,189	0	37	2,336	3,562	7,796	49,483	2,884
2020	1,186	0	45	2,078	3,309	6,869	56,352	2,300
2021	1,172	0	40	1,879	3,091	6,166	62,518	1,869
2022	1,050	0	41	1,696	2,787	5,621	68,139	1,542
2023	1,019	0	43	1,526	2,588	5,027	73,166	1,249
Sub-Total	13,350	0	17,219	28,748	59,317	73,166		28,610
Remainder	6,161	0	1,454	7,975	15,590	25,417	98,583	4,388
Total Future	19,511	0	18,673	36,723	74,907	98,583		32,998

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 113

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST AF_06 (AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.837315	0.837315	0.837315	50.00	24.80	2.47	10.00% -	17,715
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	13,884
REMARKS								15.00% -	9,545
								20.00% -	4,849
								25.00% -	2,087

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	76,747	21,355	488	64,261	17,881	309	60.00	2.47
2015	1	224,347	63,209	1,443	187,974	52,960	916	60.00	2.47
2016	1	215,710	61,944	1,414	179,533	51,556	891	60.00	2.47
2017	1	207,329	60,706	1,386	173,495	50,800	878	60.00	2.47
2018	1	136,906	59,492	1,358	116,334	50,552	874	60.00	2.47
2019	1	85,924	58,100	1,327	75,441	51,011	882	60.00	2.47
2020	1	76,567	54,220	1,238	66,473	47,073	813	60.00	2.47
2021	1	67,100	49,883	1,138	58,547	43,524	753	60.00	2.47
2022	1	58,657	45,892	1,048	51,407	40,220	695	60.00	2.47
2023	1	51,136	42,220	964	44,877	37,052	640	60.00	2.47
Sub-Total		1,200,423	517,021	11,804	1,018,342	442,629	7,651	60.00	2.47
Remainder		219,034	231,959	5,296	193,711	205,409	3,551	60.00	2.47
Total Future		1,419,457	748,980	17,100	1,212,053	648,038	11,202	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	3,856	562	763	0	5,181	236	58	4,887
2015	11,278	1,664	2,262	0	15,204	692	173	14,339
2016	10,772	1,620	2,201	0	14,593	668	172	13,753
2017	10,410	1,596	2,169	0	14,175	632	171	13,372
2018	6,980	1,588	2,158	0	10,726	415	169	10,142
2019	4,526	1,603	2,178	0	8,307	253	166	7,888
2020	3,989	1,479	2,010	0	7,478	211	149	7,118
2021	3,512	1,368	1,859	0	6,739	181	136	6,422
2022	3,085	1,263	1,717	0	6,065	156	125	5,784
2023	2,692	1,164	1,582	0	5,438	133	114	5,191
Sub-Total	61,100	13,907	18,899	0	93,906	3,577	1,433	88,896
Remainder	11,623	6,454	8,770	0	26,847	498	614	25,735
Total Future	72,723	20,361	27,669	0	120,753	4,075	2,047	114,631

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	428	0	14,610	1,130	16,168	-11,281	-13,182	-6,959
2015	1,284	0	89	3,312	4,685	9,654	-3,528	5,315
2016	1,177	0	44	3,173	4,394	9,359	5,831	4,665
2017	1,200	0	70	3,075	4,345	9,027	14,858	4,072
2018	955	0	34	2,219	3,208	6,934	21,792	2,850
2019	830	0	25	1,612	2,467	5,421	27,213	2,005
2020	833	0	32	1,440	2,305	4,813	32,026	1,611
2021	818	0	28	1,289	2,135	4,287	36,313	1,299
2022	727	0	28	1,151	1,906	3,878	40,191	1,064
2023	701	0	30	1,022	1,753	3,438	43,629	855
Sub-Total	8,953	0	16,891	19,423	45,267	43,629		14,884
Remainder	3,862	0	983	4,848	9,693	16,042	59,671	2,831
Total Future	12,815	0	17,874	24,271	54,960	59,671		17,715

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 114

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_07 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.837315	0.837315	0.837315	50.00	24.80	2.47	10.00% -	37,948
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	30,758
REMARKS								15.00% -	22,526
								20.00% -	13,422
								25.00% -	7,877

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	179,170	49,864	1,138	150,022	41,752	722	60.00	2.47
2015	1	349,474	98,229	2,243	292,813	82,303	1,422	60.00	2.47
2016	1	337,926	96,264	2,198	281,253	80,119	1,385	60.00	2.47
2017	1	326,701	94,339	2,154	273,386	78,944	1,365	60.00	2.47
2018	1	315,788	92,452	2,111	268,336	78,560	1,358	60.00	2.47
2019	1	195,584	89,900	2,052	171,721	78,932	1,365	60.00	2.47
2020	1	126,627	83,378	1,904	109,934	72,386	1,251	60.00	2.47
2021	1	112,865	76,708	1,751	98,480	66,930	1,157	60.00	2.47
2022	1	100,494	70,571	1,611	88,073	61,848	1,069	60.00	2.47
2023	1	89,381	64,925	1,483	78,439	56,978	985	60.00	2.47
Sub-Total		2,134,010	816,630	18,645	1,812,457	698,752	12,079	60.00	2.47
Remainder		459,253	393,822	8,991	407,055	349,412	6,040	60.00	2.47
Total Future		2,593,263	1,210,452	27,636	2,219,512	1,048,164	18,119	60.00	2.47
Cumulative		0	0	0	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		2,593,263	1,210,452	27,636	SHRINKAGE FACTOR = 24.29 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	9,001	1,312	1,783	0	12,096	550	136	11,410
2015	17,569	2,586	3,514	0	23,669	1,079	269	22,321
2016	16,875	2,517	3,421	0	22,813	1,046	267	21,500
2017	16,403	2,481	3,370	0	22,254	996	266	20,992
2018	16,101	2,468	3,355	0	21,924	958	263	20,703
2019	10,303	2,480	3,370	0	16,153	575	256	15,322
2020	6,596	2,274	3,090	0	11,960	348	229	11,383
2021	5,909	2,103	2,858	0	10,870	306	210	10,354
2022	5,284	1,944	2,641	0	9,869	267	192	9,410
2023	4,706	1,790	2,433	0	8,929	231	175	8,523
Sub-Total	108,747	21,955	29,835	0	160,537	6,356	2,263	151,918
Remainder	24,424	10,978	14,919	0	50,321	1,019	1,043	48,259
Total Future	133,171	32,933	44,754	0	210,858	7,375	3,306	200,177

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	0	0	0	0	0	0	-1,901	0
2014	1,003	0	14,822	2,638	18,463	-7,053	-8,954	-4,513
2015	1,998	0	138	5,158	7,294	15,027	6,073	8,274
2016	1,840	0	69	4,964	6,873	14,627	20,700	7,290
2017	1,882	0	110	4,835	6,827	14,165	34,865	6,391
2018	1,897	0	85	4,756	6,738	13,965	48,830	5,704
2019	1,545	0	41	3,316	4,902	10,420	59,250	3,875
2020	1,325	0	50	2,331	3,706	7,677	66,927	2,570
2021	1,309	0	45	2,108	3,462	6,892	73,819	2,090
2022	1,173	0	46	1,903	3,122	6,288	80,107	1,724
2023	1,138	0	48	1,714	2,900	5,623	85,730	1,397
Sub-Total	15,110	0	17,355	33,723	66,188	85,730		32,909
Remainder	7,421	0	1,722	9,405	18,548	29,711	115,441	5,039
Total Future	22,531	0	19,077	43,128	84,736	115,441		37,948

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 115

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_08 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED	MONTHLY							
INITIAL	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	42,716
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	35,395
REMARKS								15.00% -	26,815
								20.00% -	16,969
								25.00% -	10,677

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	208,742	58,125	1,327	183,661	51,141	884	60.00	2.47
2014	1	348,499	98,064	2,239	291,803	82,111	1,419	60.00	2.47
2015	1	336,979	96,103	2,194	282,344	80,521	1,392	60.00	2.47
2016	1	325,779	94,180	2,150	271,143	78,385	1,355	60.00	2.47
2017	1	314,893	92,297	2,108	263,505	77,235	1,335	60.00	2.47
2018	1	208,130	89,496	2,043	176,855	76,048	1,315	60.00	2.47
2019	1	125,424	82,800	1,890	110,122	72,698	1,257	60.00	2.47
2020	1	111,783	76,177	1,739	97,046	66,134	1,143	60.00	2.47
2021	1	99,521	70,082	1,601	86,837	61,150	1,057	60.00	2.47
2022	1	88,507	64,476	1,472	77,567	56,506	977	60.00	2.47
2023	1	78,617	59,317	1,354	68,994	52,057	900	60.00	2.47
Sub-Total		2,246,874	881,117	20,117	1,909,877	753,986	13,034	60.00	2.47
Remainder		373,654	329,335	7,519	330,745	291,757	5,043	60.00	2.47
Total Future		2,620,528	1,210,452	27,636	2,240,622	1,045,743	18,077	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	11,020	1,607	2,184	0	14,811	658	163	13,990
2014	17,508	2,580	3,505	0	23,593	1,070	267	22,256
2015	16,940	2,530	3,438	0	22,908	1,040	263	21,605
2016	16,269	2,463	3,347	0	22,079	1,008	262	20,809
2017	15,810	2,426	3,298	0	21,534	960	260	20,314
2018	10,612	2,390	3,247	0	16,249	631	254	15,364
2019	6,607	2,284	3,104	0	11,995	369	236	11,390
2020	5,823	2,078	2,824	0	10,725	308	210	10,207
2021	5,210	1,921	2,611	0	9,742	270	191	9,281
2022	4,654	1,776	2,412	0	8,842	235	176	8,431
2023	4,140	1,635	2,223	0	7,998	203	160	7,635
Sub-Total	114,593	23,690	32,193	0	170,476	6,752	2,442	161,282
Remainder	19,844	9,167	12,457	0	41,468	845	872	39,751
Total Future	134,437	32,857	44,650	0	211,944	7,597	3,314	201,033

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	1,190	0	15,005	3,230	19,425	-5,435	-7,336	-4,238
2014	1,949	0	205	5,141	7,295	14,961	7,625	9,101
2015	1,937	0	134	4,984	7,055	14,550	22,175	8,011
2016	1,783	0	67	4,796	6,646	14,163	36,338	7,059
2017	1,823	0	106	4,671	6,600	13,714	50,052	6,187
2018	1,445	0	51	3,366	4,862	10,502	60,554	4,316
2019	1,194	0	37	2,336	3,567	7,823	68,377	2,894
2020	1,192	0	45	2,079	3,316	6,891	75,268	2,307
2021	1,176	0	40	1,879	3,095	6,186	81,454	1,875
2022	1,054	0	42	1,696	2,792	5,639	87,093	1,548
2023	1,023	0	43	1,526	2,592	5,043	92,136	1,252
Sub-Total	15,766	0	17,676	35,704	69,146	92,136		38,419
Remainder	5,910	0	1,615	7,716	15,241	24,510	116,646	4,297
Total Future	21,676	0	19,291	43,420	84,387	116,646		42,716

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 116

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_09 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	46,829
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	39,529
REMARKS								15.00% -	30,802
								20.00% -	20,456
								25.00% -	13,554

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	30,071	8,346	191	28,566	7,928	137	60.00	2.47
2012	1	222,530	62,179	1,419	210,169	58,725	1,015	60.00	2.47
2013	1	345,678	97,815	2,233	304,143	86,063	1,488	60.00	2.47
2014	1	334,459	95,860	2,189	280,048	80,264	1,387	60.00	2.47
2015	1	323,551	93,942	2,145	271,092	78,711	1,361	60.00	2.47
2016	1	312,876	92,043	2,101	260,405	76,607	1,324	60.00	2.47
2017	1	291,782	86,982	1,986	244,166	72,787	1,258	60.00	2.47
2018	1	120,603	80,022	1,827	102,480	67,998	1,176	60.00	2.47
2019	1	107,648	73,621	1,681	94,514	64,639	1,117	60.00	2.47
2020	1	95,994	67,732	1,546	83,339	58,802	1,017	60.00	2.47
2021	1	85,515	62,312	1,423	74,616	54,370	940	60.00	2.47
2022	1	76,099	57,328	1,309	66,693	50,243	868	60.00	2.47
2023	1	67,642	52,742	1,204	59,362	46,285	800	60.00	2.47
Sub-Total		2,414,448	930,924	21,254	2,079,593	803,422	13,888	60.00	2.47
Remainder		310,379	279,528	6,382	274,322	247,185	4,273	60.00	2.47
Total Future		2,724,827	1,210,452	27,636	2,353,915	1,050,607	18,161	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	1,714	249	339	0	2,302	70	24	2,208
2012	12,610	1,845	2,507	0	16,962	633	136	16,193
2013	18,249	2,704	3,675	0	24,628	1,089	275	23,264
2014	16,803	2,522	3,427	0	22,752	1,027	261	21,464
2015	16,265	2,473	3,360	0	22,098	998	257	20,843
2016	15,624	2,407	3,271	0	21,302	969	255	20,078
2017	14,650	2,287	3,108	0	20,045	889	246	18,910
2018	6,149	2,137	2,903	0	11,189	366	227	10,596
2019	5,671	2,031	2,760	0	10,462	317	210	9,935
2020	5,000	1,847	2,511	0	9,358	264	187	8,907
2021	4,477	1,709	2,321	0	8,507	232	170	8,105
2022	4,002	1,578	2,146	0	7,726	202	156	7,368
2023	3,562	1,455	1,976	0	6,993	175	142	6,676
Sub-Total	124,776	25,244	34,304	0	184,324	7,231	2,546	174,547
Remainder	16,459	7,766	10,554	0	34,779	705	739	33,335
Total Future	141,235	33,010	44,858	0	219,103	7,936	3,285	207,882

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	216	0	14,610	502	15,328	-13,120	-15,021	-10,463
2012	1,918	0	4,686	3,699	10,303	5,890	-9,131	4,387
2013	1,999	0	381	5,362	7,742	15,522	6,391	10,429
2014	1,882	0	198	4,947	7,027	14,437	20,828	8,781
2015	1,872	0	129	4,799	6,800	14,043	34,871	7,733
2016	1,722	0	64	4,619	6,405	13,673	48,544	6,814
2017	1,700	0	99	4,340	6,139	12,771	61,315	5,765
2018	1,046	0	44	2,178	3,268	7,328	68,643	2,994
2019	1,046	0	33	2,026	3,105	6,830	75,473	2,527
2020	1,043	0	39	1,805	2,887	6,020	81,493	2,016
2021	1,030	0	35	1,631	2,696	5,409	86,902	1,639
2022	924	0	37	1,475	2,436	4,932	91,834	1,354
2023	896	0	37	1,327	2,260	4,416	96,250	1,096
Sub-Total	17,294	0	22,293	38,710	78,297	96,250		43,179
Remainder	4,905	0	484	6,449	11,838	21,497	117,747	3,765
Total Future	22,199	0	22,777	45,159	90,135	117,747		46,944

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 117

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_10 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
INITIAL	1.000000	0.879845	0.879845	0.879845	50.00	24.80	2.47	10.00% -	45,656
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	38,188
REMARKS								15.00% -	29,382
								20.00% -	19,170
								25.00% -	12,545

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	267,639	74,607	1,703	235,481	65,643	1,135	60.00	2.47
2014	1	346,557	97,734	2,232	290,177	81,834	1,414	60.00	2.47
2015	1	335,090	95,780	2,186	280,761	80,251	1,388	60.00	2.47
2016	1	323,943	93,864	2,143	269,615	78,122	1,350	60.00	2.47
2017	1	313,108	91,986	2,101	262,012	76,975	1,331	60.00	2.47
2018	1	205,629	88,578	2,022	174,730	75,267	1,301	60.00	2.47
2019	1	123,049	81,658	1,864	108,036	71,695	1,239	60.00	2.47
2020	1	109,647	75,125	1,715	95,192	65,222	1,127	60.00	2.47
2021	1	97,603	69,115	1,578	85,162	60,305	1,043	60.00	2.47
2022	1	86,783	63,586	1,452	76,057	55,727	963	60.00	2.47
2023	1	77,071	58,499	1,336	67,637	51,338	888	60.00	2.47
Sub-Total		2,286,119	890,532	20,332	1,944,860	762,379	13,179	60.00	2.47
Remainder		361,439	319,920	7,304	319,777	283,252	4,896	60.00	2.47
Total Future		2,647,558	1,210,452	27,636	2,264,637	1,045,631	18,075	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	14,129	2,062	2,803	0	18,994	843	210	17,941
2014	17,410	2,572	3,494	0	23,476	1,064	265	22,147
2015	16,846	2,521	3,426	0	22,793	1,035	263	21,495
2016	16,177	2,455	3,336	0	21,968	1,003	260	20,705
2017	15,721	2,418	3,287	0	21,426	954	260	20,212
2018	10,484	2,365	3,213	0	16,062	624	251	15,187
2019	6,482	2,253	3,061	0	11,796	361	233	11,202
2020	5,711	2,049	2,785	0	10,545	302	207	10,036
2021	5,110	1,895	2,575	0	9,580	265	189	9,126
2022	4,563	1,751	2,379	0	8,693	230	173	8,290
2023	4,059	1,613	2,192	0	7,864	200	158	7,506
Sub-Total	116,692	23,954	32,551	0	173,197	6,881	2,469	163,847
Remainder	19,186	8,900	12,094	0	40,180	818	846	38,516
Total Future	135,878	32,854	44,645	0	213,377	7,699	3,315	202,363

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	0	0	0	0	-1,901	0
2013	1,530	0	12,768	4,142	18,440	-499	-2,400	-822
2014	1,940	0	204	5,114	7,258	14,889	12,489	9,056
2015	1,927	0	133	4,958	7,018	14,477	26,966	7,972
2016	1,774	0	67	4,771	6,612	14,093	41,059	7,024
2017	1,815	0	106	4,646	6,567	13,645	54,704	6,156
2018	1,428	0	50	3,326	4,804	10,383	65,087	4,267
2019	1,175	0	36	2,296	3,507	7,695	72,782	2,847
2020	1,172	0	45	2,043	3,260	6,776	79,558	2,269
2021	1,158	0	39	1,845	3,042	6,084	85,642	1,844
2022	1,037	0	41	1,667	2,745	5,545	91,187	1,522
2023	1,006	0	42	1,498	2,546	4,960	96,147	1,231
Sub-Total	15,962	0	15,432	36,306	67,700	96,147		41,473
Remainder	5,703	0	1,636	7,472	14,811	23,705	119,852	4,183
Total Future	21,665	0	17,068	43,778	82,511	119,852		45,656

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 118

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_11 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	45,363
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	37,982
REMARKS								15.00% -	29,222
								20.00% -	18,971
								25.00% -	12,255

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	130,835	36,428	832	123,567	34,404	595	60.00	2.47
2013	1	350,194	98,497	2,248	308,116	86,663	1,498	60.00	2.47
2014	1	338,757	96,528	2,204	283,647	80,824	1,397	60.00	2.47
2015	1	327,637	94,597	2,160	274,516	79,260	1,370	60.00	2.47
2016	1	316,827	92,706	2,117	263,693	77,158	1,334	60.00	2.47
2017	1	303,100	89,892	2,052	253,636	75,222	1,300	60.00	2.47
2018	1	215,663	83,167	1,899	183,257	70,670	1,222	60.00	2.47
2019	1	113,051	76,513	1,747	99,258	67,178	1,161	60.00	2.47
2020	1	100,775	70,393	1,607	87,489	61,113	1,056	60.00	2.47
2021	1	89,738	64,760	1,478	78,300	56,506	977	60.00	2.47
2022	1	79,823	59,581	1,361	69,957	52,216	903	60.00	2.47
2023	1	70,920	54,813	1,251	62,239	48,105	831	60.00	2.47
Sub-Total		2,437,320	917,875	20,956	2,087,675	789,319	13,644	60.00	2.47
Remainder		326,661	292,577	6,680	288,779	258,796	4,474	60.00	2.47
Total Future		2,763,981	1,210,452	27,636	2,376,454	1,048,115	18,118	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	7,414	1,081	1,469	0	9,964	372	80	9,512
2013	18,487	2,723	3,700	0	24,910	1,104	277	23,529
2014	17,019	2,539	3,451	0	23,009	1,040	262	21,707
2015	16,471	2,491	3,384	0	22,346	1,011	259	21,076
2016	15,821	2,424	3,295	0	21,540	981	258	20,301
2017	15,219	2,364	3,212	0	20,795	924	253	19,618
2018	10,995	2,220	3,017	0	16,232	654	237	15,341
2019	5,955	2,111	2,868	0	10,934	332	218	10,384
2020	5,250	1,920	2,610	0	9,780	278	194	9,308
2021	4,698	1,775	2,412	0	8,885	243	176	8,466
2022	4,197	1,641	2,230	0	8,068	212	162	7,694
2023	3,735	1,511	2,054	0	7,300	184	148	6,968
Sub-Total	125,261	24,800	33,702	0	183,763	7,335	2,524	173,904
Remainder	17,326	8,132	11,050	0	36,508	741	774	34,993
Total Future	142,587	32,932	44,752	0	220,271	8,076	3,298	208,897

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	0	0	0	0	0	0	-1,901	0	
2012	1,151	0	19,350	2,173	22,674	-13,162	-15,063	-9,981	
2013	2,021	0	385	5,428	7,834	15,695	632	10,547	
2014	1,903	0	200	5,006	7,109	14,598	15,230	8,879	
2015	1,891	0	130	4,855	6,876	14,200	29,430	7,817	
2016	1,742	0	66	4,673	6,481	13,820	43,250	6,889	
2017	1,762	0	103	4,505	6,370	13,248	56,498	5,978	
2018	1,429	0	74	3,410	4,913	10,428	66,926	4,285	
2019	1,092	0	34	2,122	3,248	7,136	74,062	2,640	
2020	1,089	0	42	1,888	3,019	6,289	80,351	2,106	
2021	1,075	0	36	1,707	2,818	5,648	85,999	1,712	
2022	964	0	38	1,542	2,544	5,150	91,149	1,413	
2023	935	0	39	1,387	2,361	4,607	95,756	1,144	
Sub-Total	17,054	0	22,398	38,696	78,148	95,756		41,536	
Remainder	5,153	0	1,578	6,776	13,507	21,486	117,242	3,827	
Total Future	22,207	0	23,976	45,472	91,655	117,242		45,363	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 119

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_12 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED							MONTHLY	
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	43,683
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	36,690
REMARKS								15.00% -	28,417
								20.00% -	18,764
								25.00% -	12,442

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	37,579	10,435	238	35,491	9,856	170	60.00	2.47
2013	1	353,869	99,018	2,261	311,351	87,120	1,506	60.00	2.47
2014	1	342,237	97,037	2,215	286,560	81,250	1,405	60.00	2.47
2015	1	330,928	95,096	2,172	277,274	79,679	1,377	60.00	2.47
2016	1	319,935	93,195	2,127	266,279	77,565	1,341	60.00	2.47
2017	1	144,501	91,251	2,084	120,919	76,360	1,320	60.00	2.47
2018	1	131,915	85,836	1,959	112,093	72,937	1,261	60.00	2.47
2019	1	117,655	78,969	1,803	103,301	69,335	1,198	60.00	2.47
2020	1	104,832	72,652	1,659	91,012	63,073	1,091	60.00	2.47
2021	1	93,308	66,839	1,526	81,415	58,320	1,008	60.00	2.47
2022	1	82,957	61,492	1,404	72,703	53,892	931	60.00	2.47
2023	1	73,665	56,573	1,292	64,647	49,648	859	60.00	2.47
Sub-Total		2,133,381	908,393	20,740	1,823,045	779,035	13,467	60.00	2.47
Remainder		338,544	302,059	6,896	299,285	267,187	4,618	60.00	2.47
Total Future		2,471,925	1,210,452	27,636	2,122,330	1,046,222	18,085	60.00	2.47

Cumulative
Ultimate

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	2,129	310	421	0	2,860	107	23	2,730
2013	18,681	2,737	3,720	0	25,138	1,115	278	23,745
2014	17,194	2,553	3,469	0	23,216	1,051	264	21,901
2015	16,637	2,503	3,402	0	22,542	1,021	260	21,261
2016	15,976	2,437	3,312	0	21,725	991	259	20,475
2017	7,255	2,400	3,260	0	12,915	440	258	12,217
2018	6,726	2,291	3,114	0	12,131	400	243	11,488
2019	6,198	2,179	2,961	0	11,338	346	226	10,766
2020	5,461	1,982	2,693	0	10,136	289	200	9,647
2021	4,885	1,832	2,490	0	9,207	253	182	8,772
2022	4,362	1,693	2,301	0	8,356	220	167	7,969
2023	3,879	1,560	2,120	0	7,559	191	153	7,215
Sub-Total	109,383	24,477	33,263	0	167,123	6,424	2,513	158,186
Remainder	17,957	8,395	11,408	0	37,760	768	799	36,193
Total Future	127,340	32,872	44,671	0	204,883	7,192	3,312	194,379

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	267	0	14,610	624	15,501	-12,771	-14,672	-9,218
2013	2,038	0	389	5,480	7,907	15,838	1,166	10,641
2014	1,919	0	202	5,054	7,175	14,726	15,892	8,957
2015	1,908	0	131	4,900	6,939	14,322	30,214	7,885
2016	1,755	0	66	4,716	6,537	13,938	44,152	6,948
2017	1,180	0	66	2,533	3,779	8,438	52,590	3,808
2018	1,132	0	48	2,368	3,548	7,940	60,530	3,244
2019	1,131	0	35	2,203	3,369	7,397	67,927	2,736
2020	1,128	0	43	1,959	3,130	6,517	74,444	2,182
2021	1,113	0	37	1,771	2,921	5,851	80,295	1,774
2022	998	0	40	1,599	2,637	5,332	85,627	1,463
2023	968	0	40	1,438	2,446	4,769	90,396	1,184
Sub-Total	15,537	0	17,608	34,645	67,790	90,396		39,711
Remainder	5,328	0	1,508	7,012	13,848	22,345	112,741	3,972
Total Future	20,865	0	19,116	41,657	81,638	112,741		43,683

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 120

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_13 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	44,447
FINAL	1.000000	0.919660	0.919660	0.919660	60.00	31.42	2.47	12.00% -	37,416
REMARKS								15.00% -	29,079
								20.00% -	19,311
								25.00% -	12,881

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	74,999	20,849	476	70,832	19,691	340	60.00	2.47
2013	1	352,385	98,809	2,256	310,045	86,936	1,503	60.00	2.47
2014	1	340,832	96,833	2,211	285,384	81,080	1,402	60.00	2.47
2015	1	329,600	94,896	2,166	276,161	79,511	1,374	60.00	2.47
2016	1	318,680	92,999	2,124	265,234	77,402	1,338	60.00	2.47
2017	1	143,296	90,823	2,073	119,911	76,001	1,314	60.00	2.47
2018	1	129,797	84,758	1,935	110,294	72,022	1,245	60.00	2.47
2019	1	115,785	77,978	1,781	101,659	68,464	1,183	60.00	2.47
2020	1	103,184	71,739	1,637	89,581	62,282	1,077	60.00	2.47
2021	1	91,859	66,000	1,507	80,150	57,588	996	60.00	2.47
2022	1	81,684	60,720	1,387	71,588	53,215	919	60.00	2.47
2023	1	72,550	55,863	1,275	63,669	49,024	848	60.00	2.47
Sub-Total		2,154,651	912,267	20,828	1,844,508	783,216	13,539	60.00	2.47
Remainder		333,675	298,185	6,808	294,979	263,758	4,559	60.00	2.47
Total Future		2,488,326	1,210,452	27,636	2,139,487	1,046,974	18,098	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	4,250	619	841	0	5,710	213	46	5,451
2013	18,603	2,731	3,712	0	25,046	1,111	278	23,657
2014	17,123	2,548	3,462	0	23,133	1,046	263	21,824
2015	16,569	2,498	3,394	0	22,461	1,018	260	21,183
2016	15,914	2,432	3,305	0	21,651	986	258	20,407
2017	7,195	2,388	3,245	0	12,828	437	256	12,135
2018	6,618	2,263	3,075	0	11,956	394	241	11,321
2019	6,099	2,151	2,924	0	11,174	340	222	10,612
2020	5,375	1,957	2,659	0	9,991	284	198	9,509
2021	4,809	1,809	2,459	0	9,077	249	180	8,648
2022	4,295	1,672	2,272	0	8,239	217	165	7,857
2023	3,820	1,541	2,093	0	7,454	188	151	7,115
Sub-Total	110,670	24,609	33,441	0	168,720	6,483	2,518	159,719
Remainder	17,699	8,287	11,262	0	37,248	757	788	35,703
Total Future	128,369	32,896	44,703	0	205,968	7,240	3,306	195,422

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	541	0	14,610	1,245	16,396	-10,945	-12,846	-8,074
2013	2,031	0	388	5,459	7,878	15,779	2,933	10,603
2014	1,912	0	201	5,035	7,148	14,676	17,609	8,926
2015	1,901	0	131	4,882	6,914	14,269	31,878	7,857
2016	1,750	0	65	4,699	6,514	13,893	45,771	6,924
2017	1,172	0	66	2,514	3,752	8,383	54,154	3,783
2018	1,116	0	47	2,333	3,496	7,825	61,979	3,198
2019	1,115	0	34	2,170	3,319	7,293	69,272	2,698
2020	1,112	0	43	1,930	3,085	6,424	75,696	2,151
2021	1,098	0	37	1,745	2,880	5,768	81,464	1,748
2022	984	0	39	1,576	2,599	5,258	86,722	1,443
2023	955	0	40	1,417	2,412	4,703	91,425	1,168
Sub-Total	15,687	0	17,602	35,005	68,294	91,425		40,532
Remainder	5,256	0	1,510	6,916	13,682	22,021	113,446	3,915
Total Future	20,943	0	19,112	41,921	81,976	113,446		44,447

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 121

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE BS_AF_24 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	103,011
	1.000000	0.904827	0.904827	0.904827	60.00	31.42	2.47	12.00% -	91,800
								15.00% -	77,941
								20.00% -	60,536
								25.00% -	47,929

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	610,062	77,544	3,738	574,097	72,973	3,113	55.00	2.47
2011	1	615,923	168,225	3,841	579,833	158,368	2,738	60.00	2.47
2012	1	372,197	103,482	2,362	350,686	97,501	1,685	60.00	2.47
2013	1	575,017	162,791	3,717	495,072	140,158	2,423	60.00	2.47
2014	1	553,223	159,535	3,642	474,014	136,693	2,363	60.00	2.47
2015	1	231,002	151,524	3,460	201,384	132,096	2,283	60.00	2.47
2016	1	203,527	139,402	3,183	174,338	119,409	2,064	60.00	2.47
2017	1	178,969	128,250	2,928	154,404	110,647	1,913	60.00	2.47
2018	1	157,038	117,990	2,694	137,894	103,607	1,791	60.00	2.47
2019	1	137,470	108,551	2,478	123,940	97,867	1,692	60.00	2.47
2020	1	120,028	99,867	2,280	107,127	89,132	1,541	60.00	2.47
2021	1	104,496	91,877	2,098	93,680	82,367	1,423	60.00	2.47
2022	1	90,683	84,527	1,929	81,545	76,010	1,314	60.00	2.47
2023	1	78,410	77,765	1,776	70,609	70,028	1,211	60.00	2.47
Sub-Total		4,028,045	1,671,330	40,126	3,618,623	1,486,856	27,554	59.21	2.47
Remainder		301,533	388,687	8,874	272,291	351,028	6,068	60.00	2.47
Total Future		4,329,578	2,060,017	49,000	3,890,914	1,837,884	33,622	59.26	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	31,575	2,051	7,689	0	41,315	1,617	390	39,308
2011	34,790	4,976	6,762	0	46,528	1,809	477	44,242
2012	21,041	3,064	4,163	0	28,268	1,069	289	26,910
2013	29,705	4,403	5,985	0	40,093	1,550	426	38,117
2014	28,441	4,295	5,836	0	38,572	1,445	409	36,718
2015	12,083	4,151	5,640	0	21,874	575	391	20,908
2016	10,460	3,752	5,099	0	19,311	471	354	18,486
2017	9,264	3,476	4,724	0	17,464	384	328	16,752
2018	8,274	3,255	4,424	0	15,953	313	307	15,333
2019	7,436	3,075	4,178	0	14,689	269	291	14,129
2020	6,428	2,801	3,806	0	13,035	228	264	12,543
2021	5,621	2,588	3,517	0	11,726	195	244	11,287
2022	4,892	2,388	3,245	0	10,525	166	225	10,134
2023	4,237	2,200	2,990	0	9,427	139	208	9,080
Sub-Total	214,247	46,475	68,058	0	328,780	10,230	4,603	313,947
Remainder	16,337	11,030	14,988	0	42,355	499	1,041	40,815
Total Future	230,584	57,505	83,046	0	371,135	10,729	5,644	354,762

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %	
						Annual	Cumulative		
2009	0	0	14,610	0	14,610	-14,610	-14,610	-14,310	
2010	5,123	0	7,387	9,271	21,781	17,527	2,917	15,898	
2011	4,925	0	6,996	10,169	22,090	22,152	25,069	18,181	
2012	2,745	0	3,808	6,166	12,719	14,191	39,260	10,540	
2013	3,253	0	694	8,730	12,677	25,440	64,700	17,094	
2014	3,149	0	489	8,381	12,019	24,699	89,399	15,024	
2015	1,968	0	234	4,265	6,467	14,441	103,840	7,955	
2016	1,682	0	151	3,740	5,573	12,913	116,753	6,441	
2017	1,590	0	261	3,359	5,210	11,542	128,295	5,211	
2018	1,490	0	188	3,046	4,724	10,609	138,904	4,336	
2019	1,476	0	122	2,782	4,380	9,749	148,653	3,608	
2020	1,457	0	143	2,448	4,048	8,495	157,148	2,844	
2021	1,428	0	122	2,183	3,733	7,554	164,702	2,290	
2022	1,266	0	125	1,941	3,332	6,802	171,504	1,867	
2023	1,216	0	127	1,721	3,064	6,016	177,520	1,494	
Sub-Total	32,768	0	35,457	68,202	136,427	177,520		98,473	
Remainder	5,938	0	2,898	7,407	16,243	24,572	202,092	4,538	
Total Future	38,706	0	38,355	75,609	152,670	202,092		103,011	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 122

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_26 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.941046	0.941046	0.941046	50.00	24.80	2.47	10.00% -	99,209
FINAL	1.000000	0.956511	0.956511	0.956511	60.00	31.42	2.47	12.00% -	87,615
REMARKS								15.00% -	73,368
								20.00% -	55,659
								25.00% -	43,019

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	346,277	78,200	2,115	325,863	73,590	1,582	55.00	2.47
2011	1	625,691	169,647	3,873	589,029	159,706	2,761	60.00	2.47
2012	1	378,149	104,357	2,383	356,294	98,326	1,699	60.00	2.47
2013	1	584,292	164,167	3,748	503,057	141,342	2,444	60.00	2.47
2014	1	562,225	160,883	3,673	481,728	137,850	2,383	60.00	2.47
2015	1	366,171	156,002	3,561	319,220	135,999	2,351	60.00	2.47
2016	1	214,603	144,331	3,296	183,826	123,631	2,137	60.00	2.47
2017	1	188,866	132,784	3,031	162,943	114,558	1,980	60.00	2.47
2018	1	165,874	122,161	2,789	145,653	107,270	1,854	60.00	2.47
2019	1	145,351	112,388	2,566	131,045	101,326	1,752	60.00	2.47
2020	1	127,052	103,397	2,361	113,396	92,284	1,595	60.00	2.47
2021	1	110,749	95,126	2,172	99,285	85,279	1,474	60.00	2.47
2022	1	96,241	87,515	1,998	86,544	78,697	1,361	60.00	2.47
2023	1	83,347	80,515	1,838	75,055	72,504	1,253	60.00	2.47
Sub-Total		3,994,888	1,711,473	39,404	3,572,938	1,522,362	26,626	59.54	2.47
Remainder		332,804	420,303	9,596	300,854	380,175	6,572	60.00	2.47
Total Future		4,327,692	2,131,776	49,000	3,873,792	1,902,537	33,198	59.58	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	17,922	2,069	3,908	0	23,899	918	239	22,742
2011	35,342	5,018	6,819	0	47,179	1,837	482	44,860
2012	21,378	3,089	4,198	0	28,665	1,086	291	27,288
2013	30,183	4,441	6,035	0	40,659	1,576	430	38,653
2014	28,904	4,331	5,885	0	39,120	1,468	412	37,240
2015	19,153	4,273	5,807	0	29,233	912	403	27,918
2016	11,030	3,885	5,279	0	20,194	496	366	19,332
2017	9,776	3,599	4,891	0	18,266	406	340	17,520
2018	8,739	3,371	4,580	0	16,690	330	318	16,042
2019	7,863	3,183	4,327	0	15,373	284	300	14,789
2020	6,804	2,900	3,940	0	13,644	242	274	13,128
2021	5,957	2,679	3,641	0	12,277	206	253	11,818
2022	5,193	2,473	3,360	0	11,026	176	233	10,617
2023	4,503	2,278	3,096	0	9,877	149	215	9,513
Sub-Total	212,747	47,589	65,766	0	326,102	10,086	4,556	311,460
Remainder	18,051	11,945	16,232	0	46,228	550	1,127	44,551
Total Future	230,798	59,534	81,998	0	372,330	10,636	5,683	356,011

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	2,585	0	22,098	5,568	30,251	-7,509	-7,509	-7,329	
2011	4,990	0	7,092	10,319	22,401	22,459	14,950	18,432	
2012	2,783	0	3,860	6,258	12,901	14,387	29,337	10,687	
2013	3,297	0	704	8,860	12,861	25,792	55,129	17,332	
2014	3,191	0	497	8,508	12,196	25,044	80,173	15,234	
2015	2,520	0	244	6,063	8,827	19,091	99,264	10,580	
2016	1,755	0	157	3,922	5,834	13,498	112,762	6,730	
2017	1,659	0	273	3,523	5,455	12,065	124,827	5,448	
2018	1,557	0	197	3,197	4,951	11,091	135,918	4,533	
2019	1,541	0	128	2,921	4,590	10,199	146,117	3,773	
2020	1,523	0	149	2,572	4,244	8,884	155,001	2,976	
2021	1,492	0	128	2,294	3,914	7,904	162,905	2,396	
2022	1,324	0	130	2,042	3,496	7,121	170,026	1,954	
2023	1,271	0	134	1,810	3,215	6,298	176,324	1,564	
Sub-Total	31,488	0	35,791	67,857	135,136	176,324		94,310	
Remainder	6,509	0	2,955	8,111	17,575	26,976	203,300	4,899	
Total Future	37,997	0	38,746	75,968	152,711	203,300		99,209	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 123

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE #20_BS_AF (BISKI/AFONINSKI)

GAS LEASE
PROVED
BEHIND PIPE

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.941406	0.941406	0.941406	50.00	24.80	2.47	10.00% -	94,352
FINAL	1.000000	0.955313	0.955313	0.955313	60.00	31.42	2.47	12.00% -	81,792
REMARKS								15.00% -	66,651
								20.00% -	48,385
								25.00% -	35,839

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	347,924	92,981	2,123	327,538	87,533	1,513	60.00	2.47
2012	1	424,655	114,974	2,625	400,111	108,329	1,873	60.00	2.47
2013	1	656,368	180,869	4,129	565,113	155,722	2,692	60.00	2.47
2014	1	631,797	177,251	4,047	541,339	151,874	2,625	60.00	2.47
2015	1	281,551	173,707	3,966	245,451	151,434	2,618	60.00	2.47
2016	1	262,902	168,911	3,856	225,197	144,686	2,501	60.00	2.47
2017	1	233,740	156,656	3,577	201,658	135,154	2,336	60.00	2.47
2018	1	205,736	144,124	3,291	180,656	126,555	2,188	60.00	2.47
2019	1	180,716	132,595	3,027	162,929	119,544	2,066	60.00	2.47
2020	1	158,383	121,986	2,785	141,360	108,875	1,882	60.00	2.47
2021	1	138,466	112,228	2,562	124,133	100,611	1,739	60.00	2.47
2022	1	120,723	103,249	2,357	108,559	92,845	1,605	60.00	2.47
2023	1	104,932	94,990	2,169	94,492	85,539	1,479	60.00	2.47
Sub-Total		3,747,893	1,774,521	40,514	3,318,536	1,568,701	27,117	60.00	2.47
Remainder		456,076	546,879	12,486	413,825	497,301	8,597	60.00	2.47
Total Future		4,203,969	2,321,400	53,000	3,732,361	2,066,002	35,714	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	19,652	2,750	3,737	0	26,139	1,022	264	24,853
2012	24,007	3,404	4,626	0	32,037	1,219	321	30,497
2013	33,907	4,893	6,649	0	45,449	1,770	473	43,206
2014	32,480	4,772	6,484	0	43,736	1,650	454	41,632
2015	14,727	4,758	6,466	0	25,951	701	449	24,801
2016	13,512	4,546	6,178	0	24,236	608	429	23,199
2017	12,099	4,246	5,770	0	22,115	503	401	21,211
2018	10,840	3,977	5,404	0	20,221	409	375	19,437
2019	9,776	3,756	5,104	0	18,636	353	354	17,929
2020	8,481	3,421	4,649	0	16,551	301	323	15,927
2021	7,448	3,161	4,296	0	14,905	259	298	14,348
2022	6,514	2,917	3,964	0	13,395	221	276	12,898
2023	5,669	2,688	3,652	0	12,009	186	253	11,570
Sub-Total	199,112	49,289	66,979	0	315,380	9,202	4,670	301,508
Remainder	24,830	15,625	21,233	0	61,688	756	1,475	59,457
Total Future	223,942	64,914	88,212	0	377,068	9,958	6,145	360,965

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	2,362	0	22,531	5,726	30,619	-5,766	-5,766	-5,178	
2012	3,105	0	4,312	7,008	14,425	16,072	10,306	11,937	
2013	3,679	0	786	9,923	14,388	28,818	39,124	19,363	
2014	3,562	0	555	9,532	13,649	27,983	67,107	17,022	
2015	2,321	0	277	5,108	7,706	17,095	84,202	9,414	
2016	2,098	0	190	4,740	7,028	16,171	100,373	8,062	
2017	1,999	0	330	4,298	6,627	14,584	114,957	6,586	
2018	1,876	0	238	3,903	6,017	13,420	128,377	5,484	
2019	1,860	0	155	3,571	5,586	12,343	140,720	4,566	
2020	1,838	0	181	3,147	5,166	10,761	151,481	3,604	
2021	1,804	0	154	2,811	4,769	9,579	161,060	2,904	
2022	1,600	0	159	2,505	4,264	8,634	169,694	2,369	
2023	1,538	0	162	2,225	3,925	7,645	177,339	1,899	
Sub-Total	29,642	0	30,030	64,497	124,169	177,339		88,032	
Remainder	8,827	0	3,581	10,912	23,320	36,137	213,476	6,320	
Total Future	38,469	0	33,611	75,409	147,489	213,476		94,352	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 124

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE BS_AF_25 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.955033			50.00	24.80	2.47	10.00% -	112,388
	1.000000	0.904827	0.904827	0.904827	60.00	31.42	2.47	12.00% -	100,259
								15.00% -	85,271
								20.00% -	66,455
								25.00% -	52,830

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	658,221	83,661	4,033	619,416	78,729	3,359	55.00	2.47
2011	1	664,618	181,496	4,144	625,676	170,861	2,953	60.00	2.47
2012	1	401,670	111,644	2,549	378,454	105,192	1,819	60.00	2.47
2013	1	620,623	175,633	4,010	534,338	151,214	2,614	60.00	2.47
2014	1	597,173	172,120	3,929	511,673	147,477	2,549	60.00	2.47
2015	1	249,585	163,476	3,733	217,583	142,515	2,463	60.00	2.47
2016	1	219,974	150,399	3,433	188,426	128,829	2,227	60.00	2.47
2017	1	193,503	138,367	3,159	166,943	119,375	2,064	60.00	2.47
2018	1	169,859	127,297	2,907	149,153	111,779	1,932	60.00	2.47
2019	1	148,760	117,114	2,674	134,118	105,587	1,825	60.00	2.47
2020	1	129,950	107,744	2,459	115,983	96,164	1,663	60.00	2.47
2021	1	113,197	99,125	2,264	101,480	88,865	1,536	60.00	2.47
2022	1	98,294	91,195	2,082	88,389	82,005	1,417	60.00	2.47
2023	1	85,049	83,899	1,915	76,588	75,553	1,306	60.00	2.47
Sub-Total		4,350,476	1,803,170	43,291	3,908,220	1,604,145	29,727	59.21	2.47
Remainder		331,373	425,249	9,709	299,244	384,057	6,639	60.00	2.47
Total Future		4,681,849	2,228,419	53,000	4,207,464	1,988,202	36,366	59.26	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	34,068	2,213	8,296	0	44,577	1,744	420	42,413
2011	37,540	5,369	7,295	0	50,204	1,952	516	47,736
2012	22,708	3,305	4,492	0	30,505	1,154	312	29,039
2013	32,060	4,751	6,456	0	43,267	1,673	459	41,135
2014	30,700	4,634	6,297	0	41,631	1,560	441	39,630
2015	13,055	4,477	6,085	0	23,617	621	422	22,574
2016	11,306	4,048	5,500	0	20,854	509	382	19,963
2017	10,016	3,751	5,097	0	18,864	416	354	18,094
2018	8,950	3,512	4,773	0	17,235	338	331	16,566
2019	8,047	3,318	4,508	0	15,873	291	313	15,269
2020	6,959	3,021	4,106	0	14,086	247	286	13,553
2021	6,089	2,792	3,794	0	12,675	211	263	12,201
2022	5,303	2,577	3,502	0	11,382	180	243	10,959
2023	4,595	2,374	3,226	0	10,195	151	224	9,820
Sub-Total	231,396	50,142	73,427	0	354,965	11,047	4,966	338,952
Remainder	17,955	12,067	16,398	0	46,420	548	1,139	44,733
Total Future	249,351	62,209	89,825	0	401,385	11,595	6,105	383,685

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	14,610	0	14,610	-14,610	-14,610	-14,310
2010	5,528	0	7,970	10,003	23,501	18,912	4,302	17,152
2011	5,313	0	7,549	10,972	23,834	23,902	28,204	19,618
2012	2,963	0	4,109	6,655	13,727	15,312	43,516	11,374
2013	3,510	0	749	9,421	13,680	27,455	70,971	18,448
2014	3,398	0	528	9,047	12,973	26,657	97,628	16,214
2015	2,125	0	252	4,606	6,983	15,591	113,219	8,590
2016	1,817	0	163	4,040	6,020	13,943	127,162	6,955
2017	1,716	0	282	3,629	5,627	12,467	139,629	5,628
2018	1,610	0	203	3,292	5,105	11,461	151,090	4,684
2019	1,594	0	133	3,008	4,735	10,534	161,624	3,898
2020	1,574	0	154	2,647	4,375	9,178	170,802	3,073
2021	1,544	0	131	2,361	4,036	8,165	178,967	2,475
2022	1,368	0	135	2,100	3,603	7,356	186,323	2,019
2023	1,314	0	138	1,863	3,315	6,505	192,828	1,616
Sub-Total	35,374	0	37,106	73,644	146,124	192,828		107,434
Remainder	6,518	0	3,129	8,123	17,770	26,963	219,791	4,954
Total Future	41,892	0	40,235	81,767	163,894	219,791		112,388

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 125

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE #27_BS_AF (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000				50.00	24.80	2.47	10.00%	-26,817
	1.000000	0.886635	0.886635	0.886635	60.00	31.42	2.47	12.00%	-32,854
								15.00%	-40,023
								20.00%	-48,264
								25.00%	-53,334

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010	1	1,136,656	75,140	3,690	1,085,471	71,757	3,126	55.00	2.47
2011	1	971,239	154,666	3,531	922,658	146,929	2,539	60.00	2.47
2012	1	512,067	90,057	2,056	483,621	85,054	1,471	60.00	2.47
2013	1	688,657	134,006	3,059	605,912	117,905	2,038	60.00	2.47
2014	1	556,845	123,267	2,815	466,254	103,213	1,784	60.00	2.47
2015	1	230,930	111,993	2,557	193,489	93,835	1,622	60.00	2.47
2016	1	151,548	100,264	2,289	126,132	83,449	1,443	60.00	2.47
2017	1	131,753	89,833	2,051	110,252	75,173	1,299	60.00	2.47
2018	1	114,525	80,549	1,839	97,316	68,446	1,183	60.00	2.47
2019	1	99,528	72,281	1,650	87,385	63,462	1,097	60.00	2.47
2020	1	86,470	64,910	1,482	75,070	56,353	974	60.00	2.47
2021	1	75,095	58,337	1,332	65,524	50,901	880	60.00	2.47
2022	1	65,189	52,467	1,198	57,131	45,982	795	60.00	2.47
2023	1	56,556	47,224	1,078	49,633	41,444	717	60.00	2.47
Sub-Total		4,877,058	1,254,994	30,627	4,425,848	1,103,903	20,968	58.77	2.47
Remainder		175,933	163,073	3,723	155,026	143,713	2,484	60.00	2.47
Total Future		5,052,991	1,418,067	34,350	4,580,874	1,247,616	23,452	58.82	2.47

Cumulative
Ultimate

0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
5,052,991 1,418,067 34,350 INITIAL SHRINKAGE FACTOR = 0.00 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	59,701	2,017	7,720	0	69,438	2,054	389	66,995
2011	55,359	4,617	6,274	0	66,250	2,247	436	63,567
2012	29,018	2,672	3,631	0	35,321	1,457	198	33,666
2013	36,354	3,705	5,034	0	45,093	2,170	377	42,546
2014	27,976	3,243	4,407	0	35,626	1,710	335	33,581
2015	11,609	2,948	4,007	0	18,564	712	306	17,546
2016	7,568	2,622	3,563	0	13,753	470	279	13,004
2017	6,615	2,362	3,209	0	12,186	401	253	11,532
2018	5,839	2,150	2,923	0	10,912	348	229	10,335
2019	5,243	1,994	2,710	0	9,947	292	206	9,449
2020	4,504	1,771	2,406	0	8,681	238	179	8,264
2021	3,932	1,599	2,173	0	7,704	204	159	7,341
2022	3,428	1,445	1,963	0	6,836	173	143	6,520
2023	2,978	1,302	1,770	0	6,050	146	127	5,777
Sub-Total	260,124	34,447	51,790	0	346,361	12,622	3,616	330,123
Remainder	9,301	4,516	6,136	0	19,953	419	432	19,102
Total Future	269,425	38,963	57,926	0	366,314	13,041	4,048	349,225

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	16,511	0	16,511	-16,511	-16,511	-16,443
2010	12,012	0	127,007	16,899	155,918	-88,923	-105,434	-79,948
2011	8,447	0	40,039	15,182	63,668	-101	-105,535	110
2012	3,886	0	9,591	8,034	21,511	12,155	-93,380	9,063
2013	3,555	0	686	10,174	14,415	28,131	-65,249	18,928
2014	2,883	0	305	7,947	11,135	22,446	-42,803	13,669
2015	1,650	0	111	3,783	5,544	12,002	-30,801	6,627
2016	1,208	0	43	2,678	3,929	9,075	-21,726	4,527
2017	1,121	0	61	2,362	3,544	7,988	-13,738	3,607
2018	1,026	0	44	2,105	3,175	7,160	-6,578	2,927
2019	999	0	30	1,909	2,938	6,511	-67	2,408
2020	973	0	37	1,658	2,668	5,596	5,529	1,874
2021	938	0	32	1,463	2,433	4,908	10,437	1,489
2022	822	0	32	1,291	2,145	4,375	14,812	1,200
2023	780	0	33	1,135	1,948	3,829	18,641	951
Sub-Total	40,300	0	194,562	76,620	311,482	18,641		-29,011
Remainder	2,780	0	2,151	3,683	8,614	10,488	29,129	2,194
Total Future	43,080	0	196,713	80,303	320,096	29,129		-26,817

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 126

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE AF_15 (AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	35,674
	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	29,259
								15.00% -	21,609
								20.00% -	12,589
								25.00% -	6,637

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	236,017	68,357	1,561	224,211	64,938	1,123	60.00	2.47
2012	1	215,936	63,287	1,445	203,941	59,771	1,033	60.00	2.47
2013	1	334,836	99,560	2,273	294,603	87,597	1,514	60.00	2.47
2014	1	323,372	97,568	2,227	270,765	81,695	1,412	60.00	2.47
2015	1	312,234	95,616	2,183	261,610	80,114	1,385	60.00	2.47
2016	1	296,505	92,173	2,105	246,779	76,715	1,326	60.00	2.47
2017	1	158,435	84,147	1,921	132,580	70,415	1,217	60.00	2.47
2018	1	105,918	76,489	1,746	90,002	64,995	1,124	60.00	2.47
2019	1	92,883	69,529	1,588	81,551	61,046	1,055	60.00	2.47
2020	1	81,342	63,202	1,442	70,619	54,870	949	60.00	2.47
2021	1	71,134	57,450	1,312	62,067	50,128	866	60.00	2.47
2022	1	62,109	52,222	1,192	54,432	45,767	791	60.00	2.47
2023	1	54,138	47,470	1,084	47,512	41,660	720	60.00	2.47
Sub-Total		2,344,859	967,070	22,079	2,040,672	839,711	14,515	60.00	2.47
Remainder		253,285	273,263	6,239	224,369	242,378	4,190	60.00	2.47
Total Future		2,598,144	1,240,333	28,318	2,265,041	1,082,089	18,705	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	13,453	2,040	2,773	0	18,266	546	193	17,527
2012	12,236	1,878	2,552	0	16,666	614	139	15,913
2013	17,676	2,753	3,740	0	24,169	1,056	279	22,834
2014	16,246	2,567	3,488	0	22,301	992	266	21,043
2015	15,697	2,517	3,421	0	21,635	964	262	20,409
2016	14,807	2,410	3,275	0	20,492	918	255	19,319
2017	7,954	2,213	3,007	0	13,174	483	238	12,453
2018	5,400	2,042	2,775	0	10,217	321	217	9,679
2019	4,894	1,918	2,606	0	9,418	273	198	8,947
2020	4,237	1,724	2,343	0	8,304	224	174	7,906
2021	3,724	1,575	2,140	0	7,439	193	157	7,089
2022	3,266	1,438	1,955	0	6,659	165	142	6,352
2023	2,850	1,309	1,778	0	5,937	140	128	5,669
Sub-Total	122,440	26,384	35,853	0	184,677	6,889	2,648	175,140
Remainder	13,462	7,615	10,349	0	31,426	566	724	30,136
Total Future	135,902	33,999	46,202	0	216,103	7,455	3,372	205,276

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	2,484	0	31,610	3,967	38,061	-20,534	-22,435	-17,174	
2012	1,891	0	4,610	3,616	10,117	5,796	-16,639	4,317	
2013	1,970	0	375	5,234	7,579	15,255	-1,384	10,250	
2014	1,854	0	194	4,822	6,870	14,173	12,789	8,620	
2015	1,841	0	126	4,670	6,637	13,772	26,561	7,583	
2016	1,665	0	63	4,417	6,145	13,174	39,735	6,569	
2017	1,178	0	57	2,650	3,885	8,568	48,303	3,887	
2018	964	0	40	1,963	2,967	6,712	55,015	2,744	
2019	949	0	29	1,799	2,777	6,170	61,185	2,282	
2020	934	0	36	1,577	2,547	5,359	66,544	1,795	
2021	909	0	30	1,404	2,343	4,746	71,290	1,439	
2022	803	0	32	1,248	2,083	4,269	75,559	1,171	
2023	769	0	32	1,106	1,907	3,762	79,321	935	
Sub-Total	18,211	0	39,135	38,473	95,819	79,321		32,525	
Remainder	4,695	0	1,564	5,657	11,916	18,220	97,541	3,149	
Total Future	22,906	0	40,699	44,130	107,735	97,541		35,674	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 127

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE AF_16 (AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	46,908
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	39,876
REMARKS								15.00% -	31,428
								20.00% -	21,326
								25.00% -	14,504

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	89,140	25,742	588	84,681	24,454	423	60.00	2.47
2012	1	219,061	63,822	1,457	206,892	60,277	1,042	60.00	2.47
2013	1	339,710	100,401	2,292	298,892	88,337	1,527	60.00	2.47
2014	1	328,109	98,393	2,247	274,730	82,386	1,424	60.00	2.47
2015	1	316,835	96,425	2,201	265,467	80,791	1,396	60.00	2.47
2016	1	305,179	94,277	2,152	253,997	78,467	1,357	60.00	2.47
2017	1	230,154	87,559	2,000	192,596	73,270	1,266	60.00	2.47
2018	1	111,834	79,592	1,817	95,028	67,632	1,170	60.00	2.47
2019	1	98,122	72,348	1,651	86,151	63,521	1,098	60.00	2.47
2020	1	85,980	65,765	1,502	74,645	57,095	987	60.00	2.47
2021	1	75,235	59,781	1,365	65,646	52,161	901	60.00	2.47
2022	1	65,735	54,340	1,240	57,610	47,624	823	60.00	2.47
2023	1	57,339	49,395	1,128	50,320	43,349	750	60.00	2.47
Sub-Total		2,322,433	947,840	21,640	2,006,655	819,364	14,164	60.00	2.47
Remainder		269,345	284,344	6,492	238,603	252,207	4,360	60.00	2.47
Total Future		2,591,778	1,232,184	28,132	2,245,258	1,071,571	18,524	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	5,081	768	1,044	0	6,893	206	72	6,615
2012	12,413	1,894	2,574	0	16,881	623	141	16,117
2013	17,934	2,776	3,772	0	24,482	1,071	282	23,129
2014	16,484	2,588	3,517	0	22,589	1,007	267	21,315
2015	15,928	2,539	3,450	0	21,917	978	264	20,675
2016	15,240	2,465	3,350	0	21,055	945	262	19,848
2017	11,555	2,302	3,128	0	16,985	702	247	16,036
2018	5,702	2,125	2,888	0	10,715	339	226	10,150
2019	5,169	1,996	2,712	0	9,877	288	207	9,382
2020	4,479	1,794	2,438	0	8,711	237	181	8,293
2021	3,939	1,639	2,227	0	7,805	204	163	7,438
2022	3,456	1,496	2,034	0	6,986	174	148	6,664
2023	3,019	1,362	1,851	0	6,232	149	133	5,950
Sub-Total	120,399	25,744	34,985	0	181,128	6,923	2,593	171,612
Remainder	14,316	7,925	10,768	0	33,009	601	753	31,655
Total Future	134,715	33,669	45,753	0	214,137	7,524	3,346	203,267

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	689	0	14,610	1,498	16,797	-10,182	-12,083	-8,231
2012	1,913	0	4,669	3,664	10,246	5,871	-6,212	4,372
2013	1,995	0	380	5,305	7,680	15,449	9,237	10,380
2014	1,877	0	196	4,888	6,961	14,354	23,591	8,731
2015	1,864	0	128	4,735	6,727	13,948	37,539	7,679
2016	1,710	0	64	4,541	6,315	13,533	51,072	6,746
2017	1,467	0	96	3,574	5,137	10,899	61,971	4,944
2018	1,010	0	43	2,063	3,116	7,034	69,005	2,875
2019	993	0	30	1,891	2,914	6,468	75,473	2,393
2020	978	0	37	1,658	2,673	5,620	81,093	1,882
2021	952	0	32	1,477	2,461	4,977	86,070	1,509
2022	842	0	33	1,314	2,189	4,475	90,545	1,228
2023	806	0	34	1,164	2,004	3,946	94,491	980
Sub-Total	17,096	0	22,253	37,772	77,121	94,491		43,595
Remainder	4,924	0	1,574	5,963	12,461	19,194	113,685	3,313
Total Future	22,020	0	23,827	43,735	89,582	113,685		46,908

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 128

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_17 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	104,573
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	89,026
REMARKS								15.00% -	70,557
								20.00% -	48,817
								25.00% -	34,375

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	1	734,820	212,918	4,861	646,527	187,334	3,238	60.00	2.47
2014	1	712,689	208,659	4,764	596,745	174,714	3,020	60.00	2.47
2015	1	691,149	204,486	4,669	579,092	171,332	2,962	60.00	2.47
2016	1	670,186	200,396	4,575	557,790	166,788	2,883	60.00	2.47
2017	1	366,405	196,388	4,484	306,611	164,340	2,841	60.00	2.47
2018	1	285,330	185,425	4,233	242,455	157,562	2,724	60.00	2.47
2019	1	253,359	168,551	3,848	222,448	147,987	2,558	60.00	2.47
2020	1	224,845	153,213	3,498	195,203	133,014	2,299	60.00	2.47
2021	1	199,421	139,271	3,180	174,003	121,520	2,101	60.00	2.47
2022	1	176,764	126,597	2,890	154,916	110,949	1,918	60.00	2.47
2023	1	156,578	115,077	2,628	137,411	100,991	1,746	60.00	2.47
Sub-Total		4,471,546	1,910,981	43,630	3,813,201	1,636,531	28,290	60.00	2.47
Remainder		798,157	662,440	15,124	707,439	587,570	10,156	60.00	2.47
Total Future		5,269,703	2,573,421	58,754	4,520,640	2,224,101	38,446	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	38,792	5,886	7,999	0	52,677	2,316	598	49,763
2014	35,804	5,490	7,459	0	48,753	2,188	568	45,997
2015	34,746	5,383	7,316	0	47,445	2,133	560	44,752
2016	33,467	5,240	7,121	0	45,828	2,075	556	43,197
2017	18,397	5,164	7,017	0	30,578	1,117	554	28,907
2018	14,547	4,950	6,727	0	26,224	865	527	24,832
2019	13,347	4,650	6,319	0	24,316	745	480	23,091
2020	11,712	4,180	5,679	0	21,571	619	422	20,530
2021	10,440	3,818	5,189	0	19,447	540	380	18,527
2022	9,295	3,486	4,737	0	17,518	470	345	16,703
2023	8,245	3,173	4,312	0	15,730	405	310	15,015
Sub-Total	228,792	51,420	69,875	0	350,087	13,473	5,300	331,314
Remainder	42,446	18,461	25,088	0	85,995	1,771	1,755	82,469
Total Future	271,238	69,881	94,963	0	436,082	15,244	7,055	413,783

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	0	0	14,610	0	14,610	-14,610	-16,511	-10,354
2013	4,284	0	816	11,441	16,541	33,222	16,711	22,322
2014	4,042	0	424	10,577	15,043	30,954	47,665	18,828
2015	4,025	0	277	10,281	14,583	30,169	77,834	16,610
2016	3,712	0	139	9,919	13,770	29,427	107,261	14,667
2017	2,740	0	140	6,144	9,024	19,883	127,144	9,003
2018	2,448	0	104	5,120	7,672	17,160	144,304	7,014
2019	2,423	0	75	4,731	7,229	15,862	160,166	5,867
2020	2,397	0	91	4,181	6,669	13,861	174,027	4,642
2021	2,347	0	80	3,756	6,183	12,344	186,371	3,742
2022	2,085	0	83	3,369	5,537	11,166	197,537	3,064
2023	2,007	0	84	3,014	5,105	9,910	207,447	2,462
Sub-Total	32,510	0	18,824	72,533	123,867	207,447		95,974
Remainder	12,634	0	3,313	16,157	32,104	50,365	257,812	8,599
Total Future	45,144	0	22,137	88,690	155,971	257,812		104,573

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 129

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_18 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	100,599
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	85,937
REMARKS								15.00% -	68,442
								20.00% -	47,688
								25.00% -	33,752

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	385,201	111,490	2,545	363,803	105,296	1,820	60.00	2.47
2013	1	721,486	210,687	4,811	634,795	185,373	3,205	60.00	2.47
2014	1	700,153	206,474	4,714	586,249	172,884	2,988	60.00	2.47
2015	1	679,385	202,345	4,619	569,235	169,538	2,931	60.00	2.47
2016	1	373,033	198,297	4,528	310,472	165,041	2,853	60.00	2.47
2017	1	294,761	189,384	4,324	246,659	158,478	2,739	60.00	2.47
2018	1	262,469	172,336	3,934	223,029	146,440	2,532	60.00	2.47
2019	1	233,348	156,654	3,577	204,878	137,541	2,377	60.00	2.47
2020	1	207,352	142,399	3,251	180,017	123,626	2,137	60.00	2.47
2021	1	184,156	129,440	2,955	160,683	112,942	1,953	60.00	2.47
2022	1	163,464	117,661	2,686	143,260	103,118	1,782	60.00	2.47
2023	1	145,013	106,954	2,442	127,262	93,862	1,623	60.00	2.47
Sub-Total		4,349,821	1,944,121	44,386	3,750,342	1,674,139	28,940	60.00	2.47
Remainder		744,786	615,681	14,057	660,164	546,096	9,440	60.00	2.47
Total Future		5,094,607	2,559,802	58,443	4,410,506	2,220,235	38,380	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	21,828	3,308	4,496	0	29,632	1,096	245	28,291
2013	38,088	5,825	7,915	0	51,828	2,274	592	48,962
2014	35,175	5,432	7,381	0	47,988	2,149	561	45,278
2015	34,154	5,327	7,239	0	46,720	2,097	555	44,068
2016	18,628	5,185	7,047	0	30,860	1,155	550	29,155
2017	14,800	4,980	6,767	0	26,547	898	534	25,115
2018	13,382	4,601	6,252	0	24,235	796	490	22,949
2019	12,292	4,321	5,873	0	22,486	686	447	21,353
2020	10,801	3,885	5,278	0	19,964	572	392	19,000
2021	9,641	3,548	4,822	0	18,011	498	353	17,160
2022	8,596	3,240	4,403	0	16,239	434	320	15,485
2023	7,636	2,949	4,008	0	14,593	376	289	13,928
Sub-Total	225,021	52,601	71,481	0	349,103	13,031	5,328	330,744
Remainder	39,609	17,159	23,317	0	80,085	1,651	1,631	76,803
Total Future	264,630	69,760	94,798	0	429,188	14,682	6,959	407,547

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	14,610	0	14,610	-14,610	-16,511	-11,438
2012	3,364	0	9,851	6,437	19,652	8,639	-7,872	6,327
2013	4,218	0	802	11,246	16,266	32,696	24,824	21,967
2014	3,981	0	418	10,403	14,802	30,476	55,300	18,537
2015	3,966	0	272	10,117	14,355	29,713	85,013	16,359
2016	2,642	0	87	6,208	8,937	20,218	105,231	10,115
2017	2,427	0	135	5,192	7,754	17,361	122,592	7,836
2018	2,265	0	96	4,725	7,086	15,863	138,455	6,484
2019	2,242	0	69	4,368	6,679	14,674	153,129	5,428
2020	2,220	0	85	3,866	6,171	12,829	165,958	4,297
2021	2,175	0	74	3,474	5,723	11,437	177,395	3,467
2022	1,934	0	76	3,121	5,131	10,354	187,749	2,841
2023	1,862	0	78	2,794	4,734	9,194	196,943	2,283
Sub-Total	33,296	0	28,554	71,951	133,801	196,943		92,610
Remainder	11,765	0	3,217	15,056	30,038	46,765	243,708	7,989
Total Future	45,061	0	31,771	87,007	163,839	243,708		100,599

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 130

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_19 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
	COMPOUNDED	MONTHLY							
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00%	106,899
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00%	91,513
REMARKS								15.00%	73,147
								20.00%	51,348
								25.00%	36,700

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	193,483	55,892	1,276	182,735	52,787	912	60.00	2.47
2013	1	728,030	211,799	4,836	640,554	186,351	3,222	60.00	2.47
2014	1	706,302	207,564	4,739	591,397	173,796	3,004	60.00	2.47
2015	1	685,151	203,412	4,644	574,066	170,433	2,946	60.00	2.47
2016	1	578,778	199,344	4,551	481,712	165,912	2,868	60.00	2.47
2017	1	303,740	194,105	4,432	254,172	162,428	2,808	60.00	2.47
2018	1	273,580	178,761	4,081	232,470	151,899	2,626	60.00	2.47
2019	1	243,073	162,493	3,710	213,417	142,669	2,466	60.00	2.47
2020	1	215,853	147,707	3,372	187,397	128,235	2,217	60.00	2.47
2021	1	191,573	134,266	3,065	167,155	117,151	2,025	60.00	2.47
2022	1	169,926	122,047	2,787	148,923	106,963	1,849	60.00	2.47
2023	1	150,631	110,941	2,533	132,193	97,361	1,683	60.00	2.47
Sub-Total		4,440,120	1,928,331	44,026	3,806,191	1,655,985	28,626	60.00	2.47
Remainder		770,696	638,633	14,580	683,114	566,454	9,792	60.00	2.47
Total Future		5,210,816	2,566,964	58,606	4,489,305	2,222,439	38,418	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	10,964	1,659	2,254	0	14,877	550	123	14,204
2013	38,433	5,855	7,956	0	52,244	2,295	595	49,354
2014	35,484	5,460	7,421	0	48,365	2,168	564	45,633
2015	34,444	5,355	7,277	0	47,076	2,115	557	44,404
2016	28,903	5,213	7,084	0	41,200	1,792	554	38,854
2017	15,250	5,104	6,935	0	27,289	925	548	25,816
2018	13,948	4,773	6,486	0	25,207	830	507	23,870
2019	12,805	4,482	6,092	0	23,379	715	463	22,201
2020	11,244	4,029	5,475	0	20,748	595	407	19,746
2021	10,030	3,681	5,002	0	18,713	518	367	17,828
2022	8,935	3,361	4,567	0	16,863	451	332	16,080
2023	7,931	3,059	4,157	0	15,147	391	299	14,457
Sub-Total	228,371	52,031	70,706	0	351,108	13,345	5,316	332,447
Remainder	40,987	17,798	24,186	0	82,971	1,709	1,692	79,570
Total Future	269,358	69,829	94,892	0	434,079	15,054	7,008	412,017

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	1,425	0	14,610	3,232	19,267	-5,063	-6,964	-3,914
2013	4,251	0	809	11,342	16,402	32,952	25,988	22,141
2014	4,011	0	421	10,488	14,920	30,713	56,701	18,680
2015	3,995	0	275	10,198	14,468	29,936	86,637	16,483
2016	3,369	0	138	8,774	12,281	26,573	113,210	13,293
2017	2,494	0	139	5,342	7,975	17,841	131,051	8,051
2018	2,354	0	100	4,918	7,372	16,498	147,549	6,742
2019	2,331	0	72	4,545	6,948	15,253	162,802	5,643
2020	2,306	0	88	4,020	6,414	13,332	176,134	4,465
2021	2,259	0	77	3,611	5,947	11,881	188,015	3,601
2022	2,008	0	79	3,242	5,329	10,751	198,766	2,950
2023	1,933	0	81	2,901	4,915	9,542	208,308	2,371
Sub-Total	32,736	0	18,790	72,613	124,139	208,308		98,613
Remainder	12,189	0	3,274	15,593	31,056	48,514	256,822	8,286
Total Future	44,925	0	22,064	88,206	155,195	256,822		106,899

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 131

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE BS_AF_20 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	84,693
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	70,836
REMARKS								15.00% -	54,338
								20.00% -	34,883
								25.00% -	21,973

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	370,284	106,996	2,443	351,763	101,644	1,757	60.00	2.47
2012	1	454,595	132,304	3,020	429,342	124,955	2,160	60.00	2.47
2013	1	708,278	208,132	4,752	623,174	183,123	3,166	60.00	2.47
2014	1	687,382	203,969	4,657	575,556	170,786	2,952	60.00	2.47
2015	1	667,042	199,889	4,564	558,892	167,481	2,895	60.00	2.47
2016	1	447,058	194,085	4,431	372,083	161,536	2,792	60.00	2.47
2017	1	273,750	178,130	4,067	229,077	149,061	2,577	60.00	2.47
2018	1	243,498	161,921	3,697	206,908	137,589	2,378	60.00	2.47
2019	1	216,484	147,185	3,360	190,072	129,228	2,234	60.00	2.47
2020	1	192,370	133,792	3,055	167,009	116,154	2,008	60.00	2.47
2021	1	170,853	121,616	2,776	149,076	106,115	1,835	60.00	2.47
2022	1	151,658	110,550	2,524	132,913	96,885	1,674	60.00	2.47
2023	1	134,542	100,489	2,295	118,073	88,189	1,525	60.00	2.47
Sub-Total		4,717,794	1,999,058	45,641	4,103,938	1,732,746	29,953	60.00	2.47
Remainder		691,066	578,469	13,207	612,549	513,090	8,869	60.00	2.47
Total Future		5,408,860	2,577,527	58,848	4,716,487	2,245,836	38,822	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	21,106	3,194	4,340	0	28,640	857	301	27,482
2012	25,760	3,926	5,335	0	35,021	1,293	291	33,437
2013	37,391	5,753	7,819	0	50,963	2,232	585	48,146
2014	34,533	5,367	7,292	0	47,192	2,110	555	44,527
2015	33,534	5,262	7,151	0	45,947	2,059	547	43,341
2016	22,325	5,075	6,897	0	34,297	1,384	539	32,374
2017	13,744	4,684	6,365	0	24,793	835	502	23,456
2018	12,415	4,323	5,874	0	22,612	738	460	21,414
2019	11,404	4,060	5,518	0	20,982	637	420	19,925
2020	10,021	3,650	4,959	0	18,630	530	368	17,732
2021	8,944	3,334	4,531	0	16,809	462	332	16,015
2022	7,975	3,044	4,137	0	15,156	403	301	14,452
2023	7,084	2,771	3,765	0	13,620	348	271	13,001
Sub-Total	246,236	54,443	73,983	0	374,662	13,888	5,472	355,302
Remainder	36,753	16,121	21,908	0	74,782	1,533	1,533	71,716
Total Future	282,989	70,564	95,891	0	449,444	15,421	7,005	427,018

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	4,024	0	50,213	6,222	60,459	-32,977	-34,878	-27,516
2012	3,970	0	9,687	7,603	21,260	12,177	-22,701	9,067
2013	4,150	0	790	11,051	15,991	32,155	9,454	21,605
2014	3,917	0	410	10,223	14,550	29,977	39,431	18,232
2015	3,902	0	268	9,943	14,113	29,228	68,659	16,092
2016	2,864	0	85	7,095	10,044	22,330	90,989	11,196
2017	2,270	0	126	4,840	7,236	16,220	107,209	7,323
2018	2,115	0	89	4,400	6,604	14,810	122,019	6,052
2019	2,096	0	65	4,068	6,229	13,696	135,715	5,068
2020	2,073	0	79	3,600	5,752	11,980	147,695	4,011
2021	2,032	0	69	3,236	5,337	10,678	158,373	3,237
2022	1,807	0	71	2,908	4,786	9,666	168,039	2,652
2023	1,740	0	73	2,602	4,415	8,586	176,625	2,133
Sub-Total	36,960	0	63,926	77,791	178,677	176,625		77,259
Remainder	10,996	0	3,266	14,031	28,293	43,423	220,048	7,434
Total Future	47,956	0	67,192	91,822	206,970	220,048		84,693

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 132

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_21 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE	Oil/	Plant	Gas	Oil/Cond.	Plt. Prod.	Gas	FUTURE NET INCOME - \$M	
	INTEREST	Condensate	Products		\$/bbl.	\$/bbl.	\$/MCF	COMPOUNDED	MONTHLY
INITIAL	1.000000	0.949980	0.949980	0.949980	50.00	24.80	2.47	10.00% -	105,714
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	90,830
REMARKS								15.00% -	72,986
								20.00% -	51,657
								25.00% -	37,189

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011	1	62,097	17,908	409	58,991	17,012	294	60.00	2.47
2012	1	460,272	133,422	3,046	434,703	126,011	2,178	60.00	2.47
2013	1	717,149	209,891	4,792	630,981	184,671	3,193	60.00	2.47
2014	1	696,021	205,693	4,696	582,788	172,230	2,977	60.00	2.47
2015	1	675,451	201,579	4,603	565,939	168,897	2,919	60.00	2.47
2016	1	456,312	197,497	4,509	379,784	164,374	2,842	60.00	2.47
2017	1	287,400	185,354	4,231	240,499	155,106	2,681	60.00	2.47
2018	1	255,689	168,487	3,847	217,268	143,170	2,475	60.00	2.47
2019	1	227,369	153,155	3,497	199,628	134,469	2,324	60.00	2.47
2020	1	202,085	139,217	3,178	175,445	120,864	2,090	60.00	2.47
2021	1	179,521	126,549	2,890	156,639	110,419	1,908	60.00	2.47
2022	1	159,389	115,033	2,626	139,689	100,814	1,743	60.00	2.47
2023	1	141,436	104,565	2,387	124,123	91,766	1,586	60.00	2.47
Sub-Total		4,520,191	1,958,350	44,711	3,906,477	1,689,803	29,210	60.00	2.47
Remainder		727,367	601,928	13,743	644,729	533,897	9,230	60.00	2.47
Total Future		5,247,558	2,560,278	58,454	4,551,206	2,223,700	38,440	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	3,539	535	726	0	4,800	144	50	4,606
2012	26,083	3,959	5,381	0	35,423	1,309	294	33,820
2013	37,858	5,802	7,885	0	51,545	2,260	590	48,695
2014	34,968	5,412	7,353	0	47,733	2,137	559	45,037
2015	33,956	5,306	7,212	0	46,474	2,085	552	43,837
2016	22,787	5,165	7,018	0	34,970	1,412	548	33,010
2017	14,430	4,873	6,623	0	25,926	876	523	24,527
2018	13,036	4,499	6,113	0	23,648	776	479	22,393
2019	11,978	4,225	5,741	0	21,944	668	436	20,840
2020	10,527	3,797	5,161	0	19,485	557	384	18,544
2021	9,398	3,470	4,714	0	17,582	486	345	16,751
2022	8,381	3,167	4,305	0	15,853	423	313	15,117
2023	7,448	2,884	3,918	0	14,250	367	282	13,601
Sub-Total	234,389	53,094	72,150	0	359,633	13,500	5,355	340,778
Remainder	38,683	16,775	22,796	0	78,254	1,612	1,595	75,047
Total Future	273,072	69,869	94,946	0	437,887	15,112	6,950	415,825

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00	%
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893	
2010	0	0	0	0	0	0	-1,901	0	
2011	452	0	14,610	1,043	16,105	-11,499	-13,400	-9,194	
2012	4,014	0	9,797	7,693	21,504	12,316	-1,084	9,171	
2013	4,196	0	799	11,183	16,178	32,517	31,433	21,849	
2014	3,961	0	415	10,345	14,721	30,316	61,749	18,439	
2015	3,945	0	271	10,061	14,277	29,560	91,309	16,274	
2016	2,920	0	87	7,237	10,244	22,766	114,075	11,411	
2017	2,372	0	131	5,068	7,571	16,956	131,031	7,655	
2018	2,210	0	93	4,608	6,911	15,482	146,513	6,327	
2019	2,189	0	68	4,261	6,518	14,322	160,835	5,298	
2020	2,167	0	83	3,771	6,021	12,523	173,358	4,194	
2021	2,124	0	72	3,390	5,586	11,165	184,523	3,385	
2022	1,888	0	74	3,046	5,008	10,109	194,632	2,774	
2023	1,819	0	77	2,727	4,623	8,978	203,610	2,230	
Sub-Total	34,257	0	28,478	74,433	137,168	203,610		97,920	
Remainder	11,498	0	3,245	14,709	29,452	45,595	249,205	7,794	
Total Future	45,755	0	31,723	89,142	166,620	249,205		105,714	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 133

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_22 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	109,682
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	93,623
REMARKS								15.00% -	74,463
								20.00% -	51,767
								25.00% -	36,582

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	116,307	33,570	766	109,846	31,705	548	60.00	2.47
2013	1	730,716	212,246	4,846	642,917	186,744	3,228	60.00	2.47
2014	1	708,828	208,002	4,749	593,512	174,163	3,011	60.00	2.47
2015	1	687,522	203,841	4,654	576,053	170,792	2,952	60.00	2.47
2016	1	666,786	199,764	4,561	554,960	166,262	2,874	60.00	2.47
2017	1	561,652	195,316	4,459	469,995	163,442	2,826	60.00	2.47
2018	1	278,202	181,397	4,142	236,398	154,139	2,664	60.00	2.47
2019	1	247,119	164,890	3,764	216,969	144,773	2,503	60.00	2.47
2020	1	219,389	149,885	3,422	190,467	130,125	2,249	60.00	2.47
2021	1	194,660	136,246	3,111	169,848	118,880	2,055	60.00	2.47
2022	1	172,614	123,847	2,827	151,279	108,540	1,876	60.00	2.47
2023	1	152,970	112,577	2,571	134,245	98,797	1,708	60.00	2.47
Sub-Total		4,736,765	1,921,581	43,872	4,046,489	1,648,362	28,494	60.00	2.47
Remainder		781,490	648,051	14,795	692,676	574,807	9,936	60.00	2.47
Total Future		5,518,255	2,569,632	58,667	4,739,165	2,223,169	38,430	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	6,591	996	1,354	0	8,941	331	74	8,536
2013	38,575	5,868	7,973	0	52,416	2,303	596	49,517
2014	35,611	5,472	7,436	0	48,519	2,176	566	45,777
2015	34,563	5,366	7,293	0	47,222	2,122	558	44,542
2016	33,297	5,224	7,099	0	45,620	2,064	554	43,002
2017	28,200	5,135	6,978	0	40,313	1,712	552	38,049
2018	14,184	4,844	6,581	0	25,609	844	515	24,250
2019	13,018	4,548	6,182	0	23,748	726	470	22,552
2020	11,428	4,089	5,556	0	21,073	605	413	20,055
2021	10,191	3,735	5,076	0	19,002	527	372	18,103
2022	9,077	3,410	4,634	0	17,121	458	337	16,326
2023	8,054	3,105	4,218	0	15,377	396	303	14,678
Sub-Total	242,789	51,792	70,380	0	364,961	14,264	5,310	345,387
Remainder	41,561	18,060	24,543	0	84,164	1,734	1,717	80,713
Total Future	284,350	69,852	94,923	0	449,125	15,998	7,027	426,100

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative	@ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	838	0	14,610	1,943	17,391	-8,855	-10,756	-6,770
2013	4,264	0	812	11,381	16,457	33,060	22,304	22,213
2014	4,023	0	422	10,523	14,968	30,809	53,113	18,739
2015	4,007	0	275	10,231	14,513	30,029	83,142	16,533
2016	3,696	0	139	9,872	13,707	29,295	112,437	14,601
2017	3,455	0	221	8,576	12,252	25,797	138,234	11,684
2018	2,391	0	101	4,998	7,490	16,760	154,994	6,849
2019	2,367	0	73	4,618	7,058	15,494	170,488	5,732
2020	2,342	0	89	4,083	6,514	13,541	184,029	4,534
2021	2,294	0	78	3,668	6,040	12,063	196,092	3,657
2022	2,038	0	81	3,292	5,411	10,915	207,007	2,995
2023	1,963	0	82	2,945	4,990	9,688	216,695	2,406
Sub-Total	33,678	0	18,884	76,130	128,692	216,695		101,280
Remainder	12,364	0	3,365	15,815	31,544	49,169	265,864	8,402
Total Future	46,042	0	22,249	91,945	160,236	265,864		109,682

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 134

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_23 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944449	0.944449	0.944449	50.00	24.80	2.47	10.00% -	102,077
FINAL	1.000000	0.899882	0.899882	0.899882	60.00	31.42	2.47	12.00% -	87,175
REMARKS								15.00% -	69,397
								20.00% -	48,321
								25.00% -	34,187

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF (A)	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	1	346,995	100,393	2,292	327,719	94,816	1,639	60.00	2.47
2013	1	722,774	210,910	4,815	635,930	185,568	3,208	60.00	2.47
2014	1	701,364	206,691	4,719	587,262	173,066	2,991	60.00	2.47
2015	1	680,520	202,558	4,625	570,186	169,717	2,934	60.00	2.47
2016	1	517,614	198,507	4,532	430,805	165,215	2,856	60.00	2.47
2017	1	296,833	190,518	4,350	248,393	159,427	2,756	60.00	2.47
2018	1	264,642	173,602	3,963	224,875	147,516	2,550	60.00	2.47
2019	1	235,249	157,805	3,603	206,548	138,552	2,395	60.00	2.47
2020	1	209,015	143,445	3,275	181,459	124,534	2,153	60.00	2.47
2021	1	185,606	130,391	2,977	161,949	113,772	1,967	60.00	2.47
2022	1	164,727	118,525	2,706	144,367	103,875	1,795	60.00	2.47
2023	1	146,111	107,740	2,460	128,226	94,552	1,635	60.00	2.47
Sub-Total		4,471,450	1,941,085	44,317	3,847,719	1,670,610	28,879	60.00	2.47
Remainder		749,847	620,205	14,160	664,647	550,108	9,509	60.00	2.47
Total Future		5,221,297	2,561,290	58,477	4,512,366	2,220,718	38,388	60.00	2.47

Cumulative Ultimate 0 0 0 (A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	19,663	2,979	4,048	0	26,690	987	221	25,482
2013	38,156	5,831	7,924	0	51,911	2,278	592	49,041
2014	35,236	5,437	7,389	0	48,062	2,153	562	45,347
2015	34,211	5,333	7,246	0	46,790	2,100	555	44,135
2016	25,848	5,191	7,055	0	38,094	1,603	551	35,940
2017	14,904	5,009	6,807	0	26,720	905	538	25,277
2018	13,492	4,635	6,298	0	24,425	803	493	23,129
2019	12,393	4,353	5,916	0	22,662	691	450	21,521
2020	10,888	3,913	5,317	0	20,118	576	395	19,147
2021	9,717	3,575	4,858	0	18,150	502	355	17,293
2022	8,662	3,264	4,435	0	16,361	438	323	15,600
2023	7,693	2,971	4,037	0	14,701	378	291	14,032
Sub-Total	230,863	52,491	71,330	0	354,684	13,414	5,326	335,944
Remainder	39,879	17,284	23,488	0	80,651	1,663	1,643	77,345
Total Future	270,742	69,775	94,818	0	435,335	15,077	6,969	413,289

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	0	0	1,901	0	1,901	-1,901	-1,901	-1,893
2010	0	0	0	0	0	0	-1,901	0
2011	0	0	0	0	0	0	-1,901	0
2012	3,041	0	24,477	5,798	33,316	-7,834	-9,735	-6,252
2013	4,225	0	804	11,265	16,294	32,747	23,012	22,001
2014	3,987	0	418	10,420	14,825	30,522	53,534	18,565
2015	3,971	0	272	10,132	14,375	29,760	83,294	16,384
2016	3,144	0	138	8,008	11,290	24,650	107,944	12,350
2017	2,443	0	135	5,227	7,805	17,472	125,416	7,887
2018	2,282	0	97	4,763	7,142	15,987	141,403	6,534
2019	2,260	0	70	4,403	6,733	14,788	156,191	5,471
2020	2,237	0	85	3,895	6,217	12,930	169,121	4,330
2021	2,191	0	75	3,502	5,768	11,525	180,646	3,493
2022	1,949	0	77	3,145	5,171	10,429	191,075	2,862
2023	1,876	0	78	2,814	4,768	9,264	200,339	2,301
Sub-Total	33,606	0	28,627	73,372	135,605	200,339		94,033
Remainder	11,848	0	3,255	15,162	30,265	47,080	247,419	8,044
Total Future	45,454	0	31,882	88,534	165,870	247,419		102,077

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 135

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
PRODUCTION BONUS PAYMENT

OIL LEASE
PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000							10.00% -	-588
	1.000000							12.00% -	-529
								15.00% -	-452
								20.00% -	-347
								25.00% -	-267

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00	%
						Annual	Cumulative		
2009	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0
2014	1,000	0	0	0	1,000	-1,000	-1,000	-588	0
2015	0	0	0	0	0	0	-1,000	0	0
2016	0	0	0	0	0	0	-1,000	0	0
2017	0	0	0	0	0	0	-1,000	0	0
2018	0	0	0	0	0	0	-1,000	0	0
2019	0	0	0	0	0	0	-1,000	0	0
2020	0	0	0	0	0	0	-1,000	0	0
2021	0	0	0	0	0	0	-1,000	0	0
2022	0	0	0	0	0	0	-1,000	0	0
2023	0	0	0	0	0	0	-1,000	0	0
Sub-Total	1,000	0	0	0	1,000	-1,000		-588	
Remainder	0	0	0	0	0	0	-1,000	0	
Total Future	1,000	0	0	0	1,000	-1,000		-588	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 136

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
PRODUCTION BONUS PAYMENT

OIL LEASE
PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
	1.000000							10.00% -	-1,644
	1.000000							12.00% -	-1,399
								15.00% -	-1,108
								20.00% -	-769
								25.00% -	-546

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
						Annual	Cumulative	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,000	0	0	0	1,000	-1,000	-1,000	-628
2015	0	0	0	0	0	0	-1,000	0
2016	0	0	0	0	0	0	-1,000	0
2017	1,000	0	0	0	1,000	-1,000	-2,000	-451
2018	0	0	0	0	0	0	-2,000	0
2019	0	0	0	0	0	0	-2,000	0
2020	1,000	0	0	0	1,000	-1,000	-3,000	-340
2021	0	0	0	0	0	0	-3,000	0
2022	0	0	0	0	0	0	-3,000	0
2023	0	0	0	0	0	0	-3,000	0
Sub-Total	3,000	0	0	0	3,000	-3,000		-1,419
Remainder	1,000	0	0	0	1,000	-1,000	-4,000	-225
Total Future	4,000	0	0	0	4,000	-4,000		-1,644

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PETROLEUM CONSULTANTS

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ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 137

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
FACILITIES

FIXED COST EVALUATION

INITIAL FINAL REMARKS	EXPENSE INTEREST 1.000000 1.000000	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	-281,109
								12.00% -	-271,738
								15.00% -	-258,992
								20.00% -	-240,481
								25.00% -	-224,584

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	69,931	0	69,931	-69,931	-69,931	-69,642	
2010	0	0	91,594	0	91,594	-91,594	-161,525	-82,568	
2011	0	0	83,003	0	83,003	-83,003	-244,528	-67,732	
2012	0	0	58,535	0	58,535	-58,535	-303,063	-43,238	
2013	0	0	8,422	0	8,422	-8,422	-311,485	-5,631	
2014	0	0	5,153	0	5,153	-5,153	-316,638	-3,119	
2015	0	0	3,562	0	3,562	-3,562	-320,200	-1,952	
2016	0	0	2,095	0	2,095	-2,095	-322,295	-1,039	
2017	0	0	3,310	0	3,310	-3,310	-325,605	-1,486	
2018	0	0	2,263	0	2,263	-2,263	-327,868	-919	
2019	0	0	1,340	0	1,340	-1,340	-329,208	-494	
2020	0	0	1,509	0	1,509	-1,509	-330,717	-502	
2021	0	0	1,257	0	1,257	-1,257	-331,974	-379	
2022	0	0	1,257	0	1,257	-1,257	-333,231	-343	
2023	0	0	1,257	0	1,257	-1,257	-334,488	-310	
Sub-Total	0	0	334,488	0	334,488	-334,488		-279,354	
Remainder	0	0	11,313	0	11,313	-11,313	-345,801	-1,755	
Total Future	0	0	345,801	0	345,801	-345,801		-281,109	

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 138

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
EXPENSES

FIXED COST EVALUATION

INITIAL FINAL REMARKS	EXPENSE INTEREST 1.000000 1.000000	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	-447,022
								12.00% -	-391,171
								15.00% -	-326,519
								20.00% -	-252,175
								25.00% -	-202,962

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2009	17,079	0	0	0	17,079	-17,079	-17,079	-16,661
2010	43,686	0	0	0	43,686	-43,686	-60,765	-39,561
2011	54,680	0	0	0	54,680	-54,680	-115,445	-44,824
2012	55,452	0	0	0	55,452	-55,452	-170,897	-41,148
2013	58,925	0	0	0	58,925	-58,925	-229,822	-39,580
2014	59,022	0	0	0	59,022	-59,022	-288,844	-35,887
2015	60,026	0	0	0	60,026	-60,026	-348,870	-33,039
2016	56,087	0	0	0	56,087	-56,087	-404,957	-27,944
2017	56,683	0	0	0	56,683	-56,683	-461,640	-25,565
2018	54,056	0	0	0	54,056	-54,056	-515,696	-22,068
2019	49,513	0	0	0	49,513	-49,513	-565,209	-18,298
2020	49,097	0	0	0	49,097	-49,097	-614,306	-16,425
2021	48,899	0	0	0	48,899	-48,899	-663,205	-14,807
2022	42,028	0	0	0	42,028	-42,028	-705,233	-11,521
2023	41,287	0	0	0	41,287	-41,287	-746,520	-10,245
Sub-Total	746,520	0	0	0	746,520	-746,520		-397,573
Remainder	248,327	0	76,147	0	324,474	-324,474	-1,070,994	-49,449
Total Future	994,847	0	76,147	0	1,070,994	-1,070,994		-447,022

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2009

TABLE 139

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
FACILITIES

FIXED COST EVALUATION

INITIAL FINAL REMARKS	EXPENSE INTEREST 1.000000 1.000000 PROBABLE	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	-389,796
								12.00% -	-376,801
								15.00% -	-359,127
								20.00% -	-333,459
								25.00% -	-311,416

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER ROYALTY \$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2009	0	0	96,969	0	96,969	-96,969	-96,969	-96,567	
2010	0	0	127,007	0	127,007	-127,007	-223,976	-114,492	
2011	0	0	115,096	0	115,096	-115,096	-339,072	-93,921	
2012	0	0	81,165	0	81,165	-81,165	-420,237	-59,954	
2013	0	0	11,678	0	11,678	-11,678	-431,915	-7,809	
2014	0	0	7,147	0	7,147	-7,147	-439,062	-4,325	
2015	0	0	4,938	0	4,938	-4,938	-444,000	-2,706	
2016	0	0	2,905	0	2,905	-2,905	-446,905	-1,441	
2017	0	0	4,590	0	4,590	-4,590	-451,495	-2,060	
2018	0	0	3,138	0	3,138	-3,138	-454,633	-1,275	
2019	0	0	1,859	0	1,859	-1,859	-456,492	-684	
2020	0	0	2,091	0	2,091	-2,091	-458,583	-697	
2021	0	0	1,743	0	1,743	-1,743	-460,326	-525	
2022	0	0	1,743	0	1,743	-1,743	-462,069	-476	
2023	0	0	1,743	0	1,743	-1,743	-463,812	-430	
Sub-Total	0	0	463,812	0	463,812	-463,812		-387,362	
Remainder	0	0	15,687	0	15,687	-15,687	-479,499	-2,434	
Total Future	0	0	479,499	0	479,499	-479,499		-389,796	

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