

/KASE, May 23, 12/ - Zhaikmunai (Oral, Kazakhstan) provided Kazakhstan Stock Exchange (KASE) with the following communication today:

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Zhaikmunai L.P.
(the “Partnership”)

ZHAIKMUNAI - Q1 2012 RESULTS

Zhaikmunai LP (LSE: ZKM), the oil and gas exploration and production enterprise with assets in north-western Kazakhstan today communicates its financial results for the period from 1 January to 31 March 2012 in addition to providing an update on its operations.

HIGHLIGHTS FROM A RECORD FIRST QUARTER

- **Production:**
 - More than five-fold YoY increase to 3,053,210 boe total
 - Average Q1 2012 daily production of 33,552 boepd
 - Average April 2012 daily production of 37,237 boepd

- **Financial:**
 - Close to four-fold YoY increase in EBITDA to US\$110.9 million
 - Over four-fold YoY increase in Net Income to US\$ 48.4 million
 - Over three-fold YoY increase in Revenue to US\$163.4 million
 - Further strengthening of the Balance Sheet to US\$144.3 million in cash

- **Targets for Q2 and 2012:**
 - Connection of one further gas condensate well (Well #218) to continue bringing GTF to full design capacity in Q2
 - Connection of two crude oil wells (Wells #116 and #67) to bring crude oil production above 7,500 boepd in Q2
 - Drilling of 11 new wells in the course of 2012

Q1 2012: STRONGEST FINANCIAL RESULTS IN ZHAIKMUNAI’S HISTORY

All figures in US\$ million (unless otherwise stated)

	Q1 2012	Q1 2011	Change (YoY)
Revenue	163.4	52.4	+211.8%
EBITDA	110.9	28.7	+286.9%
Net Income	48.4	11.1	+336.0%
Net Debt	305.7	315.6	-3.2%

	Q1 2012	FY2011	Change
Cash Balance	144.3	128.5	+ 12.3%

Revenue, EBITDA and Net Income

Revenue from sales of crude oil, stabilised condensate, LPG and dry gas stood at US\$163.4 million. EBITDA stood at US\$110.9 million. The EBITDA margin increased to 67.9% from 54.7% during the same period, reflecting the fixed nature of a significant portion of Zhaikmunai's costs. Net income for the period increased over four-fold to US\$48.4 million.

Cost of Sales

Cost of sales increased by US\$30.2 million, or 212.5%, to US\$44.4 million compared to US\$14.2 million for the same period in 2011. This increase was due to a rise in depreciation and maintenance expenses linked to GTF operations, which did not begin until Q2 2011. Depreciation expenses rose 489.0% to US\$21.9 million and maintenance expenses rose 195.8% to US\$8.6 million.

Cash

Zhaikmunai ended the first quarter of 2012 with US\$144.3 million in cash and cash equivalents, of which US\$3.2 million was restricted cash. This represents a US\$15.8 million increase, or 12.3%, compared to the end of the 2011 financial year.

Q1 2012 OPERATIONAL HIGHLIGHTS

All figures in boe unless otherwise stated

	Q1 2012	Q1 2011	Change (YoY)
Total Production (All products)	3,053,210	604,746	404.9%
Average Production (All products)*	33,552	6,719	399.3%

Total Production Increase

Zhaikmunai increased its total production over five times between the first quarter of 2011 and the first quarter of 2012. Total production increased to 3,053,210 boe from 604,746 boe or 404.9%, with an average daily production of 33,552 boepd from 6,719, or 399.3%. Total production has since further increased to an average of 37,237 boepd in April 2012.

Production Ramp-Up

The average production level is expected to further increase with the imminent coupling of gas condensate Well #218, the planned coupling of two further crude oil wells (Well #116 and Well #67) as well as through the pursuit of its yield optimisation programme in the course of 2012.

Drilling Programme

As of 31 March 2012, 12 wells were producing oil from the Tournaisian reservoir and 8 wells were producing gas condensate from the Ardatovski, Biski/Afoninski and Southern Tournaisian reservoirs. Zhaikmunai's drilling plans for 2012 include drilling of a total of 11 new wells of which two new exploration / appraisal wells and 9 production wells.

Kai-Uwe Kessel, CEO of Zhaikmunai, commented:

"The excellent Q1 2012 results confirm Zhaikmunai's announced scale transformation in 2011. A

more than five-fold increase in total production to 3,053,210 boe has driven a close to four-fold increase in EBITDA to US\$110.9 million and a more than three-fold increase in revenue to US\$163.4 million in the current high oil price environment. Zhaikmunai has now fully embarked on its new trajectory thanks to its fully operating Gas Treatment Facility. Total production is still expected to increase with the GTF reaching its design capacity of 1,2 mmcm of raw gas with the tie-in of an extra gas condensate well, with the Oil Treatment Facility reaching its full capacity with the tie-in of two more crude oil wells, and with the further optimisation of the recovery of liquids in the gas-condensate stream.”

For further information please visit www.zhaikmunai.com
Here you can download the pdf file from this press release.

CONFERENCE CALL

Zhaikmunai’s management team will be available for a Q&A session for analysts and investors on Wednesday, 23 May at 13:00 UK time (GMT).

If you would like to participate in this call, please register by email using the following email address: investor_relations@zhaikmunai.com. Please provide your ID details (name, title, company, email address and telephone number) in order to receive dial-in details.

Further enquiries

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About Zhaikmunai

Zhaikmunai is an independent oil and gas enterprise currently engaging in the exploration and development and production of oil and gas. It is listed on the London Stock Exchange (Ticker symbol: ZKM). Its principal producing asset is the Chinarevskoye Field located in north-western Kazakhstan. Zhaikmunai L.L.P., a wholly-owned subsidiary of Zhaikmunai L.P., holds a 100% interest in and is the operator of the Production Sharing Agreement for the Chinarevskoye Field.

Forward-Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Partnership or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those suggested by any such statements.

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