OFFERING MEMORANDUM

U.S.$560,000,000
Zhaikmunai International B.V.

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

7.125% Senior Notes due 2019 (the "Notes")

Guaranteed on a senior basis by Zhaikmunai LP and all its subsidiaries other than the Issuer

The Notes will bear interest at the rate of 7.125% per year. Interest on the Notes is payable on 14 May and 13 November of each year, beginning on 14 May 2013. The Notes will mature on 13 November 2019. The Issuer may redeem some or all of the Notes at any time on or after 13 November 2016 at the prices and as described under the caption "*Description of Notes—Optional redemption*". Prior to 13 November 2016, the Issuer may redeem all or part of the Notes by paying a "make whole" premium. In addition, prior to 13 November 2016, the Issuer may redeem up to 35% of the aggregate 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 LP 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 LP and which owns most of the assets of Zhaikmunai LP and its direct and indirect consolidated subsidiaries (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**"). It is expected that immediately prior to, and in order to facilitate, the Substitution, Zhaikmunai LLP will 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. Immediately following the acquisition by Zhaikmunai LLP of 100% of the share capital of the Issuer, but prior to the Substitution, application may be made by the Issuer for a dual listing of the Notes on the Kazakhstan Stock Exchange (the "**KASE**"). The Issuer and Zhaikmunai LLP will notify the Irish Stock Exchange of any planned or expected Substitution and will provide the relevant disclosure. If the Substitution will take place, the Issuer will become a Guarantor of the Notes.

There is currently no market for the Notes. Application has been made to the Irish Stock Exchange for the approval of this document as Listing Particulars ("**Listing Particulars**"). Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on the Global Exchange Market which is the exchange regulated market of the Irish Stock Exchange. There can be no assurance that any such application will be successful or that any such listing will be granted or maintained. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 18.

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 ("Regulation S"). 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 Prospective Investors*" and "*Transfer Restrictions*".

Price for Notes: 100% plus accrued interest, if any, from the issue date.

The Citigroup Global Markets Limited, Merrill Lynch, Pierce, Fenner & Smith Incorporated, VTB Capital plc, JSC Halyk Finance, GMP Securities Europe LLP, Mirabaud Securities LLP and Standard Bank Plc (the "**Initial Purchasers**") expect to deliver the Notes to purchasers on or about 13 November 2012 only in book-entry form through the facilities of The Depository Trust Company ("**DTC**").

6 November 2012

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum is confidential. 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 (the "**Offering**"). This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. 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. Distribution of this Offering Memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised, and any disclosure of any of its contents, without our prior consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and not to make any photocopies of this Offering Memorandum, in whole or in part, or any documents referred to in this Offering Memorandum or transmit them electronically to any other person. You may not use any information herein for any purpose other than considering an investment in the Notes and you agree that you will hold the information contained in this Offering Memorandum and the transactions contemplated hereby in confidence.

We have furnished the information in this Offering Memorandum. You acknowledge and agree that none of Citigroup Global Markets Limited, Merrill Lynch, Pierce, Fenner & Smith Incorporated, VTB Capital plc, JSC Halyk Finance, GMP Securities Europe LLP, Mirabaud Securities LLP and Standard Bank Plc (together, the "**Initial Purchasers**") nor Citibank N.A. (the "**Trustee**") make any 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 or the Trustee.

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 Listing Particulars. To the best of the Issuer's knowledge and belief, having taken all reasonable care to ensure such is the case, the information contained in this Listing Particulars is in accordance with the facts and contains no omission likely to affect its import. 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 LP 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.

We cannot guarantee that our application for the admission of the Notes to trading on the Global Exchange Market and the listing of the Notes on the Official List of the Irish Stock Exchange will be approved as of the settlement date for the Notes or at any time thereafter and settlement of the Notes is not conditioned on obtaining this listing.

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 NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE 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 LICENCED 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 PROSPECTIVE INVESTORS

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.

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, 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 any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; 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 the amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Netherlands

In the Netherlands, the Notes may be offered free of any restrictions (i) provided that each such Note has a minimum denomination in excess of EUR 100,000 (or the equivalent thereof in non-Euro currency) and (ii) subject to the regulatory notice (*vrijstellingsvermelding*) inserted immediately below, as required by the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*).

Attention! This investment falls outside AFM supervision.

No Offering Memorandum required for this activity.

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.

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.

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 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 LP 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 The Republic of 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 LP 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 LP 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 personam* 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 LP 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 LP 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 LP 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 LP 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 LP 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 LP 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 Zhaikmunai LP and its subsidiaries included in this Offering Memorandum have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Zhaikmunai LP is the indirect holding entity of Zhaikmunai LLP, a limited liability partnership formed under the laws of Kazakhstan and the Group's sole operating subsidiary ("**Zhaikmunai**"). This Offering Memorandum contains unaudited interim condensed consolidated financial statements of Zhaikmunai LP and its subsidiaries as at and for the six months ended 30 June 2012 and audited consolidated financial statements of Zhaikmunai LP and its subsidiaries as at and for the years ended 31 December 2011 and 2010 and 2009.

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, interest income, other expenses, capitalisation of net proceeds from GTF production and capitalisation of depreciation as a result of test production, and "**EBIT**" means earnings before finance costs, taxation and foreign exchange loss, losses and unrealised gains on derivative financial instruments, interest income, other expenses 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 LP does not currently employ EBITDA as a measure for internal valuations, Zhaikmunai LP presents EBITDA in this Offering Memorandum because Zhaikmunai LP 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 LP presents EBIT because Zhaikmunai LP 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 LP'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 proved and probable oil and gas reserves and resources as at 1 January 2012 presented in this Offering Memorandum have been made at our request by Ryder Scott Company LP, an international oil and gas consultant ("**Ryder Scott**") in a report dated 20 March 2012 (the "**2012 Ryder Scott**

Report") included as Annex I to this Offering Memorandum. The estimates of the Group's proved and probable oil and gas reserves and resources as at 1 January 2011 presented in this Offering Memorandum have been made by Ryder Scott in a report dated 15 May 2011 (the "**2011 Ryder Scott Report**"). The estimates of the Group's possible resources as at 1 July 2009 presented in this Offering Memorandum have been made by Ryder Scott in a report dated 18 September 2009 (the "**2009 Ryder Scott Report**" and together with the 2012 Ryder Scott Report and the 2011 Ryder Scott Report, the "**Ryder Scott Reports**"). The reserves estimates presented in the 2012 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, in January 2009 the SEC 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. Ryder Scott updates the Group's proved and probable reserves on an annual basis and Ryder Scott updates the Group's possible reserves on a periodic basis. The last estimate of the Group's possible reserves was done as of 1 July 2009 and is contained in the 2009 Ryder Scott Report.

Prospective investors should read "*Business—Operations—Oil and Gas Reserves*" and the 2012 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.

General

We estimate our oil and gas reserves and resources using 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 2012 Ryder Scott Report

The 2012 Ryder Scott Report reports its estimations as follows:

- oil and condensate in standard 42 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:

- crude oil and condensate in barrels and barrels per day ("**boepd**"). Barrel figures are extracted from the 2012 Ryder Scott Report or converted from our internal records presented in tonnes at a rate of 7.75 barrels per tonne for crude oil and 8.20 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 2012 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 2012 to differ from the estimates for 2012 in the 2012 Ryder Scott Report. This is due to as a result of slower than expected ramp-up to the full design capacity of the first gas treatment facility in 2012. See "*Risk Factors—Risks Relating to the Oil and Gas Industry—The level of the Group's reserves, their quality and production volumes may be lower than estimated or expected*".

Discrepancies in Terminology

This Offering Memorandum and the 2012 Ryder Scott Report use different terminology. For example the 2012 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 2012 Ryder Scott Report refers to the Group's planned gas processing plant, whereas this Offering Memorandum refers to the Group's 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 LP's internal information, which have not been independently verified unless specifically indicated.

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/U.S. Dollar exchange rates on the Kazakhstan Stock Exchange, as reported by the NBK:

	High	Low	Average(1)	Period End
		(KZT per U.S. Dollar)		
Year ended 31 December:				
2011	148.40	145.17	146.62	148.40
2010	148.46	146.41	147.35	147.40
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

	High	Low
	(KZT per U.S. Dollar)	
Month ended:		
October 2012	150.68	149.86
September 2012	150.15	149.35
August 2012	150.22	148.86
July 2012	150.03	149.42
June 2012	149.42	148.06
May 2012	148.06	147.62
April 2012	148.29	147.50
March 2012	147.99	147.51
February 2012	148.72	147.62
January 2012	148.61	148.08

Source: NBK

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

The Group's functional and presentational currency is the U.S. 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 U.S. Dollar amounts or that such amounts could have been converted into U.S. 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 LP is the indirect holding entity of Zhaikmunai, an independent oil and gas enterprise currently engaging in the exploration, production and sale of oil and gas products in north-western 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 has been Zhaikmunai's sole source of production. According to management estimates based on data included in the 2012 Ryder Scott Report, as at 1 January 2012, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 521.6 million boe, of which 201.9 million bbl was crude oil and condensate, 79.3 million bbl was LPG and 240.4 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.

Zhaikmunai's operational facilities are located in the Chinarevskoye Field and, as at 30 June 2012, consisted of an oil treatment unit 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, an employee field camp and the gas treatment facility.

The gas treatment facility became fully operational in 2011 and has enabled Zhaikmunai to produce marketable liquid condensate (a product lighter than Brent crude oil) from the gas condensate stream. The gas treatment facility has enabled Zhaikmunai to increase its daily production of crude oil, stabilised condensate, dry gas and LPG from an average daily production of 9,741 boepd during the six months ended 30 June 2011 to an average daily production of 35,298 boepd during the six months ended 30 June 2012.

As of 30 June 2012, Zhaikmunai had 44 exploration, appraisal and production wells, of which 23 wells were producing, one well was under test operations, three wells were installed as a water injector and five wells were under drilling and workover operations.

During the three years ended 31 December 2011 and six months ended 30 June 2012, the Group invested approximately U.S.$576.4 million in drilling and field infrastructure. Total capital expenditure for the six months ended 30 June 2012 amounted to U.S.$100.1 million, an increase of 155.4% from U.S.$39.2 million for the six months ended 30 June 2011 due to an increase in expenses relating to drilling and the first gas treatment facility. Total capital expenditure for the full year ended 31 December 2011 amounted to U.S.$104.0 million, a decrease of 21.5% from U.S.$132.4 million for the full year ended 31 December 2010, which itself was a 34.0% decrease from U.S.$200.7 million as at 31 December 2009.

Zhaikmunai increased its hydrocarbon production from approximately 7,442 boepd for the year ended 31 December 2009 to approximately 13,158 boepd boe for the year ended 31 December 2011 and, according to management estimates based on reserve reports prepared by Ryder Scott, relatively maintained its estimated gross proved plus probable hydrocarbon reserves from approximately 527 million boe as of 1 July 2009 to approximately 522 million boe as at 1 January 2012.

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. Zhaikmunai has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months after a new supplementary agreement to its PSA (described below) has been signed.

During October 1997, Zhaikmunai entered into the PSA with the Government which has been subsequently amended nine times. See "*Business—Subsoil Licences and Permits—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. Pursuant to the PSA, Zhaikmunai has agreed to sell 15% of its crude oil production in the domestic market and sells the remaining crude oil to the export market.

Prior to 2011, all of Zhaikmunai's revenues were generated by its crude oil sales. In 2011, Zhaikmunai began sales of products deriving from the gas treatment facility. As per IFRS standards, revenue recognition of the products of the gas treatment facility began on 1 November 2011 and 2011 was the first period to include output from the gas treatment facility.

Now that the first gas treatment facility has been successfully completed and subject to further successful results in converting probable reserves into proved reserves, Zhaikmunai is considering building a second gas treatment facility. Management estimates that the construction of the second facility will cost approximately U.S.$300-400 million. The basic design of the second gas treatment facility has been approved by the local authorities and a final decision on the second gas treatment facility is expected towards the end of 2012.

Key Strengths

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

- *Strong reserve base*

  According to management estimates based on the 2012 Ryder Scott Report, as at 1 January 2012, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 521.6 million boe. These estimated reserves comprise proved crude oil and gas condensate reserves of 64.3 million bbl and 137.6 million bbl of probable crude oil and gas condensate reserves, together with 79.1 million boe of proved gas reserves and probable gas reserves of 161.2 million boe and 25.7 million boe of proved LPG reserves and probable LPG reserves of 53.7 million boe.

- *Strong balance sheet and cash flow generation*

  The Group has a proven business model and continues to demonstrate sustained revenue and significant cash flow generation. Since commencing operations, the Group has substantially grown its revenue due to increased operations through exploration activities and by expansion of its product base. The Group's cash flow generation potential is underpinned by: (1) production growth and economies of scale; (2) an infrastructure upgrade and corresponding opex reduction; and (3) an attractive fiscal regime. The Group's EBITDA/bbl for the six months ended 30 June 2012 was U.S.$36/boe. The improvement in operations enabled the Group to achieve strong organic growth with attractive returns on investments.

- *Upside potential from development of existing possible reserves*

  Management estimates, based on the 2009 Ryder Scott Report, that the Chinarevskoye Field has possible hydrocarbon reserves of 556.3 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 169.1 million boe, as at 1 January 2012. Zhaikmunai's key focus is to continue converting probable reserves into proved reserves. Zhaikmunai has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months from the date a new supplementary agreement to the PSA has been signed. In addition, in the third quarter of 2012 the Group signed purchase agreements for the acquisition of three new licences in fields near the Chinarevskoye Field for a total purchase price of U.S.$16 million. The finalisation and acquisition of these licences is currently pending regulatory approvals. If Zhaikmunai successfully acquires the licences, it has estimated that it will cost approximately U.S.$85 million to conduct the necessary appraisal activities.

- *Strong track record of production growth 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 allowed Zhaikmunai to position wells effectively. In addition, Management has risen to the challenge of tackling the Biski/Afoninsky reserves which are located in vertically and horizontally fragmented segments which have required advanced drilling techniques including deep wells (between approximately 5,000-5,500 metres), multiple wells and horizontal drilling (up to 1000 metres). Further, hydrocarbon production increased to an average of 40,036 boepd in July 2012, an increase of 204.3% compared to an average of 13,158 boepd for 2011, primarily as a result of the continued ramp-up of the first gas treatment facility. For the six months ended 30 June 2012, Zhaikmunai produced 2.7 million boe of crude oil and condensate, 0.5 million boe of LPG and 3.2 million boe of dry gas. Management estimates, based on the production profile of both proved and probable reserves reported in the 2012 Ryder Scott Report, that annual production of crude oil, condensate, LPG and gas is expected to reach 132,000 boepd by 2016.

- *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^{o} 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 to access export infrastructure*

  Zhaikmunai's facilities are located in western Kazakhstan approximately 10 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 and less than 100 kilometres from rail links and the Atyrau- Samara oil pipeline. Zhaikmunai's oil pipeline from its field 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.

- *Stable terms under the PSA and strong relationship with regulators and authorities*

  Zhaikmunai currently benefits from a relatively stable 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 estimate the Government's share of production revenue with reasonable certainty (although the Government could seek to restrict or end such "grandfathering"—see "*Risk Factors—Risk Factors Relating to Kazakhstan—The Group is exposed to the risk of 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. The Group is regularly in discussions with regulators about the terms of the PSA and issues that impact the Group's operations.

- *Strong and highly experienced 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 29 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, each with an average experience of 22 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 and nearby regions. 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 and increase quality of the 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 nearby regions 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. According to the 2012 Ryder Scott Report, the proved reserves increased by 17.4% in 2011 to 169.1 million boe, whereas the proved plus probable reserves remained at over 500 million boe. The Group's main focus in 2010 and 2011 has been on production drilling in order to secure the feedstock for the new gas treatment facility; however the Group intends to resume its appraisal and exploration drilling in the last half of 2012 and in 2013, and intends to focus on converting probable reserves to proved reserves.

- *Further increase production of liquid hydrocarbons*

  The Group intends to increase production of Zhaikmunai's annual crude oil, condensate and LPG production, which, according to 2012 Ryder Scott Report, is expected to peak in 2016 at an average of approximately 75,100 boepd or 57% of total production (with the remaining 43% comprising gas production), as compared to an average of 17,519 boepd of liquids produced in the first half of 2012, which represented 49.6% of total production. Liquid hydrocarbons are more profitable for the Group than dry gas. The increase in production of liquid hydrocarbons is expected to be achieved by increasing the number of wells drilled per year, enhancing oil recovery methods and completing the second gas treatment facility. For example, Zhaikmunai plans to drill nine production wells and two appraisal wells in 2012 and to drill an average of 13 wells per year between 2013 and 2015. In addition, the completion of the first gas treatment facility in 2011 has also enabled the Group to double its production of liquids over the last twelve months. Together with technical design improvements, the commissioning and completion of the second gas treatment facility will further enable the Group to produce a higher total percentage of liquids as compared to dry gas, which should have a positive effect on the Group's revenue and profitability.

- *Implement robust capital management and targeted investments*

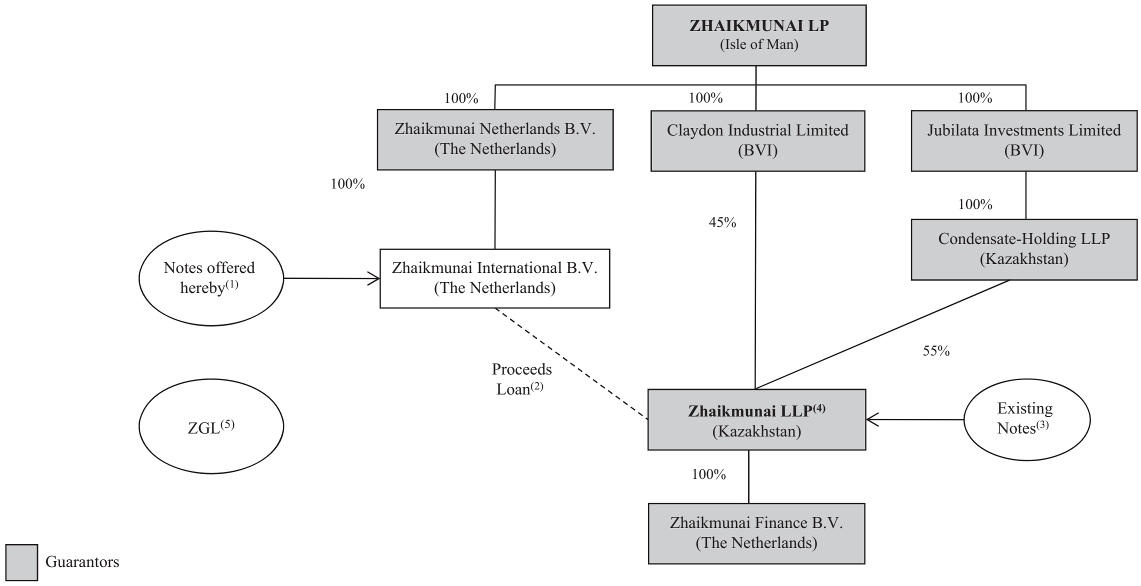
  The Group is engaged in a long-term effort to improve the efficiency of its operations, in particular its extraction activities, through the implementation of new technologies, processes and procedures, as well as through rehabilitation projects to extend the life of oil and gas producing assets. In addition, the Group is actively seeking to optimise its internal functioning and cost structure, focus on developing the existing drilling and exploration strategy and optimizing its capital expenditure and investment program to reflect its changed goals and infrastructure needs. The Group also aims to secure additional savings in its cash-flow for future growth initiatives and improve its performance in the long-term in order to sustain its financial position.

- *Monetise gas reserves*

  While the Group's strategy is focused on maximizing liquids production, a substantial portion of the Group's reserves comprise gas. To monetise these reserves, the Group has built the first gas treatment facility and associated projects. Handover of the gas treatment facility from JSC OGCC KazStroy Service ("**KSS**") took place in December 2011. Management estimates, based on the production profile of both proven and probable reserves reported in the 2012 Ryder Scott Report, that annual raw gas production is expected to peak in 2015 at 4.1 billion cubic metres.

Corporate Structure

The following chart shows a simplified summary of the corporate and financing structure of Zhaikmunai LP and its subsidiaries 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.



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(1) The Notes will be guaranteed by Zhaikmunai LP and all of its subsidiaries (other than the Issuer). The Issuer also guarantees the Existing Notes.

(2) On or after 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**").

(3) The Issuer expects to receive gross proceeds of U.S.$560,000,000 and net proceeds of approximately U.S.$510,000,000 from the Offering after deduction of the Offering and Tender Offer expenses of approximately U.S.$50,000,000. The Issuer intends to use the net proceeds from the Offering to fund the repurchase of Existing Notes pursuant to the Tender Offer and to use any remaining net proceeds for general corporate purposes.

(4) Zhaikmunai LLP is the sole operating subsidiary of Zhaikmunai LP and owns most of the assets of the Group.

(5) ZGL is the General Partner of Zhaikmunai LP.

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 Notes, including the definitions of certain terms used in this summary.

Issuer	Zhaikmunai International 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 Zhaikmunai Netherlands B.V. 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 newly formed company 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 under the terms of the Proceeds Loan or otherwise. The Issuer's registered office is Zuidsingel 1, 3811 HA Amersfoort, The Netherlands with telephone number + 31848399523.
Guarantors	Zhaikmunai LP, Zhaikmunai Netherlands B.V., Zhaikmunai Finance B.V., Claydon Industrial Limited, Condensate-Holding LLP, Jubilata Investments Limited and Zhaikmunai LLP (the "**Guarantors**").
Notes Offered	U.S.$560 million aggregate principal amount of 7.125% senior notes due 2019 (the "**Notes**").
Maturity Date	13 November 2019.
Interest Payment Dates	Interest will be payable semi-annually in cash on 14 May and 13 November of each year, beginning on 14 May 2013.
Ranking of the Notes	The Notes will be the senior unsecured 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; and • will rank effectively junior to all existing and future indebtedness of the Issuer secured by property or other assets to the extent of the value of such property or assets.
Guarantees	The Notes will be jointly and severally, fully and unconditionally guaranteed on a senior basis (the "**Guarantees**") by Zhaikmunai LP 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—Notes Guarantees*" and "*Risk Factors—Risks Related to the Notes and Guarantees—Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees*".
Ranking of the Guarantees	Each Guarantee of the Notes will be a senior unsecured 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; and • will rank effectively junior to all existing and future indebtedness of such Guarantor secured by property or assets to the extent of the value of such properly or assets. As of 30 June 2012, on a *pro forma* basis after giving effect to this Offering (including the application of proceeds therefrom) and assuming U.S.$348 million of the Existing Notes are tendered into the Tender Offer, the Issuer and the Guarantors would have had U.S.$662 million of outstanding indebtedness (not including the impact under IFRS of any issuance costs).
Use of Proceeds	The Issuer expects to receive gross proceeds of U.S.$560 million and net proceeds of approximately U.S.$510 million from the Offering after deduction of the Offering and Tender Offer expenses of approximately U.S.$50 million. The Issuer intends to use the net proceeds from the Offering to fund the repurchase of Existing Notes pursuant to the Tender Offer and to use any remaining net proceeds for general corporate purposes.
Optional Redemption	The Issuer may redeem the Notes: • in whole or in part at any time on or after 13 November 2016 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 13 November 2016 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 107.125% 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 13 November 2016 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 "*Taxation—United States Federal Income Tax Considerations*".
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 "*Description of Notes—Additional Amounts*".
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 "*Description of Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*".
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 "*Description of Notes—Change of Control*".
Restrictive Covenants	The indenture governing the Notes and the Guarantees (the "**Indenture**") will, among other things, restrict the ability of Zhaikmunai LP 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 LP or its restricted subsidiaries;

	• enter into transactions with affiliates; or • sell assets or consolidate or merge with or into other companies. 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 U.S.$200,000 and integral multiples of U.S.$1,000 in excess of U.S.$200,000. Notes in denominations of less than U.S.$200,000 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. The Notes are subject to restrictions on transferability and resale. See "*Transfer Restrictions*". 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 "*Summary—The Substitution*" and "*Description of Notes—Certain Covenants—Substitution*". 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. It is expected that immediately prior to, and in order to facilitate, the Substitution, Zhaikmunai LLP will acquire 100% of the share capital of the Issuer such that the Issuer will become a direct wholly-owned subsidiary of Zhaikmunai LLP.
Listing	Application has been made to list the Notes on the Official List of the Irish Stock Exchange and be admitted to trading on the Global Exchange Market in accordance with the rules of that exchange. It is expected that immediately following the acquisition by Zhaikmunai LLP of 100% of the share capital of the Issuer but prior to the Substitution, application may be made by the Issuer for a dual listing of the Notes on the KASE.
Settlement	The Issuer expects that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be 7 business days (as

such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+7"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the next business day will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

Governing Law of the Indenture, Notes and Guarantees	New York.
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	Arthur Cox Listing Services 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 LP for the six months ended 30 June 2012 and 2011 and the years ended 31 December 2011, 2010 and 2009. The summary historical financial information has been extracted without material adjustment from the unaudited interim condensed consolidated financial statements of Zhaikmunai LP and its subsidiaries for the six months ended 30 June 2012, the audited consolidated financial statements of Zhaikmunai LP and its subsidiaries for the years ended 31 December 2011, 2010 and 2009.

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

Statement of Comprehensive Income

	Year ended 31 December (Audited)			Six months ended 30 June (Unaudited)	
	2011	2010	2009	2012	2011
	(U.S.$ thousands)				
Revenue	300,837	178,159	116,033	323,409	125,907
Cost of sales	(70,805)	(53,860)	(44,035)	(94,976)	(28,403)
Gross profit	**230,032**	**124,299**	**71,998**	**228,433**	**97,504**
General and administrative expenses	(36,405)	(27,265)	(29,726)	(28,461)	(15,643)
Selling and transportation expenses	(35,395)	(17,014)	(5,692)	(44,636)	(15,437)
Loss on derivative financial instrument	—	(470)	(16,909)	—	(189)
Finance costs	(4,717)	(21,296)	(7,801)	(18,980)	(789)
Foreign exchange (loss)/gain, net	(389)	46	(2,184)	336	(26)
Interest income	336	239	60	169	121
Other (expenses)/income	(4,490)	2,234	(906)	162	(1,503)
Profit before income tax	**148,972**	**60,773**	**8,840**	**137,023**	**64,038**
Income tax expense	(67,348)	(37,873)	(27,608)	(50,374)	(28,027)
Profit/(loss) for the period	**81,624**	**22,900**	**(18,768)**	**86,649**	**36,011**
Total comprehensive income/(loss) for the period	**81,624**	**22,900**	**(18,768)**	**86,649**	**36,011**

Cash Flow Data

	Year ended 31 December (Audited)			Six months ended 30 June (Unaudited)	
	2011	2010	2009	2012	2011
	(U.S.$ thousands)				
Net cash flow from operating activities	132,223	98,955	45,934	158,325	56,071
Net cash used in investing activities	(103,681)	(132,189)	(200,673)	(99,931)	(39,085)
Net cash (used in)/ provided by financing activities	(47,350)	39,710	279,418	(24,448)	(25,016)

Statement of Financial Position

	As at 31 December (Audited)			As at 30 June (Unaudited)
	2011	2010	2009	2012
		(U.S.$ thousands)		
ASSETS				
Non-current assets				
Property, plant and equipment	1,120,453	955,911	770,953	1,157,772
Derivative financial instrument	—	—	98	—
Restricted cash	3,076	2,743	21,358	3,416
Advances for equipment and construction works	3,368	6,479	27,399	8,306
	1,126,897	**965,133**	**819,808**	**1,169,494**
Current assets				
Restricted cash	—	1,000	—	—
Inventories	14,518	5,639	3,477	19,097
Trade receivables	12,640	1,635	13,878	26,565
Prepayments and other current assets	23,279	16,759	22,663	26,814
Income tax prepayment	3,453	3,200	5,599	—
Cash and cash equivalents	125,393	144,201	137,375	159,339
	179,283	**172,434**	**182,992**	**231,815**
Total assets	**1,306,180**	**1,137,567**	**1,002,800**	**1,401,309**
EQUITY AND LIABILITIES				
Partnership capital and reserves				
Partnership capital	368,203	366,942	366,942	369,944
Additional paid-in capital	1,677	—	—	4,270
Retained earnings and translation reserve	215,351	133,727	110,827	302,000
	585,231	**500,669**	**477,769**	**676,214**
Non-current liabilities				
Long-term borrowings	438,082	434,931	356,348	436,790
Employee share option plan	11,734	10,104	7,025	9,165
Abandonment and site restoration liabilities	8,713	4,543	3,373	9,590
Due to Government of Kazakhstan	6,211	6,290	6,363	6,122
Deferred tax liability	146,674	100,823	76,659	151,531
	611,414	**556,691**	**449,768**	**613,198**
Current liabilities				
Current portion of long term borrowings	9,450	9,450	—	9,450
Trade payables	81,914	49,213	66,381	52,094
Advances received	3,154	11,693	—	1,396
Income tax payable	—	—	—	32,660
Derivative financial instrument	—	372	—	—
Current portion of due to Government of Kazakhstan	1,031	1,031	1,028	1,031
Other current liabilities	13,986	8,448	7,854	15,266
	109,535	**80,207**	**75,263**	**111,897**
Total equity and liabilities	**1,306,180**	**1,137,567**	**1,002,800**	**1,401,309**

Financial Data

	Year ended 31 December			Twelve month period ended 30 June	
	2011	2010	2009	2012	2011
Total debt (U.S.$ thousands)	447,532	444,381	356,348	446,240	445,810
Net debt[(1)] (U.S.$ thousands)	319,063	296,437	197,615	283,485	306,676
EBITDA[(2)] (U.S.$ thousands)	197,418	98,794	59,682	330,845	134,429
Total debt/EBITDA	**2.3x**	**4.5x**	**6.0x**	**1.3x**	**3.3x**
Net debt/EBITDA	**1.6x**	**3.0x**	**3.3x**	**0.9x**	**2.3x**
Adjusted interest expenses[(3)] (U.S.$ thousands)	54,647	71,627	32,475	54,195	78,548
EBITDA/Adjusted interest expenses	**3.6x**	**1.4x[(5)]**	**1.8x**	**6.1x**	**1.7x[(5)]**
Revenue (U.S.$ thousands)	300,837	178,159	116,033	498,339	229,412
Revenue/Net debt	**0.9x**	**0.6x**	**0.6x**	**1.8x**	**0.7x**
Total debt/Equity[(4)]	**0.8x**	**0.9x**	**0.7x**	**0.7x**	**0.8x**

(1) Net debt comprises of total debt less total cash.
(2) See "—Other Financial and Operating Data".
(3) Adjusted interest expenses represent interest expensed on the income statement as well as capitalized interest.
(4) Equity means partnership equity and capital reserves.
(5) Adjusted interest expense impacted by refinancing through the issuance of the Existing Notes in 2010.

Other Financial and Operating Data

	Year ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
EBIT[(1)(2)] (U.S.$ thousands)	171,091	83,099	43,089	166,542	70,789
EBITDA[(1)(3)] (U.S.$ thousands)	197,418	98,794	59,682	212,752	79,325
Average production (boepd)	13,158	7,752	7,442	35,298	9,714
Average realised price for crude oil sales (U.S.$/per barrel)	106.87	80.15	62.02	109.05	109.77

(1) As presented in this Offering Memorandum, "EBITDA" means earnings before finance costs, taxation, foreign exchange loss, losses and unrealised gains on derivative financial instruments, employee share option plan, depreciation and amortisation, interest income, other expenses, capitalisation of net proceeds from GTF production and capitalisation of depreciation as a result of test production, and "EBIT" means earnings before finance costs, taxation and foreign exchange loss, losses and unrealised gains on derivative financial instruments, interest income, other expenses 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 LP does not currently employ EBITDA as a measure for internal valuations, Zhaikmunai LP presents EBITDA in this Offering Memorandum because Zhaikmunai LP 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 LP presents EBIT because Zhaikmunai LP 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 LP'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 derivative financial instruments 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	
	2011	2010	2009	2012	2011
	(U.S.$ thousands)				
Profit before income tax	148,972	60,773	8,840	137,023	64,038
Add back:					
Capitalised net proceeds from GTF test production	9,314	—	—	—	3,045
Road maintenance expenses		—	—	11,183	—
Finance costs	4,717	21,296	7,801	18,980	789
Foreign exchange loss/(gain)	389	(46)	2,184	(336)	26
Loss on derivative financial instrument	—	470	16,909	—	189
Employee share option plan	3,545	3,079	6,509	23	1,320
Interest income	(336)	(239)	(60)	(169)	(121)
Other expenses/(income)	4,490	(2,234)	906	(162)	1,503
EBIT	**171,091**	**83,099**	**43,089**	**166,542**	**70,789**

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

	Year ended 31 December			Six month ended 30 June	
	2011	2010	2009	2012	2011
	(U.S.$ thousands)				
Profit before income tax	148,972	60,773	8,840	137,023	64,038
Add back:					
Capitalised net proceeds from GTF test production	9,314	—	—	—	3,045
Road maintenance expenses		—	—	11,183	—
Finance costs	4,717	21,296	7,801	18,980	789
Foreign exchange loss/(gain)	389	(46)	2,184	(336)	26
Loss on derivative financial instrument	—	470	16,909	—	189
Employee share option plan	3,545	3,079	6,509	23	1,320
Depreciation	19,843	15,695	16,593	46,210	8,536
Depreciation capitalized as a result of test production	6,484	—	—	—	—
Interest income	(336)	(239)	(60)	(169)	(121)
Other expenses/(income)	4,490	(2,234)	906	(162)	1,503
EBITDA	**197,418**	**98,794**	**59,682**	**212,752**	**79,325**

Other Financial and Operating Data (for Zhaikmunai LLP)

	Year ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
	(U.S.$ thousands)				
Profit before income tax	133,123	53,109	12,033	129,201	55,572
Capitalized net proceeds from GTF test production	9,314	—	—	—	3,045
Road maintenance expenses	—	—	—	11,183	—
Finance costs	38,139	38,256	18,850	34,250	16,866
Foreign exchange loss/(gain)	272	672	2,147	(438)	(99)
Loss on derivative financial instrument	—	470	16,909	—	189
Depreciation	19,830	15,695	16,593	46,207	8,529
Depreciation capitalized as a result of test production	6,484	—	—	—	—
Interest income	(256)	(237)	(43)	(106)	(83)
Other expenses/(income)	4,483	(466)	228	(169)	1,511
EBITDA(1)	**211,389**	**107,499**	**66,717**	**220,128**	**85,530**
LLP EBITDA Ratio (as % the Group)(2)	**107.1**	**108.8**	**111.8**	**103.5**	**107.8**
Total assets	**1,231,883**	**1,085,056**	**999,851**	**1,319,457**	**1,127,536**
Total assets (as % of the Group)	**94.3**	**95.4**	**99.7**	**94.2**	**94.7**
Net assets(3)	**225,849**	**165,094**	**252,846**	**304,676**	**187,619**
Net assets(3) (as % of the Group)	**38.6**	**33.0**	**52.9**	**45.1**	**35.0**

(1) As presented in this Offering Memorandum, "EBITDA" means earnings before finance costs, taxation, foreign exchange loss, losses and unrealised gains on derivative financial instruments, employee share option plan, depreciation and amortisation, interest income, other expenses, capitalisation of net proceeds from GTF production and capitalisation of depreciation as a result of test production, and "EBIT" means earnings before finance costs, taxation and foreign exchange loss, losses and unrealised gains on derivative financial instruments, interest income, other expenses 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 the Group does not currently employ EBITDA as a measure for internal valuations, it presents EBITDA in this Offering Memorandum because the Group 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. The Group presents EBIT because it 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 the Group'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 derivative financial instruments 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) This represents the EBITDA of Zhaikmunai LLP as compared to the EBITDA of the Group. The EBITDA of Zhaikmunai LLP is higher as compared to the Group, because it does not include certain expenses specific to the parent company of the Group, Zhaikmunai LP.

(3) As presented in this Offering Memorandum, net assets are calculated as total assets minus total liabilities.

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 January 2012	As at 31 December 2010	As at 1 July 2009
Gross Reserves			
Proved			
Crude oil and condensate (million bbl)	64.3	63.7	58.5
Plant products (million boe)	25.7	20.5	21.1
Gas (million boe)[(1)]	79.1	59.3	59.5
Total Proved (million boe)	**169.1**	**143.5**	**139.1**
Probable			
Crude oil and condensate (million bbl)	137.6	149.3	153.5
Plant products (million boe)	53.7	60.4	58.1
Gas (million boe)[(1)]	161.2	185.5	176.0
Total Probable (million boe)[(1)]	**352.5**	**395.2**	**387.6**
Possible			
Crude oil and condensate (million bbl)[(2)]	—	—	275.9
Plant products (million boe)[(2)]	—	—	74.5
Gas (million boe)[(1)(2)]	—	—	205.9
Total Possible (million boe)[(1)]	**Not Estimated**	**Not Estimated**	**556.3**

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

(2) Management did not make an estimate of possible reserves since no appraisal activities were carried out in 2010 and 2011.

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 Zhaikmunai Netherlands B.V. 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 and the Proceeds Loan will be assigned or novated to Zhaikmunai LLP. 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. It is expected that immediately following the acquisition by Zhaikmunai LLP of 100% of the share capital of the Issuer but prior to the Substitution, application may be made by the Issuer for a dual listing of the Notes on the KASE.

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

The Refinancing

On 19 October 2012, the Issuer commenced a cash tender offer (the "**Tender Offer**") to purchase any and all of Zhaikmunai LLP's 10.5% Senior Notes due 2015 (the "**Existing Notes**"). On 2 November 2012, the Issuer announced that approximately U.S.$348 million aggregate principal amount of the Existing Notes had been tendered into the Tender Offer as of 5:00 p.m., New York City time, on 1 November 2012 (the "**Early Tender Date**"), representing approximately 77% of the outstanding Existing Notes. The Tender Offer for Existing Notes expires on 19 November 2012. For a description of the Existing Notes, see "*Description of Significant Indebtedness and Certain Financial Arrangements—Existing Notes*".

Other Developments

In the third quarter of 2012, the Group signed purchase agreements for the acquisition of three new licences in fields near the Chinarevskoye Field for a total purchase price of U.S.$16 million. The finalization and acquisition of these licences is currently pending regulatory approval, which are expected to be received by the end of 2012.

In October 2012, Zhaikmunai commenced a controlled twelve-day shutdown of its gas treatment facility in order to conduct necessary repair maintenance work to bring the gas treatment facility up to its full design capacity. The gas treatment facility is fully operational following a successful completion of its planned maintenance shutdown.

In September 2012, the Board of Directors of the General Partner approved the payment of Zhaikmunai LP's inaugural distribution of U.S.$0.32 per Common Unit and GDR to the holders of Zhaikmunai LP Common Units and GDRs, representing a cash distribution of U.S.$60.2 million (equal to 20% of retained earnings at 30 June 2012). The distribution was paid on 2 October 2012 to Common Unit and GDR holders on the register of partners and interests at the close of business on 1 October 2012. In addition, the Board of Directors approved the implementation of an ongoing distribution policy with the intention of making an annual distribution of not less than 20% of the partnership's consolidated net profit. This policy reflects Zhaikmunai's desire to recognize the growth and cash generation inherent in the business. In the future, the policy is expected to be periodically reviewed by the Board of Directors to ensure that it is in line with the achievement of Zhaikmunai's strategic milestones.

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, the Group's business, prospects, financial condition and results of operations could be materially and adversely affected. Additional risks or uncertainties not presently known to the Group, or that the Group currently believe are immaterial, may also impair the Group's business operations. The Group 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 any other rights to extract oil or gas 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.

The Group's future hydrocarbon production profile is based on its gas treatment facility operating at full or near-full capacity. If the gas treatment facility is not operating at full or near-full capacity, or if the Group is unable to bring the second gas treatment facility online, the Group may not be able to meet its strategic production objectives.

The Group's gas treatment facility is essential for the treatment of gas condensate to produce dry gas, condensate and LPG for sale by the Group. Should the gas treatment facility cease to be operational due to operational risks or hazards, the Group would have to apply for additional gas flaring permits from the Ministry of Oil and Gas of the Republic of Kazakhstan (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, production and transportation risks and hazards that may affect the Group's ability to produce oil and gas products at expected levels, quality and costs*".

Additionally, to date, the gas treatment facility has operated at less than its design capacity. In October 2012, the Group conducted a controlled shutdown of the gas treatment facility in order to bring the facility's production to design capacity by the end of 2012. However, there can be no assurance that the gas treatment facility will reach design capacity or if it does, that the Group will be able to maintain it without significant expense.

The first gas treatment facility was completed and brought online in November 2011 and the Group is in the process of designing and planning the second gas treatment facility, which entails building a comparable facility in the vicinity of the first gas treatment facility. The second gas treatment facility is important for the Group's strategy to increase the production of liquid hydrocarbons. Detailed engineering and procurement plans are on-going and the Group is in the process of obtaining the applicable permits and contracting with potential suppliers for the equipment, construction and assembly of the second gas treatment facility. All key permits and contracts are expected to be in place by the end of 2012, with construction scheduled to begin in early 2013 and the second gas treatment facility becoming operational in 2015. As a result of the second gas treatment facility becoming operational the Group expects a significant increase in its operating capacity and production volumes. The additional operating capacity and higher production volumes (including, specifically, production of liquid hydrocarbons) have been incorporated in the Group's long-term strategy and any material failure relating to the gas treatment facilities, including if the expenses to bring the second gas treatment facility online are significantly higher than expected, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The proportion of 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, In addition, as the level of 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 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 sells its dry gas predominantly to two customers pursuant to contracts due to expire on 31 December 2012.

The Group sells its dry gas predominantly to two domestic customers pursuant to two contracts due to expire on 31 December 2012. Under one of the contracts, the Group is allowed to set the quantity of the gas supplied, but is not required to sell a minimum volume of gas. Under the second contract, the buyer of the Group's gas is permitted to set the quantity of gas purchased, but is not required to purchase a minimum volume of gas. Prices for gas are broadly in line with domestic gas prices in the Russian Federation, but may not reflect the prevailing market prices on a monthly basis. Payment default by, reduced demand from or termination of the contract with one of the customers or failure to renew such contracts upon expiration may have an adverse effect on the Group's business, results of operations and financial condition and its ability to realise its expected profit margin as it may not be able to immediately enter into contractual arrangements with other purchasers on similarly attractive terms or at all.

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. For example, in the years ended 2011, 2010 and 2009, Zhaikmunai's capital expenditures were approximately U.S.$133.7 million, U.S.$157.3 million and U.S.$210.6 million, respectively, reflecting primarily drilling costs and infrastructure and development costs. Management believes that its future capital expenditures will be in line with the current trends, which may require significant internal and external financing. In addition, in September 2012, the Group approved a dividend payment of U.S.$60.2 million to the Common Unit/GDR holders of Zhaikmunai LP and plans to issue similar payments in the future.

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 2012, on a *pro forma* basis after giving effect to this Offering (including the application of proceeds therefrom), and assuming U.S.$348 million of the Existing Notes are tendered into the Tender Offer the Group would have had US$662 million of outstanding indebtedness (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'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 operating facilities. These projects are at various stages of development and are subject to risks of cancellation, delay and non-completion. For example, the Group is currently in the process of designing and planning the second gas treatment facility, which is expected to result in a significant increase in the Group's operating capacity and production volumes. 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 specialist suppliers. A reduction or cessation of the performance 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. 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 that 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 not be able to manage its growth and expansion effectively.

The Group has experienced rapid growth and development in a relatively short period of time, and the Group expects to continue to expand its business through the development of the second gas treatment facility in the future. The Group's management of its growth and projects will require, among other things, stringent control of financial systems and operations; the continued development of the Group's management and financial control; the ability to attract and retain sufficient numbers of qualified management, technical, accounting and other personnel; the continued training of such personnel, the presence of adequate supervision and the continued consistency in the quality of its services. Failure to manage growth, development and these major projects effectively could have a material adverse effect on the overall growth of the Group's business, prospects, financial condition, cash flows or results of operations.

The Group may face unanticipated increased costs.

The oil and gas business is a capital-intensive industry. To implement its business strategy, the Group has invested in the construction of its oil and gas pipelines, and has invested, and continues to invest, in drilling and exploration activities and infrastructure, including the second gas treatment facility. 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. For example, in 2012 the Group has experienced some unexpected costs relating to bringing the first gas treatment facility to full design capacity. 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 its exploration and production activities, and may incur additional expenses if it is required to perform some of these activities directly.

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 and 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 oil and gas industry increases. Additionally, trade unions are active in Kazakhstan, particularly in the 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 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 its shareholders, including management service agreements with Claremont and its affiliates and construction contracts with a member of the KSS Group. Any future conflicts of interest may continue to arise and the Group may not satisfactorily resolve any actual or potential conflict in the future. See "*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 shareholder of the General Partner and its affiliates may be able to exercise substantial influence over the Issuer and the Group.

As at the date of this Offering Memorandum, Thyler Holdings BV, which is under common control with Claremont, is the sole shareholder of the General Partner and Claremont and its Affiliates are the beneficial owners of 27.2% of the Common Units (either directly or in the form of GDRs). Claremont and its Affiliates (similar to other shareholders that own at least 25% of the Common Units, such as KSS) are also able to effectively block certain matters requiring approval of holders of Common Units (by way of special resolutions), including the payment of distributions. Claremont and its Affiliates may therefore be able to exercise substantial influence over the Group's business and affairs and may potentially be able to block actions that favour the interests of the Group or your interests as holders of the Notes over their own interests. In addition, as long as Claremont and its Affiliates beneficially own at least 25% (either directly or in the form of GDRs) of the Common Units, Thyler Holdings BV (similar to the rights of other owners of at least 25% of the Common Units, such as KSS) would be able to block any special resolutions (such as a proposal to remove the General Partner or to dissolve Zhaikmunai LP).

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.

Zhaikmunai LP entered into a relationship agreement (the "**Relationship Agreement**") with Thyler and Claremont in March 2008 in which Thyler and Claremont undertook to allow Zhaikmunai LP 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 LP 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 Claremont and its Affiliates block actions and thereby favour their interests over those of the Group (in violation of the terms of the Relationship Agreement), the Group's business, prospects, financial position or results of operations may be materially adversely affected.

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 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 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 LP's Chief Executive for overall management of the Group's business.

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 Probel Capital Management N.V. ("**Probel**"), Prolag BVBA ("**Prolag**") and Amersham Oil Limited, each of which is indirectly controlled by Frank Monstrey, and Zhaikmunai. 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. 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 2% of Zhaikmunai's staff as at 30 June 2012 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 also 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. Any 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.

Harsh climate conditions may detrimentally 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 U.S. Dollar/Tenge exchange rate.

The products that the Group exports are sold at prices quoted in U.S. Dollars and cash payment to the Group is made in U.S. Dollars. Approximately 20% of the Group's expenses for the six months ended 30 June 2012 and the year ended 31 December 2011 were denominated in Tenge and not indexed to the U.S. Dollar and hence were subject to fluctuations of the U.S. Dollar/Tenge exchange rate. The Group does not maintain any currency hedging arrangements. If the value of the U.S. Dollar falls against the Tenge, then the Group will have less Tenge available to pay its Tenge expenses and its results will be affected.

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. Kazakhstan 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.

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.

Risk Factors Relating to the 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. According to the Intercontinental Exchange, after reaching highs of up to approximately U.S.$147 per barrel in mid-2008, international oil prices fell dramatically in late 2008, reaching approximately U.S.$78 per barrel in December 2009, U.S.$93 per barrel in December 2010 and U.S.$94 per barrel in December 2011. Prices have varied between a low of approximately U.S.$90 per barrel and a high of approximately U.S.$122 per barrel in the first half of 2012. The price per barrel was approximately U.S.$98 as at 30 June 2012.

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

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

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

Any decline in commodities 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.

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

Unless stated otherwise, the reserves data included in this Offering Memorandum has been derived or extracted from the Ryder Scott Reports, which have 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 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 hydrocarbons that are 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 fields and the future marketability of the Group's products will be similar to past development and marketability. Many of the factors, assumptions and variables involved in estimating reserves are beyond the Group's control and may prove to be incorrect over time, and potential investors should not place undue reliance on the forward-looking statements contained herein (including data taken from the Ryder Scott Reports) concerning the Group's reserves or production levels. The Group's 2012 production results differ from the estimates in the 2012 Ryder Scott Report as a result of slower than expected ramp-up to the full design capacity of the gas treatment facility in 2012.

If the assumptions on which the estimates of the Group's reserves have been based are wrong, the Group may be unable to produce the estimated levels or quality of products 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.

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

The Group's future success will depend, in part, on its ability to develop oil and gas products 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 hydrocarbons 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. The Group's current or future oil and gas appraisal and exploration projects 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. The Group is also exposed to drilling hazards and environmental damage that could greatly increase its operating costs or result in the deterioration of its field operations. In addition, various field conditions may adversely affect its oil and gas production. 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, and adverse geological conditions.

For example, in August 2012, the Group decided to expand its operations and has agreed, subject to government approvals, to acquire subsoil use rights to three new oil and gas fields in Kazakhstan, located approximately 90 kilometres from the Chinarevskoye field. The company is currently in the process of analysing the optimal appraisal and development programme for the fields. However, appraisal and exploration activities are capital intensive and inherently uncertain in their outcome and there can be no assurance that the Group will be successful in its plans to develop these fields.

The Group may also encounter various transportation risks with regards to its oil and gas products, which may affect the Group's ability to deliver its products in a timely and cost effective manner. If the Group experiences any problems with its crude oil pipeline, which connects the Chinarevskoye Field with its railway-loading terminal in Rostoshi near Uralsk, or its 17 kilometre gas pipeline, which links the gas treatment facility to the Orenburg-Novopskov gas pipeline, as well as any other material transport disruptions, it might be required to curtail its production activities or incur additional transportation and storage expenses from accessing alternative transport. 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 spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury. Any of these risks could result in loss of hydrocarbons or could lead to environmental pollution and other damage to the Group's properties or nearby areas and increased costs. Should the gas treatment facility cease to be operational due to operational risks or hazards or phase of construction is delayed, the Group may have to apply for additional gas flaring permits from the Competent Authority in order to flare associated gas. 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, 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 hydrocarbons 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.

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, 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. Various 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 Plans, the gas flaring permits, the technological scheme of development of the Licence area and work programmes) and other licences, permits, regulatory approvals and consents. Under the Kazakhstan law "On Subsoil and Subsoil Use" dated 24 June 2010 (the "**New Subsoil Law**"), which came into force on 7 July 2010, 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 Kazakhstan 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 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, which was until recently the Ministry of Energy and Mineral Resources of Kazakhstan, which on 12 March 2010 was reorganized into the Ministry of Oil and Gas with respect to the oil and gas industry and the mining authorities have on various occasions in the past, 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 and has provided the requested information, which 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.

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

The Group's operations are subject to environmental risks inherent in 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.

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 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). While 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, the Tax Code applies to the three new licenses the Group has agreed to purchase.

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.

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*". 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.

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 25 of the audited consolidated financial statements of Zhaikmunai LP and its subsidiaries for 2011 for more detail and footnote 14 of the unaudited interim condensed consolidated financial statements of Zhaikmunai LP and its subsidiaries as at and for the six months ended 30 June 2012.

The Group operates in a highly competitive industry.

The oil and gas industry is highly competitive. The Group competes with numerous other participants in the acquisition of subsoil use rights for oil and gas exploration, production and properties, and access to export transportation routes for oil and gas. Competitors include oil and gas 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 oil and gas products 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 global and regional capital markets have led to reduced liquidity and increased credit risk for certain market participants and have resulted in a reduction of available financing. Companies located in emerging markets such as Kazakhstan may be particularly susceptible to these disruptions and to reductions in the availability of credit or increased financing costs, which could result in financial difficulties. In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in these markets, and, as such, any factors that impact market confidence, (for example, a decrease in credit ratings, or 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 Kazakhstan economy. Kazakhstan's 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 Kazakhstan's 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, JSC 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 Kazakhstan 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 Kazakhstan 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 Kazakhstan's economy. In turn, this could have a direct negative effect on the Group, whose primary source of revenue is crude oil sales. See *"Risk Factors—Risk Factors Relating to Kazakhstan—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—Risk Factors Relating to the 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, on-going 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 Kazakhstan 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 political environment in Kazakhstan has a significant impact on the Group.

Kazakhstan became an independent sovereign nation in 1991 following the break-up of the Union of Soviet Socialist Republics (the "**USSR**" or the "**Soviet Union**"). Since then, Kazakhstan has undergone major change as part of its transformation from a centralised planned economy to a free-market economy. Initially, this transformation was accompanied by political uncertainty and strain, where economic downturns were accompanied by high inflation, volatility in the national currency and rapid, although incomplete, changes to the legal environment.

Following the break-up of the Soviet Union, a number of the former republics of the USSR went through periods of political instability, civil unrest, military action and territorial disputes accompanied by violence. From the period of independence up to the date of this Offering Memorandum, the political situation in Kazakhstan has generally remained calm. At the same time, no assurances can be given that the situation will not change as a result of an internal conflict or outside influence. An example of this is provided by the events which occurred on 16 December 2011 in the city of Zhanaozen in the Mangistau region of Kazakhstan. Mass riots which started in the city's main square during the celebrations of the 20th anniversary of Kazakhstan's independence resulted in dozens of people being killed or injured and significant damage being caused to the city's infrastructure. According to some sources, the riots were caused by discontent amongst oil workers, including over low wages.

Since 1991 and until present, Kazakhstan has had only one president, Nursultan Abishevich Nazarbayev, and the country has been largely free from political instability. Under President Nazarbayev's leadership, the foundations of a market economy have been established, including the privatisation of state-owned assets, liberalisation of capital controls, tax reforms and pension system development. The Group's operations have benefited from these stable conditions. In 2007, Kazakhstan's Parliament voted to amend Kazakhstan's Constitution to allow President Nazarbayev to run in an unlimited number of elections. In April 2011, President Nazarbayev was re-elected for a further five year term. Despite the above amendments to the Constitution, there is no guarantee that President Nazarbayev will remain in office for any period of time. Given that an independent Kazakhstan has not had to face a Presidential succession, there can be no assurance that the handing over of power to a new president will be smooth or democratic.

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

The economy and state budget of Kazakhstan, as with other countries in the Central Asian region, rely on the export of crude oil and oil products and other commodities, the import of capital equipment and significant foreign investment in infrastructure projects. As a result, Kazakhstan could suffer from volatility, or a sustained decline in oil and other commodity prices, or from the frustration or delay of any infrastructure projects caused by political or economic instability in countries participating 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 U.S. dollar relative to other currencies may cause volatility in earnings from U.S. dollar-denominated crude oil exports. An oversupply of crude oil or other commodities in world markets or a general downturn in the economies of any significant markets for crude oil or other commodities or weakening of the U.S. Dollar relative to other currencies would have a material adverse effect on the Kazakhstan economy which, in turn, could have an adverse effect on the business, financial condition and results of operations of the Group.

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.

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.

Kazakhstan may revise the stability of the tax regime of Zhaikmunai's PSA which could result in negative tax consequences. In January 2010, President Nazarbayev of Kazakhstan spoke out against tax stabilisation clauses stating that parties operating in Kazakhstan should work under the same legislation. Furthermore, the Minister of Energy and Natural Resources (currently the Minister of Oil and Gas), Sauat Mynbayev, has publicly warned foreign companies that they should prepare themselves for losing their exemption from domestic taxation. Moreover, the New Subsoil Law came into force on 7 July 2010 and the application of this law is relatively new. 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, procurement, 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 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. The Group is required to obtain, on an on-going 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 on 7 July 2010 and the application of this law is untested. The on-going 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.

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. 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*".

Risks Related to the Notes and the Guarantees

The Issuer is a newly formed company with no revenue generating operations of its own.

The Issuer is a newly formed company 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 under the terms of the Proceeds Loan or otherwise.

Following the Substitution, Zhaikmunai LLP 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 LLP 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 LLP to service its obligations to the Issuer in respect of the Proceeds Loan or by the Guarantors to honour their obligations under the Guarantees.

Claims of 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.

The Notes will not benefit from any security. Claims of the creditors of the Issuer or the Guarantors that are secured by property or other assets will effectively have priority with respect to such property and other assets securing their indebtedness over the claims of the holders of the Notes to the extent of the value of such property and other assets (other than to the extent such property and other assets also secure the Notes and/or the Guarantees on an equal and rateable 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, the property or other assets of the Issuer and the Guarantors that secure such indebtedness will be available to pay obligations on the Notes and the Guarantees only after all such indebtedness has been repaid in full from such property and other 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 of the Notes and the Guarantees then outstanding.

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

In particular, the Indenture will permit the Issuer 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 Group's second gas treatment facility (see "*Business—Production and Facilities—Gas Treatment Facility*"). We estimate that construction of the second gas treatment facility will cost approximately U.S.$300-400 million.

As of 30 June 2012, on a *pro forma* basis after giving effect to this Offering (including the application of proceeds therefrom) and assuming U.S.$348 million of Existing Notes are tendered into the Tender Offer, we would have had U.S.$662 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 property and other assets on a basis prior to the Notes according to the terms of the Indenture.

The terms of our indebtedness will restrict the Group's operating flexibility.

Among other things, the Existing Indenture restricts, and the Indenture will restrict, the ability of Zhaikmunai LP 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;
- guarantee future debt; 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 LP 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 LP'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 Significant Indebtedness and Certain Financial Arrangements*".

The Issuer 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), the Issuer 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, the Issuer cannot assure you that it will have sufficient funds to pay the purchase price of the outstanding Notes, and the Issuer expects that third party financing would be required to do so. The Issuer cannot assure you that it 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 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 subject to the conflict of laws position in relevant jurisdictions. 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 two of the Guarantors, Zhaikmunai Netherlands B.V. and Zhaikmunai Finance B.V., 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, 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 except within the scope 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, inter alia, that any dispositions of the debtor's property made within the period beginning three years prior to commencement of the bankruptcy proceedings for no consideration or below market value or without sufficient grounds 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— 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 LP 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 LP 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.

BVI

Claydon and Jubilata are incorporated and registered 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 right of unsecured creditors to *pari passu* distribution of assets of a company in liquidation is subject to the prior ranking of certain preferential creditors, including (subject to a cap) the BVI Government and (subject to a cap) certain unpaid employment obligations. It should be noted that the IA provides 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—BVI*".

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

General

The granting of the Guarantees in favour of 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, as applicable. 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 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 was a fraudulent transfer, the court or a creditor could void or declare unenforceable the payment obligations under such Guarantee, or subordinate such Guarantee 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.

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.

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 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 a guarantee by the debtor. Consequently, the validity of any Dutch guarantees 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 and the granting of the guarantee 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 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 and/or the objects clause of the company was transgressed, then such company (and any bankruptcy receiver) may challenge the guarantee, 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, the continuity of such company would foreseeably be endangered by the granting of such guarantee. 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 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 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. Other general defenses include claims that a guarantee should be avoided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), duress (*bedreiging*) or error (*dwaling*).

Under Dutch law, any 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 are subject to limitations accordingly.

Kazakhstan

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

- it has been executed after the initiation of any liquidation procedure if it results in preferential satisfaction of claims of some creditors over the others; or
- it was executed within three years prior to the initiation of the liquidation procedure, under which a counterparty had received property without consideration, or for a consideration below market value, or the transaction was made without sufficient grounds, and it adversely affects the interests of the creditors of the debtor in each case.

In addition, a rehabilitation administrator and liquidator is obliged to demand the return of the debtor's property transferred within the three years prior to the initiation of rehabilitation or bankruptcy proceedings where such transfer was made to satisfy an obligation prior to its maturity and adversely affected the interests of 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: (i) where performance would cause losses for the debtor, (ii) if a contract contains unusually burdensome provisions or is long term (i.e. more than one year), or (iii) 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 the period 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.

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.

Enforcing your rights as a holder of the Notes or under the Guarantees 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 and the Guarantees 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.

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 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 Notes may be subject to withholding due to FATCA.

Under certain circumstances, the Issuer and financial institutions through which payments on the Notes are made may be required, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**"), to withhold U.S. tax at a rate of 30% on all or a portion of payments of principal and interest which are treated as "foreign pass-thru payments" made on or after 1 January 2017 to an investor or any other non-U.S. financial institution through which payment on the Notes is made that is not in compliance with FATCA. The application of FATCA to interest, principal or other amounts paid on or with respect to the Notes is not currently clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a Noteholder's failure to comply with FATCA, neither the Issuer, the Guarantor, any Paying Agent or any other person would pursuant to the terms and conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax.

Notes issued on or before 31 December 2012 generally will not be subject to withholding under FATCA. However, if, on or after 1 January 2013, the Notes are materially modified, then such Notes would become subject to withholding under FATCA. If the Issuer issues additional Notes on or after 1 January 2013 that were originally issued on or before 31 December 2012, payments on such additional Notes may be subject to withholding under FATCA and, should the originally issued Notes and the further Notes be indistinguishable, such payments on the originally issued Notes may also become subject to withholding under FATCA.

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*".

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. The Issuer has made an application to list the Notes on the Official List of the Irish Stock Exchange and be admitted to trading on the Global Exchange 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 the Issuer 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 Prospective 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, Cede & Co., as the nominee of DTC 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, the Issuer 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. The Issuer 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*".

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.

USE OF PROCEEDS

The Issuer expects to receive gross proceeds of U.S.$560 million and net proceeds of approximately U.S.$510 million from the Offering after deduction of the Offering and Tender Offer expenses of approximately U.S.$50 million. The Issuer intends to use the net proceeds from the Offering to fund the repurchase of Existing Notes pursuant to the Tender Offer and to use any remaining net proceeds for general corporate purposes.

THE ISSUER

Incorporation and Status

The Issuer is a finance company incorporated on 12 October 2012 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 56250851. The articles of incorporation of the Issuer are available for inspection at the Issuer's registered office located at Zuidsingel 1, 3811 HA Amersfoort, The Netherlands.

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 and its guarantee of the Existing Notes. The Issuer has no subsidiaries. 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. See "*Risk Factors—Risks Related to the Notes and the Guarantees—The Issuer is a newly formed company with no revenue generating operations of its own*".

Objects

Issuer will be managed by its directors in accordance with those articles and with the provisions of the laws of the Netherlands.

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 or severally or otherwise, for or in respect of obligations of group companies and third parties; and
- to do anything which is, in the widest sense of the word, connected with or may be conductive to the attainment of these objects.

Share Capital

The Issuer's issued share capital is U.S.$20,000 represented by 20,000 shares of U.S.$1 none of which is paid up. The sole shareholder of the Issuer's share capital is Zhaikmunai Netherlands 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):

- **Jan-Ru Muller** was appointed as managing director of the Issuer on 12 October 2012. His business address is Zuidsingel 1, 3811 HA Amersfoort, The Netherlands.
- **Thomas Hartnett** was appointed as managing director of the Issuer on 12 October 2012. His business address is Zuidsingel 1, 3811 HA Amersfoort, The Netherlands.

Save as set out in "*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, the General Partner and Claremont*", "*Related Parties and Related Party Transactions—Services Agreements*" and "*Related Parties and Related Party Transactions—Other*" no director of the Issuer has, or has had, any interest in any transaction related to the Issuer which is or was unusual in its nature or conditions or which is, or was, significant in relation to the Issuer's business, and which was effected by Zhaikmunai LP 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.

Companies owned by Jan-Ru Muller and Thomas Hartnett provide services to Probel Capital Management N.V.

Save as set out above, no director has any potential conflict of interest between his duties to the Issuer and his private interests or other duties.

CAPITALISATION

The following table sets forth the consolidated capitalisation of the Group as at 30 June 2012 on a historical basis and as adjusted to give effect to the offering and the use of proceeds thereof as if it had occurred on 30 June 2012. The historical consolidated financial information has been derived from the unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2012 prepared in accordance with IAS34 Interim Financial Reporting (IAS34) 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 Significant Indebtedness and Certain Financial Arrangements*" and the unaudited interim condensed consolidated financial statements of Zhaikmunai LP and its subsidiaries as at and for the six months ended 30 June 2012, the audited consolidated financial statements as at and for the years ended 31 December 2009, 2010 and 2011 and, in each case, the accompanying notes appearing elsewhere in this Offering Memorandum.

	As at 30 June 2012		
	Historical	**Adjustments**	**As Adjusted**
		(U.S.$ thousands)	
Cash and cash equivalents[4]	**159,339**	**162,396**	**321,735**
Existing debt:			
Existing Notes	459,450	(347,604)[3]	111,846
Capitalised transaction costs on Existing Notes	(13,210)	(26,061)	(39,271)
Debt to be incurred in connection with the Offering:			
Notes offered hereby[1]	—	560,000	560,000
Total debt[2]	**446,240**	**186,335**	**632,575**
Partnership equity and capital reserves[4]	**676,214**	**(23,939)[5]**	**652,275**
Capitalisation	**1,122,454**	**162,396**	**1,284,850**

(1) The Existing Notes bear interest at the rate of 10.50% per year and mature on 19 October 2015. The Issuer expects to receive gross proceeds of U.S.$560 million and net proceeds of approximately U.S.$ 510 million from the Offering after deduction of the Offering and Tender Offer expenses of approximately U.S.$ 50 million. The Issuer intends to use the net proceeds from the Offering to fund the repurchase of Existing Notes pursuant to the Tender Offer and to use any remaining net proceeds for general corporate purposes.

(2) This amount does not include the impact under IFRS of issuance costs related to the issuance of the Notes. See footnote 1.

(3) Assumes approximately U.S.$348 million in principal amount of Existing Notes are tendered pursuant to the Tender Offer and cancelled by Zhaikmunai LLP. The Tender Offer expires on 19 November 2012.

(4) In September 2012, the Group approved a dividend payment of U.S.$60.2 million to the Common Unit/GDR holders of Zhaikmunai LP, which is not reflected in the table.

(5) The reduction of Partnership equity and capital reserves of U.S.$23.9 million relates to the expensing of a portion of the Group's historic and current transaction costs.

At its meeting held on 10 September 2012, the Board of Directors of Zhaikmunai Group Limited, the general partner of Zhaikmunai LP, approved the payment of its first dividend in the amount of U.S.$0.32 per Common Unit and GDR to the holders of Zhaikmunai LP Common Units and GDRs, representing a cash distribution of U.S.$60.2 million (equal to 20% of retained earnings as at 30 June 2012). The dividend was paid on 2 October 2012 to Common Unit and GDR holders.

SELECTED HISTORICAL FINANCIAL INFORMATION

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 Significant Indebtedness and Certain Financial Arrangements*" and the audited consolidated financial statements, unaudited interim condensed consolidated financial statements and the accompanying notes appearing elsewhere in this Offering Memorandum.

Statement of Comprehensive Income

	Year ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
				(unaudited)	
			(U.S.$ thousands)		
Revenue	300,837	178,159	116,033	323,409	125,907
Cost of sales	(70,805)	(53,860)	(44,035)	(94,976)	(28,403)
Gross profit	**230,032**	**124,299**	**71,998**	**228,433**	**97,504**
General and administrative expenses	(36,405)	(27,265)	(29,726)	(28,461)	(15,643)
Selling and transportation expenses	(35,395)	(17,014)	(5,692)	(44,636)	(15,437)
Loss on derivative financial instrument	—	(470)	(16,909)	—	(189)
Finance costs	(4,717)	(21,296)	(7,801)	(18,980)	(789)
Foreign exchange (loss)/gain, net	(389)	46	(2,184)	336	(26)
Interest Income	336	239	60	169	121
Other (expense)/income	(4,490)	2,234	(906)	162	(1,503)
Profit before income tax	**148,972**	**60,773**	**8,840**	**137,023**	**64,038**
Income tax expense	(67,348)	(37,873)	(27,608)	(50,374)	(28,027)
Profit/(loss) for the period	**81,624**	**22,900**	**(18,768)**	**86,649**	**36,011**
Total comprehensive income/(loss) for the period	**81,624**	**22,900**	**(18,768)**	**86,649**	**36,011**

Cash Flow Data

	Year ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
				(unaudited)	
			(U.S.$ thousands)		
Net cash flow from operating activities	132,223	98,955	45,934	158,325	56,071
Net cash used in investing activities	(103,681)	(132,189)	(200,673)	(99,931)	(39,085)
Net cash (used in)/ provided by financing activities	(47,350)	39,710	279,418	(24,448)	(25,016)

Statement of Financial Position

	As at 31 December			As at 30 June
	2011	2010	2009	2012
				(Unaudited)
		(U.S.$ thousands)		
ASSETS				
Non-current assets:				
Property, plant and equipment	1,120,453	955,911	770,953	1,157,772
Derivative financial instrument	—	—	98	—
Restricted cash	3,076	2,743	21,358	3,416
Advances for equipment and construction works	3,368	6,479	27,399	8,306
	1,126,897	**965,133**	**819,808**	**1,169,494**
Current assets:				
Restricted cash	—	1,000	—	—
Inventories	14,518	5,639	3,477	19,097
Trade receivables	12,640	1,635	13,878	26,565
Prepayments and other current assets	23,279	16,759	22,663	26,814
Income tax prepayment	3,453	3,200	5,599	—
Cash and cash equivalents	125,393	144,201	137,375	159,339
	179,283	**172,434**	**182,992**	**231,815**
Total assets	**1,306,180**	**1,137,567**	**1,002,800**	**1,401,309**
EQUITY AND LIABILITIES				
Partnership capital and reserves:				
Partnership capital	368,203	366,942	366,942	369,944
Additional paid-in capital	1,677	—	—	4,270
Retained earnings and translation reserve	215,351	133,727	110,827	302,000
	585,231	**500,669**	**477,769**	**676,214**
Non-current liabilities:				
Long-term borrowings	438,082	434,931	356,348	436,790
Employee share option plan	11,734	10,104	7,025	9,165
Abandonment and site restoration liabilities	8,713	4,543	3,373	9,590
Due to Government of Kazakhstan	6,211	6,290	6,363	6,122
Deferred tax liability	146,674	100,823	76,659	151,531
	611,414	**556,691**	**449,768**	**613,198**
Current liabilities:				
Current portion of long term borrowings	9,450	9,450	—	9,450
Trade payables	81,914	49,213	66,381	52,094
Advances received	3,154	11,693	—	1,396
Income tax payable	—	—	—	32,660
Derivate financial instrument	—	372	—	—
Current portion of due to Government of Kazakhstan	1,031	1,031	1,028	1,031
Other current liabilities	13,986	8,448	7,854	15,266
	109,535	**80,207**	**75,263**	**111,897**
Total equity and liabilities	**1,306,180**	**1,137,567**	**1,002,800**	**1,401,309**

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

The following discussion and analysis should be read together with the unaudited interim condensed consolidated financial statements as at and for the six months ended 30 June 2012 and 2011, the audited consolidated financial statements as at and for the years ended 31 December 2011, 2010 and 2009, including the accompanying notes, included elsewhere in this Offering Memorandum. The audited consolidated financial statements and the accompanying notes have been prepared in accordance with IFRS. The unaudited interim condensed consolidated financial statements and accompanying notes have been prepared in accordance with IAS34.

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

Prior to 2011, all of Zhaikmunai's revenues were generated by its crude oil sales. However, starting in late 2011 when the gas treatment facility came into full production, the Group began producing and selling stabilized condensate, dry gas and LPG in addition to crude oil. The gas treatment facility has enabled Zhaikmunai to increase its daily production of oil and gas products from an average daily production of approximately 9,700 boepd (primarily crude oil) during the first half of 2011 to an average daily production of approximately 35,000 boepd (comprised of crude oil, stabilized condensate, dry gas and LPG) during the six months ended 30 June 2012.

The primary factors affecting the Group's results of operations are: (i) the prices received by Zhaikmunai for its products, (ii) the quantities of Zhaikmunai's production for a given period, (iii) the costs Zhaikmunai incurs to produce and transport its products, (iv) finance costs incurred by the Group under its borrowings and (v) amounts payable pursuant to the PSA (see "*Risk Factors—Primary Factors Affecting Results of Operations*").

The following table sets forth the Group's revenues from the sale of its oil and gas products, cost of sales, gross profit, profit before income tax and net income/(loss) for the six months ended 30 June 2012 and 2011 and the years ended 31 December 2011, 2010 and 2009:

	Years ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
				(unaudited)	
	(U.S.$ thousands)			*(U.S.$ thousands)*	
Revenue	300,837	178,159	116,033	323,409	125,907
Cost of sales	(70,805)	(53,860)	(44,035)	(94,976)	(28,403)
Gross profit	230,032	124,299	71,998	228,433	97,504
Profit before income tax	148,972	60,773	8,840	137,023	64,038
Net income/(loss)	81,624	22,900	(18,768)	86,649	36,011

Primary Factors Affecting Results of Operations

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

Pricing

The pricing for all of the Group's oil and gas products is, directly or indirectly, related to the price of Brent crude oil. During the periods under review, the price of Brent crude oil experienced significant fluctuations. According to the Intercontinental Exchange, after reaching highs of up to approximately U.S.$147 per barrel in mid-2008, international oil prices fell dramatically in late 2008, reaching approximately U.S.$78 per barrel in December 2009, U.S.$93 per barrel in December 2010 and U.S.$94 per barrel in December 2011. Prices have varied between a low of approximately U.S.$90 per barrel and a high of approximately U.S.$122 per barrel in the first half of 2012. The price per barrel was approximately U.S.$98 as at 30 June 2012. See "*Risk Factors—Risk Factors Relating to the 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*".

	Years ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
Average Brent crude oil price on which Zhaikmunai based its sales (U.S.$/bbl)	106.87	80.15	62.02	109.05	109.77

The Group has a hedging policy in place that it will hedge the price of oil when the Group has significant committed capital expenditure obligations to meet. Therefore the Group had hedging arrangements in place while it was completing the construction of the first gas treatment facility. As of the date of the Offering Memorandum, Zhaikmunai does not have any hedging arrangements in place. See "*—Disclosure about Market Risk—Commodity price risk*".

Until 2010, the Group's products were sold and delivered from Uralsk to Zhaikmunai's customers on a FCA (free carrier) shipment basis. However, in order to avoid incurring higher transportation costs and to introduce higher profitability into the Group's pricing, Zhaikmunai started selling its products on the basis of DAF (delivery at frontier) and FOB (free on board) terms. This means that Zhaikmunai incurs most of the transportation costs relating to shipment. However, it also provides the Group with access to a larger number of purchasers, resulting in greater competition for its products and therefore higher profitability.

The Group generates revenue from the sale of four principal products: crude oil, condensate, dry gas and LPG.

- *Crude oil*

  Pursuant to the PSA, the Group has agreed to sell 15% of its crude oil production sourced from wells in production in the domestic Kazakhstan market at Government-regulated prices. The remainder of the Group's crude oil is free to be exported; currently the Group exports all of this remaining crude oil to Ukraine due to the existing tax treaty between Kazakhstan and Ukraine which means that this export is exempt from export duties.

- *Condensate*

  The Group exports 100% of its condensate.

- *Dry gas*

  The Group sells 100% of its dry gas domestically in Kazakhstan pursuant to two long-term contracts. All of Zhaikmunai's dry gas sales are sold domestically in Kazakhstan pursuant to two long-term contracts. Pursuant to these contracts, the price of dry gas is set annually in accordance with a formula as set forth in the contracts. Prices for gas are broadly in line with domestic gas prices in the Russian Federation.

- *LPG*

  Currently the Group sells approximately 10-15% of its LPG production domestically in Kazakhstan and the remainder is exported to various destinations.

Production

The Group's results of operations are also directly affected by production because, except for a portion of the dry gas that is utilised in the operations of the gas treatment facility, all production by Zhaikmunai is sold. The table below illustrates Zhaikmunai's production for the six months ended 30 June 2012 and 2011 and the years ended 31 December 2011, 2010 and 2009.

	Years ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
Total production (boe)	**4,802,561**	**2,829,764**	**2,697,980**	**6,424,163**	**1,758,234**
Average production (boepd)	13,158	7,752	7,442	35,298	9,714
Increase in production from previous period (boepd)	5,406	310	2,347	25,584	2,453
Increase in production from previous period (%)	69.7%	4.2%	54.3%	263.4%	33.8%

Zhaikmunai's production growth in 2009 and 2010 was primarily driven by a growing drilling programme. However, in 2011 and the six months ended 30 June 2012, Zhaikmunai's production growth was primarily driven by the output from its newly installed gas treatment facility. Zhaikmunai experienced an 11.1% increase in average production in the second quarter of 2012 over the first quarter of 2012 to 37,285 boepd. The impact of this production growth on revenue was limited by two factors: (1) the primary source of production growth in the second quarter relative to first quarter of 2012 was attributable to dry gas, which has a lower margin than liquid hydrocarbons and (2) lower overall pricing across all products in the second quarter relative to first quarter of 2012, due to higher prices of Brent crude oil in the first quarter of 2012 compared to the second.

While the gas treatment facility has contributed to a significant increase in production in 2012, as of the date of this Offering Memorandum the facility has not yet reached its design capacity. In the fourth quarter of 2012, Zhaikmunai intends to undertake a maintenance shutdown of the gas treatment facility in order to bring it to design capacity, which Zhaikmunai expects to reach by the end of 2012. In addition, Management intends to drill an average of 13 new production wells per year between 2013 and 2015 and is also considering the development of a second gas treatment facility, both of which it believes will significantly increase production in the future. See "*—Liquidity and Capital Resources—Capital Expenditures*".

Cost of sales

The Group's oil and gas prices are based on a mix of fixed and quotation pricing, and therefore Zhaikmunai's ability to control costs is critical to its profitability. Zhaikmunai's cost of sales comprise various costs including depreciation of 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, and well workover costs.

Depreciation and amortization costs, during the periods under review, have represented as a percentage of total cost of sales 48.0% and 29.1% for the six months ended 30 June 2012 and 2011, respectively, and 27.5%, 28.2% and 36.7% for the years ended 31 December 2011, 2010 and 2009, respectively. Such costs fluctuate according to the level of Zhaikmunai's proved developed reserves, the volume of oil and gas 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).

Repair maintenance and other services are related to the repair and maintenance of the Group's infrastructure, including the gas treatment facility and other but does not include 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 23.5% and 14.1% for the six months ended 30 June 2012 and 2011, respectively, and 23.5%, 14.1% and 16.6% for the years ended 31 December 2011, 2010 and 2009, respectively. The increases in 2011 and the first half of 2012 were primarily driven by the ramp up of operations of the gas treatment facility, which came online in the second half of 2011.

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 1.7% and 7.1% for the six months ended 30 June 2012 and 2011, respectively, and 5.6%, 10.9% and 0.3% for the years ended 31 December 2011, 2010 and 2009, respectively. The decrease in well workover costs between the six months ended 30 June 2012 and 2011 was primarily due to a shift in the timing of these works as in 2012 most of the work will be conducted in the second half of the year compared to 2011 when the work was done in the first half of the year. The increase in well workover costs in 2010 compared to 2009 was due to Zhaikmunai's restarting previously postponed workover activities on its wells.

The increase in management fees and payroll costs resulted from an increase in the number of personnel contracted and/or employed by Zhaikmunai as well as through increases in salaries. Costs for repairs and maintenance and material and supplies are expected to increase due to the gas treatment facility's operations.

Finance costs

Finance costs in the six months ended 30 June 2012 and 2011, and in the years ended 31 December 2011, 2010 and 2009 consisted of interest expenses and fees and expenses in relation to the Existing Notes initially issued by Zhaikmunai Finance B.V. in October 2010; interest expenses and commitment fees in relation to the senior secured reducing facility agreement entered into in December 2007 (the "**Syndicated Facility**"); unwinding of discount on amounts due to the Government; loan review fees (only in 2009); unwinding of discount on abandonment and site restoration liability, and amortisation of fees incurred on arrangement of the Syndicated Facility (only in 2009).

Interest expense in 2011 consisted solely of interest on the Existing Notes issued by Zhaikmunai in October 2010 following the prepayment of the Syndicated Facility on 19 October 2010. Interest expense in 2010 consisted of interest on the notes issued by Zhaikmunai on October 2010 and on Zhaikmunai's Syndicated Facility. Interest expense in 2009 consisted of interest on the Syndicated Facility. Capitalised borrowing costs (including a portion of the interest expense, withholding tax paid by Zhaikmunai and amortization of the arrangement fees) amounted to U.S.$9.1 million and U.S.$27.7 million for the six months ended 30 June 2012 and 2011, respectively, and to U.S.$51.6 million in 2011, U.S.$51.7 million in 2010 and U.S.$26.4 million in 2009. Non-capitalised interest (including withholding tax paid by Zhaikmunai) amounted to U.S.$18.1 million in the six months ended 30 June 2012 and zero dollars in the same period in 2011. On an annual basis, these costs amounted to U.S.$3.1 million in 2011, U.S.$19.9 million in 2010 and U.S.$6.0 million in 2009.

Royalties, Government Share and Taxes payable pursuant to the PSA

Zhaikmunai operates its production and sales of production pursuant to the PSA. The PSA has, during the periods under review, and will continue to have both a positive and negative effect 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 U.S.$ nil per tonne of crude oil, but reimposed a U.S.$20 per tonne duty in August 2010, which was increased to U.S.$40 per tonne in January 2011. Zhaikmunai currently exports its crude oil to destinations which are currently exempt from such export duties.

For the purposes of corporate income tax from 1 January 2007, the Group considers its revenue from oil and gas 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% per annum. 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% per annum. Under the PSA, the exploration phase for the remainder of the Chinarevskoye Field expired in May 2011 and a further extension has been applied for. 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. 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 represented, as a percentage of total cost of sales, 7.2% and 1.7% respectively, for the six months ended 30 June 2012, compared to 18.6% and 4.2%, respectively for the six months ended 30 June 2011, 12.3% and 2.6% respectively, for the year ended 31 December 2011, 16.5% and 3.1% respectively for the year ended 31 December 2010 and 13.0% and 2.5% respectively for the year ended 31 December 2009.

Factors Affecting Comparability

Gas Treatment Facility

In the past several years the Group has been investing significantly in the construction and development of the gas treatment facility, which was in test production from May 2011 and came online into full production (and therefore resulting in IFRS recognition) in November 2011. Prior to the construction of the gas treatment facility the Group's revenue resulted solely from the sale of crude oil. Commencing in November 2011, the Group began selling condensate, dry gas and LPG in addition to crude oil. This has materially impacted the Group's results in the first half of 2012, making it difficult to compare this period to earlier periods.

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 2011, 2010 and 2009 and note 2 to the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2012 and 30 June 2011.

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 LP's computation of depreciation, depletion and amortisation (the "**DD&A**"). Zhaikmunai LP 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 LP 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 field 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 effective interest rate of the borrowing costs applicable to the Group's borrowings that are outstanding during the period.

Derivative Financial Instruments and Hedging

The Group has a hedging policy in place that it will hedge the price of oil when the Group has significant committed capital expenditure obligations to meet. 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.

Comparison of the six months ended 30 June 2012 and 2011

The table below sets forth the line items of the Group's unaudited interim consolidated statement of comprehensive income for the six months ended 30 June 2012 and 2011 in U.S. Dollars and as a percentage of revenue.

	Six months ended 30 June 2012	% of revenue	Six months ended 30 June 2011	% of revenue
	(Unaudited)		*(Unaudited)*	
		(U.S.$ thousands)		
Revenue	323,409	100.0	125,907	100.0
Cost of sales	(94,976)	29.4	(28,403)	22.6
Gross Profit	**228,433**	**70.6**	**97,504**	**77.4**
General and administrative expenses	(28,461)	8.8	(15,643)	12.4
Selling and transportation expenses	(44,636)	13.8	(15,437)	12.3
Loss on derivative financial instrument	—	—	(189)	0.2
Finance costs	(18,980)	5.9	(789)	0.6
Foreign exchange gain/(loss), net	336	0.1	(26)	0.0
Interest income	169	0.1	121	0.1
Other income/(expenses)	162	0.1	(1,503)	1.2
Profit before income tax	**137,023**	**42.4**	**64,038**	**50.9**
Income tax expense	(50,374)	15.6	(28,027)	22.3
Profit for the period	**86,649**	**26.8**	**36,011**	**28.6**

Revenue increased by U.S.$197.5 million, or 156.9%, to U.S.$323.4 million in the six months ended 30 June 2012 from U.S.$125.9 million in the six months ended 30 June 2011 primarily due to the additional revenue generated by the increased production primarily from the gas treatment facility.

The following table shows the Group's revenue, sales volumes and the commodity price of Brent crude oil for the six months ended 30 June 2012 and 2011:

	Six months ended 30 June	
	2012	**2011**
Revenue (U.S.$ thousands, unaudited)	323,409	125,907
Sales volumes (boe)	5,844,829	1,285,923
Average Brent crude oil price on which Zhaikmunai based its sales (U.S.$/bbl)	109.05	109.77

The following table shows the Group's revenue breakdown by product for the six months ended 30 June 2012 and 2011:

	Six months ended 30 June 2012	**Six months ended 30 June 2011**
	(U.S.$ thousands, unaudited)	
Revenue:		
Oil and gas condensate	250,871	125,907
Gas and liquefied petroleum gas	72,538	—
Total Revenue	**323,409**	**125,907**

The following table shows the Group's revenue breakdown by export/domestic for the six months ended 30 June 2012 and 2011:

	Six months ended 30 June 2012	**Six months ended 30 June 2011**
	(U.S.$ thousands, unaudited)	
Revenue:		
Revenue from export sales	272,972	121,625
Revenue from domestic sales	50,437	4,282
Total Revenue	**323,409**	**125,907**

The significant increase in domestic sales in the first half of 2012 compared to the same period in 2011 was primarily due to the commencement of dry gas production and sales, 100% of which is sold in the domestic Kazakhstan market.

Cost of sales increased by U.S.$66.6 million, or 234.4%, to U.S.$95.0 million in the six months ended 30 June 2012 from U.S.$28.4 million in the six months ended 30 June 2011 primarily due to an increase in depreciation, repair and maintenance, payroll expenses and materials and supplies driven by commencement of operations at the gas treatment facility. On a boe basis, cost of sales decreased by U.S.$5.84 or 26.4%, to U.S.$16.25 in the first six months of 2012 from U.S.$22.08 in the first six months of 2011, and cost of sales net of depreciation per boe decreased by U.S.$7.21, or 46.1% to U.S.$8.44 in the first six months of 2012 from U.S.$15.65 in the first six months of 2011.

Depreciation and amortisation increased by 451.6% or U.S.$37.4 million in the six months ended 30 June 2012 to U.S.$45.6 million, primarily resulting from the gas treatment facility coming into production.

Materials and supply expenses increased by 403.9% to U.S.$7.5 million while repair and maintenance expenses increased by 456.7% to U.S.$22.3 million, mainly due to the increased operations and production related to the gas treatment facility. For the first half of 2012, the Group increased average overall production, but the production is still below the design capacity. The Group believes that the majority of these repair and maintenance expenses were one time investments (although it expects that similar investments will continue through 2012 to bring the gas treatment facility to full design capacity).

Payroll and related taxes increased by 163.0% to U.S.$8.8 million in the first half of 2012 compared to U.S.$3.3 million in the first six months of 2011 primarily due to an increase in the number of employees required to operate the gas treatment facility and increase in salary rates.

Royalty costs increased by 30.0% to U.S.$6.9 million in the first six months of 2012, as compared to U.S.$5.3 million in the first six months of 2011, primarily due to increased revenue resulting from increased production.

General & administrative expenses increased by U.S.$12.8 million, or 81.9%, to U.S.$28.5 million in the six months ended 30 June 2012 from U.S.$15.6 million in the six months ended 30 June 2011 due primarily to an increase in social program expenditures of U.S.$11.2 million in the first half of 2012 from U.S.$150 thousand in the first half of 2011. This increase was related to the start of construction of a 37 kilometre asphalt road accessing the field site, which the Group agreed to construct as part of the ninth amendment to the PSA. See "*Business—Subsoil Licences and Permits—The Licence and the PSA—Amendments to the PSA*". The costs for the completion of the road are expected to reach approximately U.S.$17 million and the road is expected to be completed in 2013. The costs associated with the constructions of this road are significantly higher than the Group's usual costs relating to social programs.

Other expenses contributing to the increase in general and administrative expenses include an increase in management fees, an increase in payroll and related taxes and an increase in training expenses.

Selling and transportation expenses increased by U.S.$29.2 million, or 189.1%, to U.S.$44.6 million in the six months ended 30 June 2011 from U.S.$15.4 million in the six months ended 30 June 2011. This was driven primarily by an increase of U.S.$18.7 million for transportation costs to U.S.$31.0 million in the first six months of 2012 from U.S.$12.3 million in the first six months of 2011. Additionally, the company's loading and storage costs increased to U.S.$10.3 million in the six months ended 30 June 2012 from U.S.$0.3 million in the six months ended 30 June 2011. These cost increases were driven by the overall increase in production and specifically the rise in output of LPG and condensate volumes, which products require more specialised transportation and therefore higher costs.

Finance costs increased by U.S.$18.2 million, to U.S.$19.0 million in the six months ended 30 June 2012 from U.S.$0.8 million in the six months ended 30 June 2011. The increase in costs was primarily driven by the coming into operation of the gas treatment facility, which resulted in decreased capitalization of interest costs in the period.

Profit before income tax increased by U.S.$73.0 million, or 114.1%, to U.S.$137.0 million in the six months ended 30 June 2011 compared to a profit of U.S.$64.0 million in the six months ended 30 June 2011. The higher profitability was driven primarily by increased revenue due to the inclusion of gas treatment facility output.

Income tax expense increased to U.S.$50.4 million in the six months ended 30 June 2012 compared to U.S.$28.0 million in the six months ended 30 June 2011, a 79.7% increase. The increase in income tax expense is due to the increase in revenue in the first half of 2012.

Net income increased by U.S.$50.6 million, or 140.6%, to U.S.$86.6 million in the six months ended 30 June 2012 from U.S.$36.0 million in the six months ended 30 June 2011. This higher profitability was driven by increased revenue from increased production.

Comparison of the years ended 31 December 2011 and 2010

Below sets forth the line items of the Group's audited statement of comprehensive income for the years ended 31 December 2011 and 2010 in U.S. Dollars and as a percentage of revenue.

	Year ended 31 December 2011	% of revenue	Year ended 31 December 2010	% of revenue
	(U.S.$ thousands)		*(U.S.$ thousands)*	
Revenue	300,837	100.0	178,159	100.0
Cost of sales	(70,805)	23.5	(53,860)	30.2
Gross Profit	**230,032**	**76.5**	**124,299**	**69.8**
General and administrative expenses	(36,405)	12.1	(27,265)	15.3
Selling and transportation expenses	(35,395)	11.8	(17,014)	9.5
Loss on derivative financial instruments	—	—	(470)	0.3
Finance costs	(4,717)	1.6	(21,296)	12.0
Foreign exchange (loss)/gain, net	(389)	0.1	46	0.0
Interest income	336	0.1	239	0.1
Other (expenses)/income	(4,490)	1.5	2,234	1.3
Profit before income tax	**148,972**	**49.5**	**60,773**	**34.1**
Income tax expense	(67,348)	22.4	(37,873)	21.3
Profit for the period	**81,624**	**27.1**	**22,900**	**12.9**

Revenue increased by U.S.$122.7 million, or 68.9%, to U.S.$300.8 million in 2011 from U.S.$178.2 million in 2010 primarily due to an increase in the average Brent crude oil price of 33.3% and an increase in the output from the gas treatment facility.

The following table shows the Group's revenue and sales volumes for the years ended 31 December 2011 and 2010:

	Years ended 31 December	
	2011	2010
	(U.S.$ thousands)	
Sales volumes (boe)	3,397,815	2,634,553
Average Brent crude oil price on which Zhaikmunai based its sales (U.S.$/bbl)	106.87	80.15
Total Revenue	**300,837**	**178,159**

The following table shows the Group's revenue breakdown by product for the years ended 31 December 2011 and 2010:

	Years ended 31 December	
	2011	2010
	(U.S.$ thousands)	
Revenue:		
Oil and gas condensate	289,947	178,159
Gas and liquefied petroleum gas	10,890	—
Total Revenue	**300,837**	**178,159**

The following table shows the Group's revenue breakdown by export/import for the years ended 31 December 2011 and 2010:

	Years ended 31 December	
	2011	2010
	(U.S.$ thousands)	
Revenue:		
Revenue from export sales	284,548	172,102
Revenue from domestic sales	16,289	6,057
Total Revenue	**300,837**	**178,159**

Cost of sales increased by U.S.$16.9 million, or 31.5%, to U.S.$70.8 million in 2011 from U.S.$53.9 million in 2010 primarily due to an increase in depreciation and amortisation, repair, maintenance and other services and payroll and related taxes, primarily due to bringing the gas treatment facility online and the commencement of operation of new wells. On a boe basis, cost of sales increased by U.S.$0.39, or 1.91%, to U.S.$20.83 in 2011 from U.S.$20.44 in 2010, and cost of sales net of depreciation per boe increased by U.S.$0.44, or 3.00%, to U.S.$15.12 in 2011 from U.S.$14.68 in 2010.

Depreciation and amortization also increased by U.S.$4.3 million, or 28.1%, to U.S.$19.4 million for the year ended 31 December 2011 from U.S.$15.2 million for the year ended 31 December 2010, primarily due to bringing the gas treatment facility online and the commencement of operation of new wells.

Repair, maintenance and other services expenses increased by U.S.$9.0 million, or 118.4%, to U.S.$16.6 million for the year ended 31 December 2011 from U.S.$7.6 million for the year ended 31 December 2010, mainly due to the increased operations and production related to the gas treatment facility.

Payroll and related taxes increased by U.S.$2.6 million, or 39.3%, to U.S.$9.2 million for the year ended 31 December 2011 from U.S.$6.6 million for the year ended 31 December 2010, primarily due to the increased staff required to operate the gas treatment facility and increase in salary rates.

Slightly offsetting the increases in cost of sales were decreases in costs associated with well workover and environmental levies. Well workover costs decreased by U.S.$1.9 million, or 31.9%, to U.S.$4.0 million for the year ended 31 December 2011 from U.S.$5.9 million for the year ended December 2010, primarily due to a decrease in ongoing repair and maintenance of production and exploration wells as work on the current wells was completed in 2010. Environmental levies costs decreased by U.S.$0.8 million, or 49.9%, to U.S.$0.8 million in 2011 from U.S.$1.6 million in 2010 due to less gas flaring in 2011 than in 2010, as the first gas treatment facility came onboard.

General and administrative expenses increased by U.S.$9.1 million, or 33.5%, to U.S.$36.4 million for the year ended 31 December 2011 from U.S.$27.3 million for the year ended 31 December 2010 due primarily to an increase in business travel expenses and an increase in management fees (consisting of payment of remuneration of certain senior management employees). See "*Related Parties and Related Party Transactions*". Expenses relating to business travel increased by U.S.$3.4 million, or 467.4% to U.S.$4.1 million in 2011 from U.S.$0.7 million in 2010, primarily due to increased travel between Western Europe and Kazakhstan. Management fees increased by U.S.$3.5 million, or 54.9%, to U.S.$9.9 million in 2011, from U.S.$6.4 million in 2010 due to an increase in personnel costs relating to bringing the gas treatment facility online.

Selling and transportation expenses increased by U.S.$18.4 million, or 108.0%, to U.S.$35.4 million for the year ended 31 December 2011 from U.S.$17.0 million for the year ended 31 December 2010 driven primarily by an increase of U.S$17.8 million for transportation costs from U.S.$11.8 million in 2010 to U.S.$29.7 million in 2011 as the Group continued to move away from FCA (Free Carrier) terms towards DAP (Delivered at Place) and FOB (Free On Board) terms as a result of management's decision to build in greater flexibility with respect to the pricing of its products in an effort to maximise profitability. The output of LPG from the gas treatment facility also increased Zhaikmunai's transportation costs due to both the increased volume of LPG produced and the higher costs associated with the specialised transport needs of LPG.

Finance costs decreased by U.S.$16.6 million, or 77.9%, to U.S.$4.7 million for the year ended 31 December 2011 from U.S.$21.3 million for the year ended 31 December 2010 primarily due to a decrease in interest expense on borrowing. The interest expense on borrowing decreased by U.S.$16.9 million, or 84.7%, to U.S.$3.1 million in 2011, from U.S.$19.9 million in 2010 due to the capitalisation of interest costs in the period and higher expenses in 2010 related to the expensing of previously capitalised financing fees paid in 2008 and 2009 under the Syndicated Facility.

Profit before income tax increased by U.S.$88.2 million, or 145.0%, to U.S.$149.0 million for the year ended 31 December 2011 from U.S.$60.8 million for the year ended 31 December 2010 primarily due to increased Brent crude oil prices realised during the year and increased revenue due to bringing the gas treatment facility online and the commencement of operation of new wells.

Income tax expense increased by U.S.$29.5 million, or 77.8%, to U.S.$67.3 million for the year ended 31 December 2011 from U.S.$37.9 million for the year ended 31 December 2010, primarily due to higher revenue generated by the Group in 2011.

Net income increased by U.S.$58.7 million, or 256.4%, to U.S.$81.6 million for the year ended 31 December 2011 from U.S.$22.9 million for the year ended 31 December 2010, for the reasons described above.

Comparison of the years ended 31 December 2010 and 2009

The table below sets forth the line items of the Group's consolidated statement of comprehensive income for the years ended 31 December 2010 and 2009 in U.S. Dollars and as a percentage of sales of crude oil.

	Year ended 31 December 2010	% of revenue	Year ended 31 December 2009	% of revenue
	(U.S.$ thousands)		*(U.S.$ thousands)*	
Revenue	178,159	100.0	116,033	100.0
Cost of sales	(53,860)	30.2	(44,035)	38.0
Gross Profit	**124,299**	**69.8**	**71,998**	**62.0**
General and administrative expenses	(27,265)	15.3	(29,726)	25.6
Selling and transportation expenses	(17,014)	9.5	(5,692)	4.9
Loss on derivative financial instrument	(470)	0.3	(16,909)	14.6
Finance costs	(21,296)	12.0	(7,801)	6.7
Foreign exchange gain/(loss), net	46	0.0	(2,184)	1.9
Interest income	239	0.1	60	0.1
Other income/(expenses)	2,234	1.3	(906)	0.8
Profit before income tax	**60,773**	**34.1**	**8,840**	**7.6**
Income tax expense	(37,873)	21.3	(27,608)	23.8
Profit/(loss) for the period	**22,900**	**12.9**	**(18,768)**	**16.2**

Revenue increased by U.S.$62.1 million, or 53.5%, to U.S.$178.2 million for the year ended 31 December 2010 from U.S.$116.0 million for the year ended 31 December 2009 due primarily to an increase in average crude oil prices in 2010 and a decrease in average transportation costs per bbl compared to 2009.

The following table shows the Group's sales of crude oil and sales volumes for the years ended 31 December 2010 and 2009:

	Years ended 31 December	
	2010	2009
Sales of crude oil (U.S.$ thousands)	178,159	116,033
Sales volumes (gross of Cost Oil) (bbl)	2,634,553	2,675,505
Average Brent crude oil price on which Zhaikmunai based its sales (U.S.$/bbl)	80.15	62.02

The following table shows the Group's revenue breakdown by export/domestic for the years ended 31 December 2010 and 2009:

	Years ended 31 December	
	2010	2009
	(U.S.$ thousands)	
Revenue:		
Revenue from export sales	172,102	109,368
Revenue from domestic sales	6,057	6,665
Total Revenue	**178,159**	**116,033**

Cost of sales increased by U.S.$9.8 million, or 22.3%, to U.S.$53.9 million for the year ended 31 December 2010 from U.S.$44.0 million for the year ended 31 December 2009, primarily due to an increase in well workover expenses, royalties and government profit share as well as increases in payroll and related tax expenses and repair and maintenance expenses. On a per barrel basis, cost of sales increased by U.S.$3.99 or 24.2%, to U.S.$20.44 in 2010 from U.S.$16.46 in 2009 and cost of sales net of depreciation per barrel increased by U.S.$4.27, or 41.0%, to U.S.$14.68 in 2010 from U.S.$10.41 in 2009.

Well workover costs increased to U.S.$5.9 million in 2010 from U.S.$0.1 million in 2009 due to increased drilling activities in 2010.

Royalty costs increased by U.S.$3.2 million, or 55.2%, to U.S.$8.9 million in 2010 from U.S.$5.7 million in 2009 due to an increase in revenue primarily attributable to a 29.2% increase in the average Brent crude oil price during the year.

Costs for government profit share increased by U.S.$0.6 million, or 50.7%, to U.S.$1.7 million in 2010 from U.S.$1.1 million in 2009, primarily due to an increase in the Group's profitability as a result of higher net-back prices which drove top-line growth while the Group's expenses remained fixed during the same period. Partially offsetting these increases was a decline in depreciation expenses which decreased by U.S.$1.0 million, or 6.1%, to U.S.$15.2 million in 2010 from U.S.$16.2 million in 2009.

General and administrative expenses decreased by U.S.$2.5 million, or 8.3%, to U.S.$27.3 million for the year ended 31 December 2010 from U.S.$29.7 million for the year ended 31 December 2009 primarily due to a decrease in the employee share option plan expenses and management fees. The employee share option plan expenses declined by U.S.$3.4 million, or 52.7%, to U.S.$3.1 million in 2010 from U.S.$6.5 million in 2009. Additionally, management fees were U.S.$6.4 million in 2010, a decline of U.S.$2.1 million, or 25.0%, from U.S.$8.6 million in 2009. These declines were partially offset by increases in professional service expenses and tax provisions of U.S.$0.8 million and U.S.$0.7 million, respectively.

Selling and oil transportation expenses increased by U.S.$11.3 million, or 198.9%, to U.S.$17.0 million for the year ended 31 December 2010 from U.S.$5.7 million in 2009, primarily due to an increase of U.S.$10.6 million for oil transportation costs from U.S.$1.3 million in 2009 to U.S.$11.8 million in 2010, as the Group moved from FCA (Free Carrier) Uralsk terms to DAF (Delivery at Frontier) and FOB (Free on Board) contract terms during the year. Management has undertaken these contracts which require the Group to garner greater ownership of the transportation expenses for its oil shipments with the understanding that these terms offer higher profitability in the long term.

Finance costs increased by U.S.$13.5 million, or 173.0%, to U.S.$21.3 million for the year ended 31 December 2010 from U.S.$7.8 million for the year ended 31 December 2009 mainly due to the expensing of previously capitalised financing fees paid in 2008 and 2009 under the Syndicated Facility. On 19 October 2010, Zhaikmunai Finance B.V. issued the Existing Notes, with the proceeds of the notes being used in part to fully repay the Syndicated Facility and in part for general corporate purposes. The first coupon payment was due in 19 April 2011; however, the Group accrued the interest expense accordingly.

Loss on derivative financial instruments amounted to a loss of U.S.$0.5 million for the year ended 31 December 2010 compared to a gain of U.S.$16.9 million for the year ended 31 December 2009. The loss of U.S.$0.5 million consisted of the fair value of the hedging contracts as at 31 December 2010 (in a negative amount of U.S.$372 thousand) less the fair value of the hedging contracts as at 31 December 2009 (in a positive amount of U.S.$98 thousand).

Foreign exchange gain/losses amounted to a gain of U.S.$46 thousand for the year ended 31 December 2010 compared to a loss of U.S.$2.2 million for the year ended 31 December 2009.

Profit before income tax increased by U.S.$51.9 million, or 587.5%, to U.S.$60.8 million for the year ended 31 December 2010 from U.S.$8.8 million for the year ended 31 December 2009 due primarily to increased Brent crude oil prices realised during the year, which was partially offset by higher selling and finance costs.

Income tax expense increased by U.S.$10.3 million, or 37.2%, to U.S.$37.9 million for the year ended 31 December 2010 from U.S.$27.6 million for the year ended 31 December 2009 primarily due to the higher profitability, which was driven by higher Brent crude oil prices.

Net income increased by U.S.$41.7 million to a net income of U.S.$22.9 million for the year ended 31 December 2010 from a net loss of U.S.$18.8 million for the year ended 31 December 2009 for the reasons described above.

Liquidity and Capital Resources

General

During the periods under review, Zhaikmunai's principal sources of funds were cash from operations and amounts raised under the Existing Notes and the offering of GDRs in September 2009. Its liquidity requirements primarily relate to meeting ongoing debt service obligations (under the Existing Notes) and to funding capital expenditures and working capital requirements.

Cash Flows

The following table sets forth the Group's consolidated cash flow statement data for the six months ended 30 June 2012 and 2011 and the years ended 31 December 2011, 2010 and 2009.

	Year ended 31 December			Six months ended 30 June	
	2011	2010	2009	2012	2011
				(Unaudited)	
			(U.S.$ thousands)		
Net cash flow from operating activities	132,223	98,955	45,934	158,325	56,071
Net cash used in investing activities	(103,681)	(132,189)	(200,673)	(99,931)	(39,085)
Net cash (used in)/ provided by financing activities	(47,350)	39,710	279,418	(24,448)	(25,016)
Cash and cash equivalents at the end of period	125,393	144,201	137,375	159,339	136,171

Net cash flows from operating activities

Net cash flows from operating activities were U.S.$158.3 million for the six months ended June 2012 as compared to U.S.$56.1 million for the six months ended June 2011 and were primarily attributable to:

- profit before income tax for the period of U.S.$137.0 million, adjusted by a non-cash charge for depreciation and amortisation of U.S.$46.2 million, and finance costs of U.S.$19.0 million;
- a U.S.$35.4 million increase in working capital primarily attributable to (i) an increase in receivables of U.S.$13.9 million, (ii) a decrease in payables of U.S.$8.6 million, (iii) an increase in pre-payments of U.S.$3.5 million and (iv) a decrease in other current liabilities of U.S.$2.5 million; and
- income tax paid of U.S.$5.8 million.

Net cash flows from operating activities were U.S.$132.2 million for the year ended 31 December 2011 and were primarily attributable to:

- a profit before income tax for the period of U.S.$149.0 million, adjusted by a non-cash charge for depreciation and amortisation of U.S.$19.8 million;
- a U.S.$28.9 million increase in working capital primarily attributable to (i) an increase in pre-payments of U.S.$6.5 million, (ii) an increase in trade receivables of U.S.$11.0 million, (iii) an increase in inventories of U.S.$8.9 million, (iv) a decrease in advances received of U.S.$8.5 million and (v) partially offset by an increase in accounts payable of U.S.$10.5 million; and
- income tax paid of U.S.$13.2 million.

Net cash flows from operating activities were U.S.$99.0 million for the year ended 31 December 2010 and were primarily attributable to:

- a profit before income tax of U.S.$60.8 million adjusted by (i) a non-cash charge for depreciation and amortisation of U.S.$15.7 million and (ii) accrual of share option expenses of U.S.$3.1 million;
- a U.S.$1.9 million increase in working capital primarily attributable to (i) a decrease in trade receivables of U.S.$12.2 million, (ii) a decrease in trade payables of U.S.$18.6 million and (iii) decreases in advances received of U.S.$11.7 million; and
- income tax paid of U.S.$1.8 million.

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

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

Net cash used in investing activities

Net cash used in investing activities was U.S.$99.9 million for the six months ended 30 June 2012 due primarily to the drilling of new wells (U.S.$56.0 million) and investments in the gas treatment facility (U.S.$38.7 million).

Net cash used in investing activities was U.S.$103.7 million for the year ended 31 December 2011 primarily due to investments in the gas treatment facility (U.S.$28.4 million) and the drilling of new wells (U.S.$77.2 million).

Net cash used in investing activities was U.S.$132.2 million for the year ended 31 December 2010 primarily attributable to the drilling of new wells (U.S.$69.1 million) and investments in the gas treatment facility (U.S.$52.4 million) and in the water injection programme (U.S.$5.5 million).

Net cash used in investing activities was U.S.$200.7 million for the year ended 31 December 2009 primarily due to investments in the gas treatment facility (U.S.$163.8 million), the drilling of new wells, workover and flowlines (U.S.$59.0 million), in the oil pipeline and rail terminal (U.S.$25.3 million), in the gas pipeline (U.S.$5.1 million) and in the oil treatment unit (U.S.$3.5 million).

Net cash (used in)/ provided by financing activities

Net cash used in financing activities was U.S.$24.4 million for the six months ended 30 June 2012, primarily attributable to the interest paid on the Group's Existing Notes.

Net cash used in financing activities was U.S.$47.4 million for the year ended 31 December 2011, primarily attributable to the interest paid on the Group's Existing Notes.

Net cash provided by financing activities was U.S.$39.7 million for the year ended 31 December 2010, primarily due to the Syndicated Facility being refinanced by a larger principal amount of notes.

Net cash provided by financing activities was U.S.$279.4 million for 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.

Indebtedness

See "*Description of Significant 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 2011 based on contractual undiscounted payments:

	Year ended 31 December 2011					
	On demand	**Less than 3 months**	**3–12 months**	**1–5 years**	**More than 5 years**	**Total**
			(U.S.$ thousands)			
Borrowings[1]	—	11,748	35,502	591,750	—	639,000
Trade payables	81,902	—	—	—	—	81,902
Other current liabilities	1,630	—	—	—	—	1,630
Due to Government of Kazakhstan	—	258	773	4,124	15,464	20,619
Total	**83,532**	**12,006**	**36,275**	**595,874**	**15,464**	**743,151**

(1) The information in the table with regards to the maturity profile of the Group's borrowing has been incorrectly presented in the audited consolidated financial statements. The corrected numbers are included in this table and result in lower anticipated cash expenditures of approximately U.S.$91 million or 10.9%.

The Group had contractual capital commitments of U.S.$13.5 million as of 30 June 2012, mainly with respect of the Group's oil field development activities.

Capital Expenditures

In the years ended 31 December 2011, 2010 and 2009, Zhaikmunai's capital expenditures were approximately U.S.$133.7 million, U.S.$157.3 million and U.S.$210.6 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 44.4%, 88.3% and 181.5% of revenue, respectively. Zhaikmunai's capital expenditure during the first half of 2012 was U.S.$124.0 million compared to U.S.$45.3 million during the first half of 2011. The Group has implemented a capital expenditure programme budgeted to approximately U.S.$200 million for 2012, in which Zhaikmunai has budgeted a cost per well of approximately U.S.$10 million for oil wells and approximately U.S.$14.0 million for gas condensate wells.

Zhaikmunai's historical cash capital expenditures for the periods under review are as set out in the table below.

	Capital Expenditures			
	For the years ended 31 December			For the six months ended 30 June
	2009	2010	2011	2012
	(U.S.$ thousands)			
Item:				
Drilling	34,100	52,200	77,253	55,975
Oil & Gas Pipelines	30,400	5,400	896	0
Oil Treatment Unit	3,500	8,000	2,182	277
Gas Treatment Facilities	91,300	51,500	28,429	41,459
Other[(1)]	51,300	40,200	24,908	26,304
Total	**210,600**	**157,300**	**133,668**	**124,015**

(1) Other comprised of pipelines, reservoir pressure maintenance system and other similar items.

Drilling Expenditures

Drilling expenditures amounted to U.S.$56.0 million for the six months ended 30 June 2012, compared to U.S.$27.6 million for the same period in 2011, due to increased drilling activity in the first half of 2012.

New Licences

In the third quarter of 2012 the Group signed purchase agreements for the acquisition of three new licences in fields near the Chinarevskoye Field for a total purchase price of U.S.$16 million. The finalization and acquisition of these licences is currently pending regulatory approvals. If Zhaikmunai successfully acquires the licences, it has estimated that it will cost approximately U.S.$85 million to conduct the necessary appraisal activities. See "*Business—Subsoil Licences and Permits*".

Gas Treatment Facilities

Following the successful implementation of the first gas treatment facility, Zhaikmunai is expected to build a second 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 the first gas treatment facility. Management estimates that the construction of the second gas treatment facility will cost approximately U.S.$300-400 million. 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, the Group may not be able to meet its strategic production objectives*" and "*Business—Operations—Gas Treatment Facility*".

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 by 2014 in order to double its oil treatment capacity. Total capital expenditure for the oil treatment unit is expected to be approximately U.S.$40-50 million.

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 enters into hedging contracts, these only partially protect the Group against decreases in oil prices from their current levels. 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 U.S. 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 U.S. Dollars, and most of the Group's expenses are primarily denominated in U.S. 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 gain of U.S.$336 thousand in the six months ended 30 June 2012 (compared to a loss of U.S.$26 thousand in the six months ended 30 June 2011), a loss of U.S.$389 thousand in the year ended 2011, a gain of U.S.$46 thousand for the year ended 31 December 2010 and a loss of U.S.$2.2 million for the year ended 31 December 2009. The Group does not hedge against this risk. As at the date of this Offering Memorandum, all of the Group's financing is in U.S. Dollars and in the future the Group's capital expenditures are expected to be primarily denominated in U.S. 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 rate under the Existing Notes, (ii) a fixed margin as stated in the Syndicated Facility and (iii) a variable rate credit facility linked to the London Interbank Offered Rate as stated in the Syndicated Facility.

Credit risk

Zhaikmunai's policy is to mitigate the payment risk on its off takers by requiring all purchases to be prepaid or 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

On 19 October 2012, the Issuer commenced a cash tender offer (the "**Tender Offer**") to purchase any and all of Zhaikmunai LLP's 10.5% Senior Notes due 2015 (the "**Existing Notes**"). On 2 November 2012, the Issuer announced that approximately U.S.$348 million aggregate principal amount of the Existing Notes had been tendered into the Tender Offer as of 5:00 p.m., New York City time, on 1 November 2012 (the "**Early Tender Date**"), representing approximately 77% of the outstanding Existing Notes. The Tender Offer for Existing Notes expires on 19 November 2012. For a description of the Existing Notes, see "*Description of Significant Indebtedness and Certain Financial Arrangements—Existing Notes*".

In the third quarter of 2012 the Group signed purchase agreements for the acquisition of three new licences in fields near the Chinarevskoye Field for a total purchase price of U.S.$16 million. The finalization and acquisition of these licences is currently pending regulatory approvals, which are expected to be received by the end of 2012.

In October 2012, Zhaikmunai commenced a controlled twelve-day shutdown of its gas treatment facility in order to conduct necessary repair maintenance work to bring the gas treatment facility up to its full design capacity. The gas treatment facility is fully operational following a successful completion of its planned maintenance shutdown.

In September 2012, the Board of Directors of the General Partner approved the payment of Zhaikmunai LP's inaugural distribution of U.S.$0.32 per Common Unit and GDR to the holders of Zhaikmunai LP Common Units and GDRs, representing a cash distribution of U.S.$60.2 million (equal to 20% of retained earnings at 30 June 2012). The distribution was paid on 2 October 2012 to Common Unit and GDR holders on the register of partners and interests at the close of business on 1 October 2012. In addition, the Board of Directors approved the implementation of an ongoing distribution policy with the intention of making an annual distribution of not less than 20% of the partnership's consolidated net profit. This policy reflects Zhaikmunai's desire to recognize the growth and cash generation inherent in the business. In the future the policy will be periodically reviewed by the Board of Directors to ensure that it is in line with the achievement of Zhaikmunai's strategic milestones.

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 and other public sources.

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 2012, 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 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) that was 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 U.S.$5 billion to NC KMG until the end of the concession in 2041. See "*Risk Factors—Risk Factors Relating to Kazakhstan—The Group is exposed to the risk of adverse sovereign action by the Government*". Phase I of Kashagan's development, known as the Experimental Programme, is already in the construction phase with first oil expected in 2Q 2013. 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 2011, Kazakhstan ranked twelfth in the world by oil reserves and fourteenth 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 3.9 billion tonnes (representing 1.8% of the world's proved oil reserves) and 1.9 trillion cubic metres (representing 0.9% of the world's proved gas reserves), respectively, as at 31 December 2011.

Between 2001 and 2011, Kazakhstan's oil production grew at a compounded annual growth rate of approximately 7.5%. Kazakhstan produced approximately, 78.0 million tonnes of oil and gas condensate in 2009, 79.7 million tonnes in 2010 and 80.1 million tonnes in 2011, an increase of 0.5% from 2010. During the first half of 2012 the industrial output of crude oil and natural gas decreased by 3.7% compared to a 3.1% increase during the same period in 2011. The Kazakh Government has stated that it expects oil and gas production to increase to 150 million tonnes per year and 79.4 billion cubic metres per year in 2015. 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 2011 accounting for approximately 32.4% of world consumption. The United States was the largest consumer of oil by country accounting for 20.5% 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 2011 accounting for 34.1% of world consumption. The United States was the largest consumer of natural gas by country accounting for 21.5% of world consumption in 2011.

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). All three major refineries are either in control or joint-control of NC KMG. Crude oil is also processed at mini-refineries (private small refineries).

In 2011, all refineries together produced a combined average of approximately 12.1 million tonnes of crude oil products (approximately 3.7 million tonnes (80,000 bpd) at Pavlodar, 3.7 million tonnes (81,900 bpd) at Atyrau, 3.5 million tonnes (77,600 bpd) at Shymkent and 1.2 million tonnes (25,600 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 reached 11.5 billion cubic metres, the highest level since independence in 1991. Gas production increased from 37.4 billion cubic metres in 2010 to 39.5 billion cubic metres in 2011, an increase of 5.6%.

According to the projections of the Competent Authority, Kazakhstan expects to increase its gas production to 79.4 billion cubic metres per year by 2015.

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

Gas Consumption

2007	2008	2009	2010	2011
		(billion cubic metres per year)		
8.38	8.06	7.78	8.17	9.23

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 2011 Kazakhstan had 20,230 kilometres of pipeline of which 7,912 were used for the transportation of oil. The three main pipelines are the Uzen-Atyrau-Samara (UAS) pipeline, the Caspian Pipeline Consortium (CPC) system, and the Kazakhstan-China pipeline. Kazakhstan transported by pipelines approximately 193.9 million tonnes of products in 2010 and 214.1 million tonnes of products in 2011. 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.

The CPC pipeline, which has been operational since 2001, represents a major export route. It extends 1,510 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. In 2011 the CPC shareholders launched an expansion project which targets to increase pipeline's capacity to 76 million tones and is expected to be completed in three stages with the third stage completed by 2014.

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.
- In 2010, approximately 34.9 million tonnes of crude oil was shipped through the CPC pipeline, an increase of 0.9% compared to 2009.
- In 2011, approximately 34.2 million tonnes of crude oil was shipped through the CPC pipeline, a decrease of 2.0% compared to 2010.

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 U.S.$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 State Statistical Committee of Azerbaijan 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. However, according to the State Oil Company of Azerbaijan, Kazakhstan stopped the of Kazakh oil via the Baku-Tbilisi-Ceyhan pipeline in January of 2010. Based on recent statements of Kazakhstan Oil and Gas Minister, Kazakhstan may resume transportation of oil through the Baku-Tbilisi-Ceyhan pipeline but on reasonable commercial terms.

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. The implementation period, stages and system capacity of KCTS are expected to be linked to the second and third phases of Kashagan development.

The Kazakhstan-China pipeline comprises two existing Soviet-era pipeline sections and three major new pipeline sections with total length of around 2,800 kilometres from Atyrau in western Kazakhstan to Alashankou on the Kazakhstan-China border. At the Chinese border the pipeline links in to infrastructure in the Xinjiang-Gansu province in northwest China. The pipeline has been built in several stages:

- The first section was the 449-kilometre Kenkiyak-Atyrau section which was completed in 2003. Oil is temporarily flowing westwards, allowing export of Aktobe region oil through the CPC and Atyrau-Samara pipelines. The plan is that this section will be reversed to allow oil production from the Caspian region to travel through the line and onwards to China.
- The 962-kilometre Atasu-Alashankou section began commercial operation in July 2006. The pipeline allows oil from Kazakhstan's south Turgai basin and Russia to be exported to China.
- The 761-kilometre Kenkiyak-Aralsk-Kumkol section was completed in July 2009 and began commercial operation in October 2009. It is sourced with oil from the Kenkiyak area fields (Aktobe region).

The overall capacity of the pipeline to China was 200,000 b/d, increased to 240,000 b/d in 2011 and there are plans to expand this to 400,000 b/d at a later stage (expected for 2014). The capacity of the Kenkiyak-Atyrau section is lower, at 120,000 b/d, and there are plans to expand the capacity of this section to 180,000 b/d and then later to 240,000 b/d.

The timing of the reversal of the Kenkiyak-Atyrau section is uncertain, and the decision to reverse the line will be made at the governmental level. It is likely that this will happen once there is sufficient throughput capacity for all production from fields in the Kenkiyak Area to be exported East, which is expected in 2014.

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.

Natural Gas

Out of the 20.230 kilometres of pipeline that Kazakhstan had in 2011, 12.318 kilometres were used for the transportation of gas (which is mostly transit gas from neighbouring countries).

Most of the gas pipelines in western Kazakhstan, with the exception of Makat-Atyrau-Astrakhan, are designed to provide gas to CAC. The pipeline has two branches that meet in the south-western Kazakh city of Beyneu before crossing into Russia and connecting to the Russian pipeline system. The eastern branch of the pipeline originates in the south-eastern gas field of Turkmenistan, while the western branch originates on the Caspian seacoast of Turkmenistan. In 2011, CAC had an annual throughput capacity of 60.2 billion cubic metres.

The Bukhara-Urals gas pipeline originates in Uzbekistan and was initially built to supply gas from Uzbekistan to north-east Kazakhstan and Russia's southeast Urals region. Gas flows along the pipeline are variable and, at times, the pipeline transfers gas southwards from Russia. In 2011, the pipeline had an annual throughput capacity of 21.6 billion cubic metres.

Bukhara-Tashkent-Bishkek-Almaty is a transit gas pipeline that provides gas from Uzbekistan to Kazakhstan's main southern population centre. Between Shymkent and Almaty, the line crosses Kyrgyz territory to supply Bishkek, the Kyrgyz capital. In 2011 the pipeline had an annual throughput capacity of 2.6 billion cubic metres.

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 1,100 million tonnes (8.1 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 capacity was increased to 540,000 bpd. Production for the first half of 2012 was equal to approximately 547,950 bpd. The Future Growth Project is the next major expansion of oil production in Tengiz aiming to increase oil production to approximately 36 million tonnes (720,000 bpd). The output of the Tengiz field is shipped through the CPC pipeline while CPC's planned capacity increase will additionally support Tengiz's expected production increase from the Future Growth Project Shipments are also being shipped through the Baku—Tbilisi—Ceyhan pipeline as well asvia rail to Odessa and Feodosiya, and to Aktau, then further to Batumi and Kulevi.

Karachaganak Project

The Karachaganak field is a large gas-condensate field located in northwestern 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, LUKOIL Overseas and KMG. BG Group, together with Eni are joint operators and each hold a 29.25% interest in the venture.

The Karachaganak field has been the main growth project and it continues to be Kazakhstan's main gas field. In 2011, it accounted for 39% of Kazakhstan's gas sales. The field holds estimated hydrocarbons initially in place of 9 billion barrels of gas condensate and 48 trillion cubic metres of gas. In 2011, Karachaganak's total production was approximately 11.0 million tonnes (approximately 492,000 bpd) oil and condensate and 8.0 million cubic metres of gas. According to KPO, the field holds reserves of around 2.4 billion barrels of gas concentrate and 16 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.

In 2009, the Kazakh Government has made various allegations in respect of the Karachaganak Project including criminal allegations and allegations of tax evasion. Legal claims were made by the Kazakh Government on parties of the KPO consortium and negotiations commenced. In 2011, an agreement was reached that involved the transfer of 10% stake in KPO consortium to the Kazakh Government and the allocation of an additional 2 million tonnes per year capacity in the CPC pipeline. The 10% stake transfer was completed in June 2012 and is expected to facilitate the discussions, between the consortium partners and the Kazakh Government, over the third stage of Karachaganak's development project.

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 the North Caspian Operating Company (NCOC) which is a consortium that includes ENI SpA, ExxonMobil Corporation, Shell, Total S.A., ConocoPhillips Company, INPEX Corporation and NC KMG. North Caspian Operating Company BV (NCOC) is operator since 23 January 2009. The execution of operations is delegated by NCOC to four Agent companies (Agip KCO, Shell Development Kashagan B.V. (SDK), ExxonMobil Kazakhstan Inc., KMG and Shell), which are responsible for managing the project during different phases. 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 U.S.$5.0 billion to NC KMG until the end of the concession in 2041. The budget for the development of Kashagan oilfield on Kazakhstan's Caspian Sea shelf in 2010 was reduced by U.S.$3 billion. 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 in the future*".

In May 2012 the partners of NCOC and the PSA Authority of Kazakhstan reached an agreement on the amendment to the Kashagan development plan and budget that was necessary for the update of the development project's schedule and investment estimates. The NCOC partners also agreed to a commercial framework to contract a share of natural gas produced from Kashagan for domestic marketing. Commercial production is projected to be achieved in the first half of 2013.

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*".

Overview

Zhaikmunai LP is the indirect holding entity of Zhaikmunai, an independent oil and gas enterprise currently engaging in the exploration, production and sale of oil and gas products 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 has been Zhaikmunai's main source of production. According to management estimates based on data included in the 2012 Ryder Scott Report, as at 1 January 2012, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 521.6 million boe, of which 201.9 million bbl was crude oil and condensate, 79.3 million bbl was LPG and 240.4 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.

Zhaikmunai's operational facilities are located in the Chinarevskoye Field and, as at 30 June 2012, consisted of an oil treatment unit 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, an employee field camp and the gas treatment facility.

The gas treatment facility became fully operational in 2011 and has enabled Zhaikmunai to produce marketable liquid condensate (a product lighter than Brent crude oil) from the gas condensate stream. The gas treatment facility has enabled Zhaikmunai to increase its daily production of crude oil, stabilised condensate, dry gas and LPG from an average daily production of 9,741 boepd during the six months ended 30 June 2011 to an average daily production of 35,298 boepd during the six months ended 30 June 2012.

As at 30 June 2012, Zhaikmunai had 44 exploration, appraisal and production wells, of which 23 wells were producing, one well was under test operations, three wells were installed as a water injector and five wells were under drilling and workover operations.

During the three years ended 31 December 2011 and six months ended 30 June 2012, the Group invested approximately U.S.$576.4 million in drilling and field infrastructure. Total capital expenditure for the six months ended 30 June 2012 amounted to U.S.$100.1 million, an increase of 155.4% from U.S.$39.2 million for the six months ended 30 June 2011 due to an increase in expenses relating to drilling and the first gas treatment facility. Total capital expenditure for the full year ended 31 December 2011 amounted to U.S.$104.0 million, a decrease of 21.5% from U.S.$132.4 million for the full year ended 31 December 2010, which itself was a 34.0% decrease from U.S.$200.7 million as at 31 December 2009.

Zhaikmunai increased its hydrocarbon production from approximately 7,442 boepd for the year ended 31 December 2009 to approximately 13,158 boepd for the year ended 31 December 2011 and, according to management estimates based on reserve reports prepared by Ryder Scott, maintained its estimated gross proved plus probable hydrocarbon reserves relatively constant with approximately 527 million boe as at 1 July 2009 to approximately 522 million boe as at 1 January 2012.

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. Zhaikmunai has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months after a new supplementary agreement to its PSA (described below) has been signed.

During October 1997, Zhaikmunai entered into the PSA with the Government which has been subsequently amended nine times. See "*Business—Subsoil Licences and Permits—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. Pursuant to the PSA, Zhaikmunai has agreed to sell 15% of its crude oil production in the domestic market and sells the remaining crude oil to the export market.

Prior to 2011, all of Zhaikmunai's revenues were generated by its crude oil sales. In 2011, Zhaikmunai began sales of products deriving from the gas treatment facility. As per IFRS standards, revenue recognition of the products of the gas treatment facility began on 1 November 2011 and 2011 was the first period to include output from the gas treatment facility.

Now that the first gas treatment facility has been successfully completed and subject to further successful results in converting probable reserves into proved reserves, Zhaikmunai is considering building a second gas treatment facility. Management estimates that the construction of the second facility will cost approximately U.S.$300-400 million. The basic design of the second gas treatment facility has been approved by the local authorities and a final decision on the second gas treatment facility is expected towards the end of 2012.

Key Strengths

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

- *Strong reserve base*

  According to management estimates based on the 2012 Ryder Scott Report, as at 1 January 2012, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 521.6 million boe. These estimated reserves comprise proved crude oil and gas condensate reserves of 64.3 million bbl and 137.6 million bbl of probable crude oil and gas condensate reserves, together with 79.1 million boe of proved gas reserves and probable gas reserves of 161.2 million boe and 25.7 million boe of proved LPG reserves and probable LPG reserves of 53.7 million boe.

- *Strong balance sheet and cash flow generation*

  The Group has a proven business model and continues to demonstrate sustained revenue and significant cash flow generation. Since commencing operations, the Group has substantially grown its revenue due to increased operations through exploration activities and by expansion of its product base. The Group's cash flow generation potential is underpinned by: (1) production growth and economies of scale, (2) an infrastructure upgrade and corresponding opex reduction; and (3) an attractive fiscal regime. The Group's EBITDA/bbl for the six months ended 30 June 2012 was U.S.$36/boe. The improvement in operations enabled the Group to achieve strong organic growth with attractive returns on investments.

- *Upside potential from development of existing possible reserves*

  Management estimates, based on the 2009 Ryder Scott Report, that the Chinarevskoye Field has possible hydrocarbon reserves of 556.3 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 169.1 million boe, as at 1 January 2012. Zhaikmunai's key focus is to continue converting probable reserves into proved reserves. Zhaikmunai has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months from the date a new supplementary agreement to the PSA has been signed. In addition, in the third quarter of 2012 the Group signed purchase agreements for the acquisition of three new licences in fields near to the Chinarevskoye Field for a total purchase price of U.S.$16 million. The finalisation and acquisition of these licences is currently pending regulatory approvals. If Zhaikmunai successfully acquires the licences, it has estimated that it will cost approximately U.S.$85 million to conduct the necessary appraisal activities.

- *Strong track record of production growth 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 allowed Zhaikmunai to position wells effectively. In addition, Management has risen to the challenge of tackling the Biski/Afoninsky reserves which are located in vertically and horizontally fragmented segments which have required advanced drilling techniques including deep wells (between approximately 5,000-5,500 metres), multiple wells and horizontal drilling (up to 1,000 metres). Further, hydrocarbon production increased to an average of 40,036 boepd in July 2012, an increase of 204.3% compared to an average of 13,158 boepd for 2011, primarily as a result of the continued ramp-up of the first gas treatment facility. For the six months ended 30 June 2012, Zhaikmunai produced 2.7 million boe of crude oil and condensate, 0.5 million boe of LPG and 3.2 million boe of dry gas. Management estimates, based on the production profile of both proven and probable reserves reported in the 2012 Ryder Scott Report, that annual production of crude oil, condensate, LPG and gas is expected to reach 132,000 boepd by 2016.

- *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 to access export infrastructure*

  Zhaikmunai's facilities are located in western Kazakhstan approximately 10 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 and less than 100 kilometres from rail links and the Atyrau- Samara oil pipeline. Zhaikmunai's oil pipeline from its field 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.

- *Stable terms under the PSA and strong relationship with regulators and authorities*

  Zhaikmunai currently benefits from a relatively stable 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 estimate the Government's share of production revenue with reasonable certainty (although the Government could seek to restrict or amend such "grandfathering"—see "*Risk Factors—Risk Factors Relating to Kazakhstan—The Group is exposed to the risk of 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. The Group is regularly in discussions with regulators about the terms of the PSA and issues that impact the Group's operations.

- *Strong and highly experienced 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 29 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, each with an average experience of 22 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 and nearby regions. 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 and increase quality of the 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 nearby regions 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. According to the 2012 Ryder Scott Report, the proved reserves increased by 17.4% in 2011 to 169.1 million boe, whereas the proved plus probable reserves remained at over 500 million boe. The Group's main focus in 2010 and 2011 has been on production drilling in order to secure the feedstock for the new gas treatment facility; however the Group intends to resume its appraisal and exploration drilling in the last half of 2012 and in 2013, and intends to focus on converting probable reserves to proved reserves.

- *Further increase production of liquid hydrocarbons*

  The Group intends to increase production of Zhaikmunai's annual crude oil, condensate and LPG production, which, according to 2012 Ryder Scott Report, is expected to peak in 2016 at an average of approximately 75,100 boepd or 57% of total production (with the remaining 47% comprising gas production), as compared to an average of 17,519 boepd of liquids produced in the first half of 2012, which represented 49.6% of total production. Liquid hydrocarbons are more profitable for the Group than dry gas. The increase in production of liquid hydrocarbons is expected to be achieved by increasing the number of wells drilled per year, enhancing oil recovery methods and completing the second gas treatment facility. For example, Zhaikmunai plans to drill nine production wells and two appraisal wells in 2012 and to drill an average of 13 wells per year between 2013 and 2015. In addition, the completion of the first gas treatment facility in 2011 has also enabled the Group to double its production of liquids over the last twelve months. Together with technical design improvements, the commissioning and completion of the second gas treatment facility will further enable the Group to produce a higher total percentage of liquids as compared to dry gas, which should have a positive effect on the Group's revenue and profitability.

- *Implement robust capital management and targeted investments*

  The Group is engaged in a long-term effort to improve the efficiency of its operations, in particular its extraction activities, through the implementation of new technologies, processes and procedures, as well as through rehabilitation projects to extend the life of oil and gas producing assets. In addition, the Group is actively seeking to optimise its internal functioning and cost structure, focus on developing the existing drilling and exploration strategy and optimizing its capital expenditure and investment program to reflect its changed goals and infrastructure needs. The Group also aims to secure additional savings in its cash-flow for future growth initiatives and improve its performance in the long-term in order to sustain its financial position.

- *Monetise gas reserves*

  While the Group's strategy is focused on maximizing liquids production, a substantial portion of the Group's reserves comprise gas. To monetise these reserves, the Group has built the first gas treatment facility and associated projects. Handover of the gas treatment facility from JSC OGCC KazStroy Service ("**KSS**") took place in December 2011. Management estimates, based on the production profile of both proven and probable reserves reported in the 2012 Ryder Scott Report, that annual raw gas production is expected to peak in 2015 at 4.1 billion cubic metres.

History

Zhaikmunai LP 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.

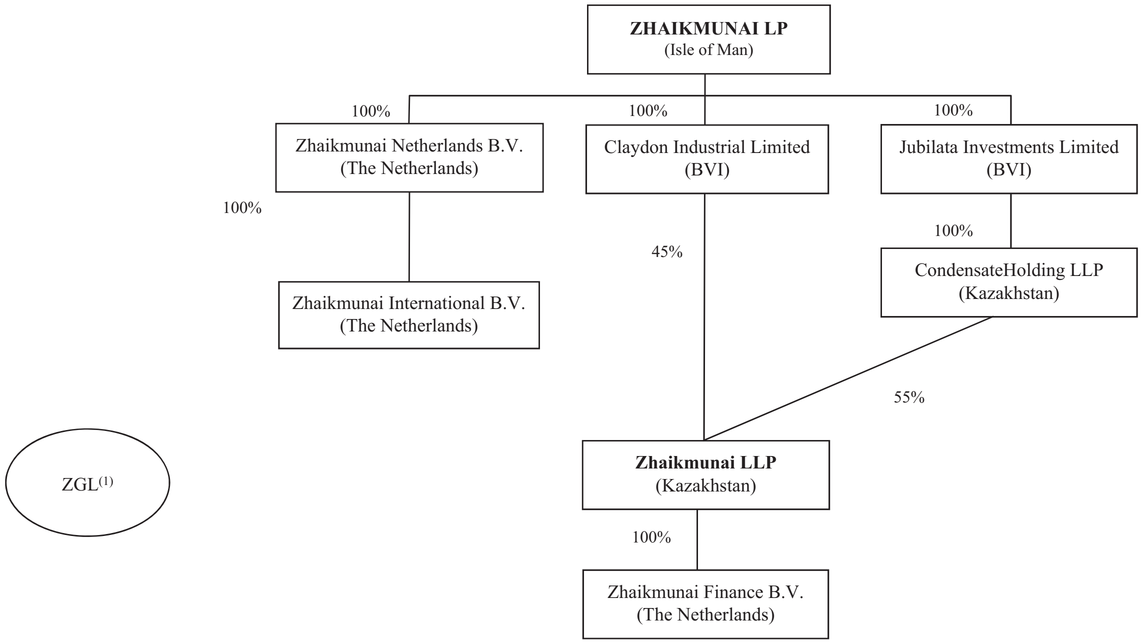
In September 2004, Thyler Holdings Limited acquired 100% of Scoulton Holdings Limited ("**Scoulton**"), which in turn indirectly held 100% of the partnership interests in Zhaikmunai. In connection with the admission of the GDRs to the official list of the FSA in 2008, Scoulton undertook an intra-group reorganisation in March 2008, which resulted in Zhaikmunai LP indirectly holding all of the partnership interests in Zhaikmunai. In addition, Zhaikmunai Group Limited ("**ZGL**") became the General Partner of Zhaikmunai LP. A description of ZGL as the General Partner is set out in "*Management and Corporate Governance*".

In October 2012, Thyler Holdings B.V., which is under common control with Claremont, acquired 100% of ZGL and assumed all of the obligations of Thyler Holdings Limited pursuant to the Relationship Agreement.

Corporate Structure

Zhaikmunai LP 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 LP and the general partner interest held by ZGL. The holders of the Common Units are the limited partners of Zhaikmunai LP who hold 188,182,958 million Common Units, of which 188,182,948 are held by The Bank of New York Mellon in its capacity as depository for the holders of the GDRs but has no beneficial interest in such Common Units. The management of Zhaikmunai LP is exercised by the general partner, ZGL. See "*Significant Holders of Limited Partnership Interests and GDRs—Ownership of Zhaikmunai L.P*".

The following chart shows a simplified summary of the corporate structure of Zhaikmunai LP and its subsidiaries as of the date of this Offering Memorandum. The chart does not give effect to the Substitution (see "*Summary—The Substitution*").

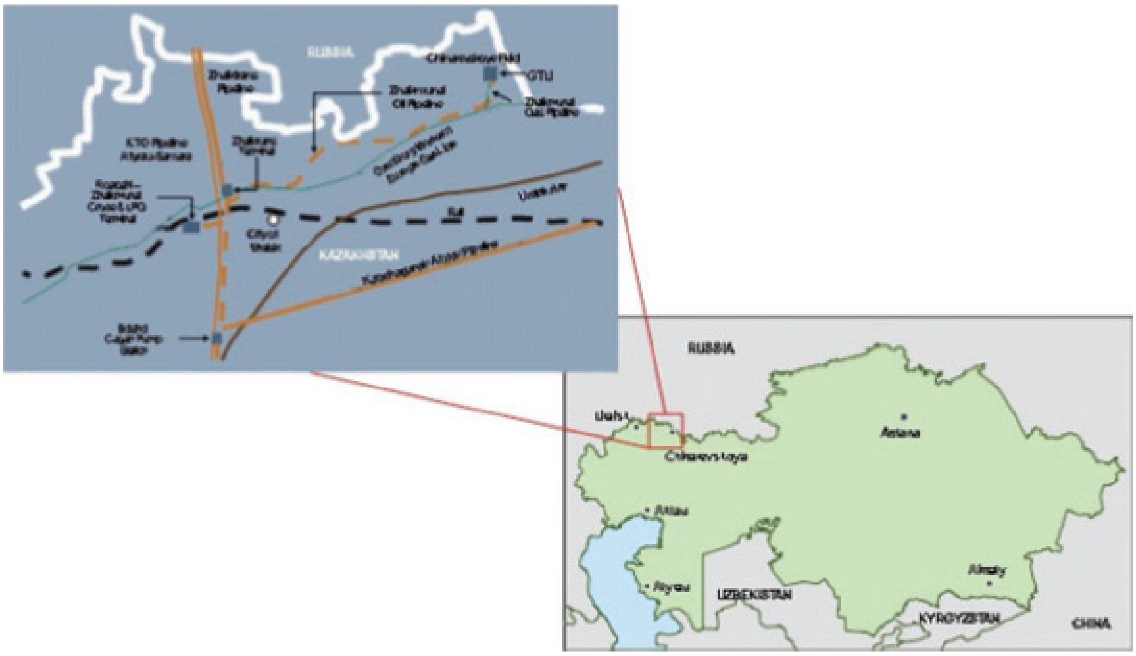


(1) ZGL is the General Partner of Zhaikmunai LP.

Operations

Zhaikmunai conducts its operations in the Chinarevskoye Field. In August 2012, the Group decided to expand its operations and has agreed, subject to government approvals, to acquire subsoil use rights to three new oil and gas fields in Kazakhstan, located approximately 90 kilometres from the Chinarevskoye field. The company is currently in the processing of analysing the optimal appraisal and development programme for the fields. 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 and its sole source of revenue comes from this right*".

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 unit 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. As a result of increased drilling and improved geological data, management estimated that, as at 1 January 2012, based on Ryder Scott Reports, Zhaikmunai had increased its proved reserves by 483% to 169.1 million boe and its probable reserves by 107% to 352 million boe (each as compared to 2004). Hydrocarbon production increased from an average of 2,400 boepd in 2004 to an average of 13,158 boepd in 2011. According to the 2012 Ryder Scott Report, as at 1 January 2012, the estimated gross proved plus probable hydrocarbon reserves at the Chinarevskoye Field were 521.6 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. 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. Zhaikmunai has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months after the date the new agreement has been signed.

In the past several years the Group has been investing significantly in the construction and development of the gas treatment facility, which was in test production from May 2011 and came online into full production (and therefore resulting in IFRS recognition) in November 2011. Prior to the construction of the gas treatment facility the Group's revenue resulted solely from the sale of crude oil. Commencing in November 2011, the Group began selling condensate, dry gas and LPG in addition to crude oil. The Group is in the process of designing and planning the second gas treatment facility, which entails building a comparable facility in the vicinity of the first gas treatment facility. Detailed engineering and procurement plans are on-going and the Group is in the process of obtaining the applicable permits and contracting with potential suppliers for the equipment, construction and assembly of the second gas treatment facility. All key permits and contracts are expected to be in place by the end of 2012, with construction scheduled to begin in early 2013 and the second gas treatment facility becoming operational in 2015. As a result of the second gas treatment facility becoming operation the Group expects a significant increase in its operating capacity and production volumes. The additional operating capacity and higher production volumes have been incorporated in the Group's long-term strategy and operating. See "*Risk Factors—The Group's future hydrocarbon production profile is based on the Gas Treatment Facilities operating at full or near-full capacity. If the Gas Treatment Facilities are not operating at full or near-full capacity, this may result in a reduction or suspension of the Group's production of hydrocarbons.*"

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 January 2012	**As at 31 December 2010**	**As at 1 July 2009**
Gross Reserves			
Proved			
Crude oil and condensate (million bbl)	64.3	63.7	58.5
Plant products (million boe)	25.7	20.5	21.1
Gas (million boe)(1)	79.1	59.3	59.5
Total (million boe)(1)	**169.1**	**143.5**	**139.1**
Probable			
Crude oil and condensate (million bbl)	137.6	149.3	153.5
Plant products (million boe)	53.7	60.4	58.1
Gas (million boe)(1)	161.3	185.5	176.0
Total (million boe)(1)	**352.6**	**395.2**	**387.6**
Possible			
Crude oil and condensate (million bbl)(2)	—	—	275.9
Plant products (million boe)(2)	—	—	74.5
Gas (million boe)(1)(2)	—	—	205.9
Total (million boe)(1)	**Not Estimated**	**Not Estimated**	**556.3**

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

(2) Management did not make an estimate of possible reserves since no appraisal activities were carried out in 2010 and 2011.

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 2012 Ryder Scott Report.

	Proved	(% of proved)	Probable	(% of probable)	Total proved and probable	(% of proved and probable)
				(million boe)		
Gross Reserves						
Tournaisian North	31.4	19%	36.0	20%	67.5	13%
Tournaisian South	7.8	5%	35.5	10%	43.4	8%
Tournaisian West	0.4	0%	0.0	0%	0.4	0%
Total Tournaisian	**39.7**	**24**	**71.6**	**20%**	**111.2**	**21%**
Biski Afoninski North	103.4	61%	101.7	29%	205.1	39%
Biski Afoninski West	0.0	0%	111.7	32%	111.7	21%
Total Biski Afoninski	**103.4**	**61%**	**213.4**	**61%**	**316.8**	**61%**
Ardatovski North	12.2	7%	14.0	4%	26.2	5%
Mulinski North	7.3	4%	37.1	11%	44.4	9%
Ardatovski & Mulinski South	6.5	4%	5.7	2%	12.3	2%
Total Givetian	**26.0**	**15%**	**56.9**	**16%**	**82.9**	**16%**
Bashkirian	0	0%	10.6	3%	10.6	2%
Total	**169.1**	**100%**	**352.6**	**100%**	**521.6**	**100%**

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 Oil and Gas Industry—The level of the Group's 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 2007-2012 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.

Zhaikmunai operates a reservoir pressure maintenance system currently consisting, *inter alia*, of seven water production wells, three water injection wells, central pumping facilities, central water treatment facilities and infield waterlines to the water well sites.

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, Famenian 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. 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 at 1 January 2012, Ryder Scott has estimated the remaining resources identified, but not yet drilled in the Chinarevskoye Field. The 2009 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 has drilled six production wells in the six months ended 30 June 2012, which have resulted in an increase of proved reserves. As at 30 June 2012, Zhaikmunai was drilling four production wells to further increase oil and gas production.

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 556.3 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.

According to the 2012 Ryder Scott Report, water injection is solely required for the recovery of the probable oil reserves. The 2012 Ryder Scott Report analysed reservoir simulations prepared by independent third parties to understand the effect of the water injection on ultimate recovery of oil from the reservoirs. 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 Oil and Gas Industry—The level of the Group's reserves, their quality and production volumes may be lower than estimated or expected*".

Production and Facilities

Oil, Gas, LPG and Condensate Production

As at 30 June 2012, 11 wells were producing from the Tournaisian reservoir and 8 wells from the Ardatovski and Biski/Afoninski reservoirs.

During the six months ended 30 June 2012, a total of 6.4 million boe was produced, with an average of 35,298 boepd, an increase of 265% compared to the six months ended 30 June 2011, during which a total of 1.8 million boe was produced, with an average of 9,741 boepd. In 2011, a total of 4.8 million boe was produced, with an average of 13,158 boepd compared to 2010, during which a total of 2.8 million boe was produced, with an average daily output of 7,752 boepd and in 2009 during which a total of 2.7 million boe was produced, with an average of 7,442 boepd.

The following table sets forth certain data regarding production for the periods specified for the Chinarevskoye Field:

	Year ended 31 December			Six months ended
Year ended	**2009**	**2010**	**2011**	**2012**
Production, exploration and appraisal wells	14(1)	26	36	44
Average production (boepd)	7,442	7,752	13,158	35,298
Total production (million boe) (crude oil/condensate, gas, LPG)	2.7	2.8	4.8	6.4

(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.

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.

The Chinarevskoye Field contains significant gas reserves. The Group monetises these gas reserves using the gas treatment facility and by implementing a gas utilisation concept prepared by NIPI Neftegaz Institute. For more information regarding the gas treatment facility, see "*Business—Production and Facilities—Gas Treatment Facility*".

Gas processed by the Group's treatment units is 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.

Storage Facilities

Zhaikmunai's facilities consist of an oil treatment unit 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 storage facilities currently allow storage of 5,000 cubic metres of oil and 15,000 cubic metres of condensate on-site and 10,000 cubic metres of oil and 10,000 cubic metres of condensate at the rail terminal. 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 railway-loading terminal in Rostoshi near Uralsk.

Drilling Facilities

The Group contracts with third parties who perform drilling operations in the Chinarevskoye Field. As at 30 June 2012, Saipem, UNGG and Xi-Bu provided drilling services to the Group and four drilling rigs were being operated by these contractors. In addition, Kazburgaz and UNGG rigs were 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. Based on historical contracts, the Group has budgeted a cost per well of approximately U.S.$11.0 million for production/appraisal wells to be drilled to the Devonian reservoirs (and an additional U.S.$3.0 million per well for horizontal wells). The cost per well for vertical production wells to the Tournaisian reservoir is budgeted at approximately U.S.$8.0 million.

As at 30 June 2012, Zhaikmunai had 44 exploration, appraisal and production wells, of which 23 wells were producing, one well was under test operations, three wells were installed as a water injector and five wells were under drilling and workover operations. In addition, seven wells were suspended and a further six exploration wells were plugged and abandoned.

The following table sets out the actual number of wells drilled for the periods indicated.

	For the year ended 31 December			For the year ended 31 December
	2009	**2010**	**2011**	**2012(1)**
Number of new exploration wells drilled	2	0	1	2
Number of new production wells drilled	5	4	3	9
Total wells	**7**	**4**	**4**	**11**

(1) Estimated.

See "*—Contracts Material to Our Business—Drilling Contracts*".

Gas Treatment Facility

The first gas treatment facility involved the construction of two gas treatment units and at 30 June 2012 had cost approximately U.S.$270.0 million. Each of the gas treatment units has the capacity to treat approximately 850 million cubic metres of raw gas (a combination of associated gas and gas condensate). Both units are equipped with sweetening and sulphur recovery units to improve the quality of the gas. The gas treatment facility also includes a gas-fired power plant with a design capacity of 15 megawatts that provides the field site with all required electricity. The power plant has been constructed as part of the first gas treatment facility. Handover of the gas treatment facility took place in December 2011.

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 raw gas per year. Management estimates that construction of the second gas treatment facility will cost approximately U.S.$300-400 million. Ryder Scott estimates that Zhaikmunai's annual raw gas production will peak at 4.1 billion cubic metres per year in 2015. See "*Risk Factors—Risk Factors Relating to the Group's Business—The Group's future hydrocarbon production profile is based on its gas treatment facility operating at full or near-full capacity. If the gas treatment facility is not operating at full or near-full capacity, or if the Group is unable to bring the second gas treatment facility online, the Group may not be able to meet its strategic production objectives*".

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 Railway-Loading Terminal

The pipeline and loading terminal 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 railway-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. 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 U.S.$25.0 per tonne.

Gas Pipeline

Zhaikmunai's 17-kilometre gas pipeline linking it to the Orenburg-Novopskov gas pipeline has been constructed and was commissioned in February 2011. Maximum annual throughput of this gas pipeline is approximately 5.0 billion cubic metres.

Subsoil Licences and Permits

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*".

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 four times, most recently the Group has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months from the date the new supplementary agreement to the PSA has been signed.

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 (the "**Exploration Permit**") to appraise these discoveries. Zhaikmunai received a new exploration permit valid until 26 May 2011 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 engage in the commercial production of its gas reservoirs.

Zhaikmunai holds two gas flaring permits to flare associated gas. The current permits expire at the end of 2012. See "*Risk Factors—Risk Factors Relating to the Group's Business—The Group's future hydrocarbon production profile is based on its gas treatment facility operating at full or near-full capacity. If the gas treatment facility is not operating at full or near-full capacity, or if the Group is unable to bring the second gas treatment facility online, the Group may not be able to meet its strategic production objectives*".

In August 2012, Zhaikmunai signed agreements to acquire 100% of the subsoil use rights related to three new oil & gas fields in Kazakhstan. Completion of the acquisitions, which is expected to occur by the end of 2012, is subject to the approval of the relevant authorities in Kazakhstan, including the Ministry of Oil & Gas and the Anti-Monopoly Agency (the "**Anti-Monopoly Agency**"). Zhaikmunai has agreed to pay the current owners a total of U.S.$16 million for the three fields. If Zhaikmunai successfully acquires the licences, it has estimated that it will cost approximately U.S.$85 million to conduct the necessary appraisal activities. The fields, Rostoshinskoye, Darjinskoye and Yujno-Gremyachenskoe, are located in the Pre-Caspian basin to the northwest of Uralsk, approximately 90 kilometres from the Chinarevskoye field. The size of the three licence areas combined is 139 square kilometres.

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 obligations, including 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 Production Permit and the Development Plans during this period. Zhaikmunai has fulfilled all those contractual obligations.

Amendments to the PSA

As at the date of this Offering Memorandum, the PSA includes nine 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 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. Zhaikmunai has fulfilled all of those contractual obligations. 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.

The ninth amendment to the PSA is dated 12 August 2011 and clarified 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 received an increase in 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.

Exploration Permit

Zhaikmunai's has applied for an extension of its exploration permit and expects the extension to be granted for an additional 18 months from the date the new supplementary agreement to the PSA has been signed. 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 required (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 allowed 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. All of these conditions have now been satisfied.

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*".

Crude Oil Production levels (tonnes)	**Royalty rate applicable to crude oil at a level of**
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%

Gas Production levels (1,000m³)	**Royalty rate applicable to Gas as at a level of**
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 2009, 2010, 2011 and the six months ended 30 June 2012.

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

	Royalty rate applicable to crude oil at a level of
Annual Crude Oil Production levels (tonnes)	
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%

	Royalty rate applicable to gas as at a level of
Annual Gas Production levels (1,000m^3)	
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 Licence 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 U.S. 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 U.S.$56.6 million to the State pursuant to its obligations under the PSA (including U.S.$10.5 million in respect of commercial discovery bonuses, Profit Oil and royalties in 2010 and U.S.$10.5 million in respect of commercial discovery bonuses, Profit Oil and royalties in 2011).

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 U.S.$500,000 to the State in respect of each of such discoveries. In 2008, Zhaikmunai paid

U.S.$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, 2010, 2011 or in the six months ended 30 June 2012.

Recovery Bonus

Zhaikmunai must pay to the State a U.S.$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 U.S.$25.0 million for historic costs (its costs for appraisal activities 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 U.S.$1.0 million in 2009, U.S.$1.0 million in 2010, U.S.$1.0 million in 2011 and U.S.$0.5 million in the six months ended 30 June 2012.

Social Expenditures

Further, pursuant to the ninth amendment to the PSA, the Group is obliged to perform repair and reconstruction of state roads (including the construction of a 37 kilometre asphalt road accessing the field site), make an accrual of one percent of capital expenditures per annum for the purpose of educating Kazakhstan citizens and adhere to a spending schedule on education (which lasts to and including 2020).

Liquidation Fund

The PSA requires Zhaikmunai to establish a liquidation fund in the amount of U.S.$12.0 million by making annual contributions to the fund of U.S.$100,000 per year during the exploration phase and U.S.$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 setting aside the amounts required for the liquidation fund and believes that such provisions satisfy its obligations to make annual contributions to the fund.

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.

Procurement Contracts material to our Business

Drilling Contracts

As at 30 June 2012, Zhaikmunai had four major contracts for drilling services: one with UNGG, one with Xi-Bu and two with Saipem. There are also two minor contracts with Kazburgaz and UNGG for well workover operations.

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 plus daily operating rates, food, transportation and accommodation for employees. Zhaikmunai may also be required to pay a demobilisation payment 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. 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. A new contract with Saipem, on substantially the same terms, was entered into in 2012.

The contracts with UNGG and Xi-Bu are short-term and operated on a rig-by-rig basis.

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.

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. Crude oil and condensate are pumped through the Group's oil pipeline from the Chinarevskoye Field to Rostoshi near Uralsk. The following summarises the available options for such onward delivery:

Rail

Zhaikmunai currently transports crude oil and condensate 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. By transporting its production by rail, Zhaikmunai does not encounter any dilution of the quality of its crude oil or condensate 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.

Transportation of Dry Gas and LPG

The Group's gas production is transported by its 17-kilometre gas pipeline (commissioned in February 2011) linking the Chinarevskoye Field to the Orenburg-Novopskov gas pipeline. The gas pipeline has a maximum annual throughput of 5.0 billion cubic metres. As the gas is sold at the point of entry to the pipeline, the Group is not liable for any additional transportation tariffs.

In addition, the Group has engaged third-party contractors to transport its LPG products by truck to railway-loading terminals operated by third parties near to Uralsk. LPG is then delivered by rail car to its ultimate purchaser.

Sales and Marketing

Pursuant to the PSA, Zhaikmunai has agreed to sell 15% of its crude oil production in the domestic market and sells the remaining crude oil to the export market.

In 2011 and the six months ended 30 June 2012, virtually all of Zhaikmunai's oil, condensate and LPG products were sold directly to its ultimate customers. The Group's deliveries of dry gas are made to the offtaker(s) at the Group's connection to the Orenberg-Novopskov gas pipeline. Prices for the Group's gas products are expected to be negotiated annually with the offtaker(s).

Until 2009, the Group 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 U.S.$15.21 per barrel of crude oil in 2009 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. Since 2010, the Group has sold its crude oil and condensates 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 selling on a 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 or condensate products with its ultimate customers.

The Group's deliveries of dry gas are made to the Group's two significant gas purchasers at the Group's connection to the Orenberg-Novopskov gas pipeline. Prices for the Group's gas products are negotiated annually with the buyers pursuant to long-term contracts.

In 2011 and the six months ended 30 June 2012, most of the Group's LPG was sold directly to its ultimate customers.

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 International Finance Corporation and World Bank Group (IFC/WBG) environmental standards for its operations and expects to achieve compliance with these standards in the next five to ten years.

According to AMEC Overseas (Cyprus) Limited ("**AMEC**") environmental, health and safety due diligence report "Health, Safety and Environmental Compliance and Assurance of Audit of Zhaikmunai's Facilities" dated 31 July 2012 ("**AMEC Report**"), Zhaikmunai is for the most part in compliance with Kazakhstan and international environmental standards and regulations, which comprise of International Finance Corporation and World Bank Group (IFC/WBG) international requirements and standards.

Zhaikmunai's environmental protection policies include the following key objectives: (i) cease gas flaring; (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.

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:

	First six months ended 30 June	For the year ended				
	2012	2011	2010	2009	2008	2007
Location						
Chinarevskoye Field	631	577	500	439	396	329
Uralsk	223	170	144	177	142	130
Total	**854**	**747**	**644**	**616**	**538**	**459**

The average number of people (full-time equivalents) employed by the Group increased during the first half of 2012 due to the general ramp-up in production at the gas treatment facility. Zhaikmunai has not experienced any work stoppages, strikes or similar actions in the past and considers its relations with its employees to be good.

For details regarding Zhaikmunai's compliance with applicable health and safety law, see "*Regulation in Kazakhstan—Health and Safety Compliance*".

Litigation

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.

Insurance

The types of coverage structure, limits and quality of the Group's insurance programme are comparable with other Kazakh oil companies of a similar size.

The Group insures some of its risks under the following mandatory insurance contracts:

(a) general third-party liability insurance;

(b) employer's liability insurance;

(c) environmental insurance; and

(d) civil liability as the owner of vehicles.

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:

(a) voluntary cargo insurance;

(b) oil operations voluntary insurance contract;

(c) voluntary third party liability insurance;

(d) property voluntary insurance contract;

(e) voluntary property insurance for the gas treatment facility; and

(f) voluntary vehicle property insurance.

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 the year ended 31 December 2011	
Company production	**Foreign investors**	**Thousands tonnes**
1. TCO (Tengizchevroil)	Chevron Texaco, ExxonMobil, NC KMG, LukArco	27,140
2. KazMunaiGas EP	Listed on the LSE	12,341
3. KPO (Karachaganak)	Eni, BG, ChevronTexaco, LUKOIL	11,040
4. CNPC Aktobemunaigas	CNPC	6,200
5. Mangistaumunaigas	CNPC, KazMunaiGas	6,042
6. PKZ Kumkol	CNPCI (acquired PKZ)	3,200
7. KazGerMunai	CNPCI (through PKZ), KazMunaiGas	3,187
8. Embamunaygas	KazMunaiGas EP	2,818
9. Turgai Petroleum	CNPCI (through PKZ), LUKOIL, KazMunaiGas	2,500
10. Karazhanbasmunai	Citic Group, KazMunaiGas	1,980

Note: The table does not include Kashagan, which is still under development. Barrels of oil converted into tonnes using a conversion factor of 7.75.

Gas Sales

	For the year ended 31 December 2011	
Company production	**Foreign investors**	**Million cubic metres**
1. TCO (Tengizchevroil)	Chevron Texaco, ExxonMobil, NC KMG, LukArco	6,900
2. KazMunaiGas EP	Listed on the LSE	—
3. KPO (Karachaganak)	Eni, BG, ChevronTexaco, LUKOIL	8,725
4. CNPC Aktobemunaigas	CNPC	3,400
5. Mangistaumunaigas	CNPC, KazMuaniGas	—
6. PKZ Kumkol	CNPCI (acquired PKZ)	—
7. KazGerMunai	CNPCI (through PKZ), KazMunaiGas	—
8. Embamunaygas	KazMunaiGas EP	—
9. Turgai Petroleum	CNPCI (through PKZ), LUKOIL, KazMunaiGas	—
10. Karazhanbasmunai	Citic Group, KazMunaiGas	—

Note: Cubic feet of gas converted into cubic metres using a conversion factor of 35.315.

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 Permits*".

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;
- 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, enacted in June 2010, and recently enacted Laws on Gas and Gas Supply (9 January 2012) and Trunk Pipeline (22 June 2012).

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 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 rights 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 a subsoil user, if the core business of such 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 provided that pledge of subsoil use rights require the consent of the Competent Authority.

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 Government on 13 August 2009 (and superseded by a list approved by the Government on 4 October 2011). 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 relation to "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 inter alia, 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 State's economic interests (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 Subsoil Law replaced two major laws governing relations of the State and subsoil users in the oil and gas sector; (i) the Old Subsoil Law and (ii) 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 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 relating to obtaining various consents/approvals/waivers from the Competent Authority); and (iii) eliminating stabilisation of subsoil use contracts.

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 land plots 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 certain exceptions.

Subsoil use rights may be held by Kazakhstani 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 that prevail on the date of the 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 that 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 (the "**Objects**"). Objects are participatory interests (shares, securities confirming title to shares and 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, if the principal activity of such entity is related to subsoil use in the Republic of Kazakhstan (the "Controlling Legal Entity"). 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, issued by 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, such public offerings require the permission of the Competent Authority, which shall be granted in accordance with the New Subsoil Law provisions.

The Right to Grant Consents for Transfer of Subsoil Use Rights and Objects 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 a 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 a pledge of the subsoil use right shall only be used for the purposes of subsoil use, or for reorganisations or relocation if such reorganization or relocation are provided by the relevant subsoil use contract, and are carried out within the territory of Kazakhstan 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 issued by 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:
  a) 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"); and
  b) between legal entities in each of 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; or

- 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 or the Controlling Legal Entity.

In these instances, the State's waiver of the State's Pre-Emptive Rights shall also not be required.

Although 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 exactly how much time it would take in practice to obtain the State's waiver of the State's Pre-Emptive Rights and the consent of the Competent Authority, but it appears that obtaining 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. It can be inferred from the New Subsoil Law that the pledgor of subsoil use rights or an Object is responsible for obtaining the Competent Authority's consent. Such consent should be obtained according to the procedures provided by the New Subsoil Law. Any transactions or other related actions effected without such Competent Authority's consent for the pledge may 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 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

Like the Old Subsoil Law, the New Subsoil Law provides that 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 relation to "strategic deposits" leads to changes in the economic interests of the State which jeopardise national security. In such 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 decision on restoration of economic interests of the State, the parties fail to sign the agreed amendments and/or additions to the contract.

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, the New Subsoil Law provides that amendments to the contract may also be made upon mutual agreement of the parties, and in accordance with Kazakhstan legislation and 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 certain provisions relating to specific Kazakh content requirements to subsoil use contracts executed prior to the enactment of the New Subsoil Law. The Group complies with these requirements only to the extent they are expressly incorporated into the PSA. See "*Risk Factors—Risk Factors Relating to the Oil and Gas Industry—The Group may be unable to comply with its obligations under the PSA and the Licence*" and "*Risk Factors-Risks Relating to Kazakhstan—The Group is exposed to the risk of adverse sovereign action by the Government*".

New Law on Trunk Pipeline

The Law on Trunk Pipeline No.20-V dated 22 June 2012 (the "**Trunk Pipeline Law**") provides a unified legislative basis for the construction, ownership, and operation of trunk pipelines and represents another step towards stiffening the State's control over strategic industries.

Pursuant to the Trunk Pipeline Law, the State will have a priority right to acquire an interest of no less than 51% in any trunk pipeline projects. The priority right gives the State the right to jointly participate with investors in the creation and/or construction of new trunk pipelines. Further, the Trunk Pipeline Law provides that, for trunk pipelines where the State, national management holding company, or national company directly or indirectly owns 50% or more shares or participatory interest, operator services must be provided by the national operator, unless the Government decides to authorise another legal entity (in which the State, a national management holding company, or a national company owns 50% or more shares or participatory interest) to provide such services in order to comply with international treaties.

The Trunk Pipeline Law (as well as the legislation regulating natural monopolies) provides for the equal right of shippers to access trunk pipeline services if there is free throughput capacity, subject to certain statutory limitations. If there is limited throughput pipeline capacity, oil and oil product transportation services must be rendered in the priority established by the Trunk Pipeline Law, where first priority is given to shippers supplying oil to domestic refineries. The Trunk Pipeline Law also provides for the possibility of swap operations (i.e., swap of products by one shipper for the products of another shipper) for the purposes of supplying oil to domestic refineries and gas to the domestic market and/or outside Kazakhstan, upon written consent of the pipeline owner (or other person legally holding rights to pipeline), the Ministry of Oil and Gas (the "**MOG**"), and the relevant swapping entities.

New Law on Gas and Gas Supply

The Law on Gas and Gas Supply No.532-IV dated 9 January 2012 (the "**Gas Law**") consolidates and streamlines the various parts of legislation that previously regulated this area.

Pursuant to the Gas Law, the state ownership of associated gas has been further elaborated. The State is the owner of associated gas produced in Kazakhstan (under all new contracts, and old contracts that provide for such state's title) and transferred to the state by oil producers (under old contracts that provide that the subsoil user is the owner of associated gas).

The Gas Law establishes the State's priority right to purchase (through the Government, national management holding company or national operator) on terms no less favourable than those offered by a third party: (i) any facility within an integrated sales gas supply system (connecting pipeline, trunk pipelines, sales gas storage facilities and other facilities for production, transport, storage, sale and consumption of gas); (ii) a share in the right of common ownership over such facilities, and (iii) shares (participatory interest) in the owner of such facilities (i.e. any oil producer that owns gas processing facilities or connecting pipelines for sales gas).

Further, the Gas Law provides for the State's pre-emptive right to buy (through the national operator) purified gas at a price approved by the MOG and determined pursuant to a Government decree. The price can include production costs, processing costs, transportation costs and 10% (maximum) profit margin. If the State waives its pre-emptive right, the seller may sell the gas to a third party.

The Competent Authority and other regulatory authorities

General

The State plays a role in four areas of subsoil management. First, the Government is, *inter alia*, responsible 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 (the "**Authorised Oil and Gas Agency**"); regulating oil and gas export by imposing customs, protection, antidumping and compensation duties and quotes; establishing quotes for oil transportation by various transport methods; 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 agencies. Thirdly, the State's Pre-Emptive Rights are exercised through the national management holding (JSC National Welfare Fund Samruk-Kazyna), the national company (NC KMG) and authorised state agencies. Finally, local executive authorities have responsibility for, *inter alia*, 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

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 is responsible for, *inter alia*:

- implementing the State's policy in oil and gas, petrochemical and hydrocarbon 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 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 subsoil users carrying out exploration and production activities in mining areas 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, *inter alia*, supervises mining operations, and whose Committee on State Control of Emergency Situations and Industry Safety (under the Ministry of Emergency Situations) (the "**CSCES**") supervises health and safety matters, among other things;

- 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 monitors compliance with subsoil users' obligations to give preference in hiring, (including employing 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.

Environmental 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 discharge 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 impacting 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 normally issued for up to three or five years, either by a regional environmental protection agency or 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.

On 29 December 2011, the Ministry of Environmental Protection (the "**MEP**") granted to Zhaikmunai an environmental permit valid until 31 December 2012, 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 emit pollutants and store industrial and other wastes in the amounts not exceeding certain pre-set thresholds as set forth in the EP. For risks related to Zhaikmunai's breach of terms and conditions of the EP, see "*Risk Factors—Risk Factors Relating to the 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 in the future*".

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, and accordingly, potential compliance costs associated with the Kyoto Protocol are unknown. The Environmental Code already requires that legal entities that 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, which is valid until August 2030. 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*". 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, since the administrative and criminal laws establish their own limitation periods.

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—Risks Factors Relating to the Group's Business—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 AMEC Report, 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 waste storage were identified. According to AMEC Report, these areas of non-compliance are of a basic nature and do not require complex mitigation.

Health and safety compliance

Oil and gas operations within Kazakhstan are regulated by the CSCES with respect to industry-specific health and safety requirements. Furthermore, the Government Regulations of 2011 set out mandatory standards for ensuring compliance with health and safety requirements. As part of the health and safety assessment dated 31 July 2012, 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.

Zhaikmunai's operations are subject to legislation, regulations and other requirements relating to health and safety 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. The PSA additionally 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 is in compliance with all mandatory insurances required by Kazakhstan law.

The following types 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, microbuses, 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), oil and gas commercial production; oil, oil products and chemicals storage; and operating oil and gas main pipelines are determined as environmentally hazardous types 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.

For insurances maintained by Zhaikmunai, please see "*Business—Insurance*".

Licencing of Subsoil Services, Storage and Pipeline Transportation

On 9 August 2007, the new Kazakhstan Law "On Licencing" came into force (the "**Licencing Law**"). According to the Licencing Law, production of oil and gas, oil and gas storage and pipeline transportation are licenced activities. Subsoil services (such as the drilling of oil and gas wells and other related services) are also subject to licencing.

A licence is not transferable from an existing facility to another. It is granted for an unlimited period of time, by the relevant Competent Authority (currently the MOG) after submission of the required documentation and 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, a lack of qualified personnel or proper equipment.

If a legal entity conducts activities without the relevant licence, 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 holds licences for the following types of activities:

- operating main gas, oil and oil products pipelines (State licence no. 000102-09, dated 7 March 2012); and
- 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. cubic metres and heating medium temperature above 115°, and vessels and pipelines working under pressure exceeding 0.7 kg/sq cubic metres (State licence no. 002596).

Oil and Gas Export Duties

The export duty for crude oil imports was effectively replaced with a rent tax under the 2009 Tax Code, but in 2010, the Government 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 rate of customs duties imposed by the ED Resolution fluctuated during various periods from U.S.$109.91 to zero.

With effect from 1 January 2011, the rate of export customs duty for crude oil is U.S.$40 per tonne. The ED Resolution as amended on 13 July 2010 provides 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. In addition to these exemptions, an exemption applies if a tax treaty exists between Kazakhstan and the importing country (e.g. the Ukraine). 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. Zhaikmunai therefore chooses to export to destinations which are exempt from export duty. See "*Risk Factors—Risk Factors Relating to the Group's Business—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, including those 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 consolidation;
- 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 U.S.$21.6 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 if the Transaction resulted in restriction of competition or creation or strengthening of a dominant position.

A company which effectuates a Transaction 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.

DIRECTORS AND SENIOR MANAGEMENT

The Partnership Agreement provides for the management of Zhaikmunai LP'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, has a board of directors (the "**Board**") which includes the following members. In September 2012, the Board approved the appointment of Pankaj Jain, the CEO of the KSS Group as a new director on the Board, subject to the approval of the limited partners of Zhaikmunai LP and the shareholder of ZGL.

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 LP'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 LP'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 VWEW 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 LP'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 LP since November 2004. See "*—Board of Directors*" for further details.

Jan Laga was appointed Deputy CEO of Zhaikmunai LP 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 LP 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 LP 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 Arndnt 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.

Heinz Wendel was appointed as COO of Zhaikmunai in 2012. Mr. Wendel has approximately 30 years of management and technical experience. Prior to joining Zhaikmunai, Mr Wendel served as technical director of Kazgermunai from 1998 to 2002 and was head of operations and technology of Erdol-Erdgas Gommern and GDF SUEZ E&P from 2002 to 2011. Mr Wendel is a graduate of the Oil & Gas Institute, Baku.

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, Talahasse 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 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 LP.

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, Zhaikmunai Netherlands B.V. has agreed to provide consultancy services to Zhaikmunai LP 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 LP or the General Partner.

The Executive Services Agreement may be terminated by either Zhaikmunai LP (acting by the General Partner) or Zhaikmunai Netherlands B.V. 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 LP has agreed to pay Zhaikmunai Netherlands B.V. an annual fee of EUR 374,814. In respect of the provision of Mr Kessel, Mr Muller and Mr Hartnett's services, Zhaikmunai LP has agreed to pay Zhaikmunai Netherlands B.V. an annual fee of EUR 399,300, EUR 356,562 and EUR 365,537 respectively. Zhaikmunai Netherlands B.V. 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 LP In addition, Zhaikmunai LP will pay all reasonable out-of-pocket expenses incurred by Zhaikmunai Netherlands B.V. (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 2011 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	U.S.$250,000	3 years	6 months
Kai-Uwe Kessel	17/12/1961	Director and Chief Executive Officer	2010	U.S.$330,000	3 years	6 months
Steve McGowan	10/07/1966	Independent Non-Executive Director	2009	U.S.$100,000	3 years	3 months
Eike von der Linden	07/07/1941	Independent Non-Executive Director	2009	U.S.$100,000	3 years	3 months
Piet Everaert	28/03/1961	Non-Executive Director	2010	U.S.$100,000	3 years	3 months
Atul Gupta	15/12/1959	Independent Non-Executive Director	2009	U.S.$100,000	3 years	3 months
Mikhail Ivanov	13/07/1969	Non-Executive Director	2009	U.S.$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 Executive Services Agreement; Mr McGowan, Mr von der Linden and Mr Gupta, as Independent Non-Executive Directors, will receive a fee of U.S.$100,000 per year and Mr Everaert and Mr Ivanov, as Non-Executive Directors, will also receive a fee of U.S.$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:

Name	Expiration of Current Term	Date of Appointment or Reappointment
Frank Monstrey	22 July 2013	22 July 2010
Kai-Uwe Kessel	22 July 2013	22 July 2010
Steve McGowan	1 July 2014	1 July 2011
Eike von der Linden	1 July 2014	1 July 2011
Piet Everaert	22 July 2013	22 July 2010
Atul Gupta	9 July 2015	9 July 2012
Mikhail Ivanov	9 July 2015	9 July 2012

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 U.S.$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 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 LP, and no other director or senior manager of Zhaikmunai LP had any direct or indirect ownership interest in Zhaikmunai LP As at the date of this Offering Memorandum Frank Monstrey indirectly controls 27.20% of the issued and outstanding Common Units. For a description of the various voting rights that attach to the Common Units see "*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, the General Partner and Claremont*".

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 hold the following options over Common Units exercisable at U.S.$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—120,130 Common Units, (iii) Viacheslav Druzhinin—180,195 Common Units, (iv) Thomas Hartnett—300,325 Common Units, (v) Alexei Erber—120,325 Common Units, (vi) Darmen Jakishev—90,098 Common Units, (vii) Eckhard Verseck—45,049 Common Units, (viii) Joerg Pahl—45,050 Common Units, (ix) Berik Brekeshev 150,000 Common Units, and (x) Gudrun Wykrota—100,000 Common Units. Heinz Wendel holds Options on the same terms but exercisable at U.S.$10.00 per GDR over 200,000 Common Units.

Mr Kessel also owns 10,000 GDRs, Mr Everaert owns 12,000 GDRs and Mr van der Linden owns 12,000 GDRs.

In addition, Mr Ivanov owns U.S.$500,000 of Existing Notes.

Save as set out in this section, none of the Directors or members of the senior management (excluding interests of Mr Monstrey) has any interests in the partnership interest or loan capital of the General Partner, Zhaikmunai LP or any of its subsidiaries.

The aggregate holdings of the Directors and members of the senior management (other than Mr Monstrey) together represent 1.21% of the limited partnership interests of Zhaikmunai LP 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. 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 LP and their private interests and/or other duties. See "*Risk Factors—Risk Factors Relating to the Group's Business—The shareholder of the General Partner and its affiliates may be able to exercise substantial influence over the Issuer and the Group*".

Zhaikmunai LP 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, the General Partner and Claremont*".

In September 2012, the Board of Directors of Zhaikmunai Group Limited approved the appointment of Pankaj Jain to the Board of the General Partner, subject to the approval of the limited partners of Zhaikmunai LP and the shareholder of Zhaikmunai Group Limited. Such approval is expected to be sought in November 2012. Mr Jain was nominated as a director by KSS Global and is the Chief Executive Officer of the KSS Group. Companies in the KSS Group constructed Zhaikmunai's existing gas treatment facility and also perform drilling services for Zhaikmunai LLP. As such, should any Group company contemplate entering into any agreement or arrangement with a member of the KSS Group, there may be a conflict of interest between the duties of Mr Jain to Zhaikmunai LP (if he is appointed to the Board) and his duties to the KSS Group. As a result, pursuant to the Board's conflicts rules and applicable law, Mr Jain would not participate in discussions or voting regarding any such agreements or arrangements.

Mr. Ivanov and Mr. Gupta were nominated as directors by Dehus Dolmen Nominees, an Affiliate of Baring Vostok Capital Partners, which is the holder of 12.65% of the issued and outstanding Common Units.

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 LP 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 LP 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—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 LP 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:

Name	Current directorships/partnerships	Former directorships/partnerships
Frank Monstrey	Probel Capital Management N.V. Oostendse Investerings Vennootschap N.V. Magorium NV Tensor Holding VOF Tensor Property Investments S.A.R.L. Expression Inc Exovision BV Septemium Investments S.A. Tensor Capital Partners LP Tensor Carry Holdings LLP Thyler Holdings Limited BM Lumina Claremont Holdings Limited Nedmac BV Thyler Holdings BV Septinvest BV Sepol GmbH	Silent Planet Inc. Advanced Immuni T Inc Overseas Logistics Corporation Ltd.
Kai-Uwe Kessel	BelGerAs, S.A., KazGerMunai LLP Gervanca Investments Sarl	
Steve McGowan	Personal Investment & Management Solutions Limited Alpenside LTD Anglohaven Securities LTD Burtons Management LTD Cambur LTD Eastpine Trading LTD 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	City Trust & Corporate Services LTD Thyler Holdings Limited SMP Trustees LTD Vanderbil Developments LTD
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

Name	Current directorships/partnerships	Former directorships/partnerships
Atul Gupta	Dominion Petroleum PLC	Hindustan Oil Exploration Limited
	Villiers Limited	Burren Energy PLC
	Strand Oil and Gas Limited	
Mikhail Ivanov	Baring Vostok Capital Partners	
Volga Gas plc		
Tzar Petrol Ltd.	None	
Jan-Ru Muller	Telco B.V.	Onetrail B.V.
	STS Logistics Corporation,	
	EyeNetwork Limited	
	Cabot Consulting Limited	
Thomas Hartnett	Thomas Hartnett BVBA	
	Cabot Consulting Limited	
Viacheslav Druzhinin	None	None
Alexei Erber	None	Rebellion Resources Limited
Heinz Wendel	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 Plan 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 a value set with regard to the market price of the GDRs at the date of grant of the option (the "**Base Value**") and the market value of the GDRs on the exercise date (the "**Option**"). To date, Options over 2,252,146 Common Units remain outstanding, with a Base Value between U.S.$4.00 and U.S.$10.00.

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;

The Plan Trustee will satisfy an Option by paying to the Optionholder on exercise the difference between the Base Value of the GDRs subject to 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 LP, 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 LP 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 LP, 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 LP 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 Plan 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 LP 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 LP (the "**Plan Trustee**").

The Plan Trustee will subscribe for Common Units in Zhaikmunai LP on a cash free basis. The Plan Trustee has agreed with Zhaikmunai LP to satisfy Options on exercise by the Optionholders and will acquire and sell GDRs for this purpose (to be subscribed at the Base Value 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 LP'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.

Corporate Governance

As a limited partnership with GDRs admitted to the official list of the FSA, Zhaikmunai LP is not required to comply with the provisions of the UK Corporate Governance 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 UK Corporate Governance 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 LP 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 LP As a result, a takeover offer for Zhaikmunai LP 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 UK Corporate Governance Code. The Board voted in September 2012 to recommend to the limited partners that the size of the Board be increased to eight directors and that an additional non-executive director be appointed to the Board.

Zhaikmunai also intends to move the "seat of effective management" of ZGL, Claydon, Jubilata and Zhaikmunai LP to the Netherlands, subject to the receipt of the relevant regulatory approvals. Management expects this may be completed by the end of 2012.

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 and the Relationship Agreement that affect Zhaikmunai LP's corporate governance. See "*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, the General Partner and Claremont*" for a further discussion of the provisions of the Relationship 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 LP, 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. The current sole shareholder of the General Partner is Thyler Holdings B.V., an Affiliate of Thyler, which has assumed all of Thyler's obligations under the Relationship Agreement.

In connection with the Claremont Subscription, Zhaikmunai LP and the General Partner agreed to appoint one director nominated by Claremont (such person in turn being nominated by BVCP pursuant to the investment agreement between Claremont and BVCP) (the "**BVCP Director**"), together with an additional Independent Director to be nominated by BVCP and Claremont (subject to approval by the independent limited partners). Mr Ivanov was appointed as the BVCP 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 would 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. The Board voted in September 2012 to recommend to the limited partners of the Partnership and the shareholder of the General Partner that they approve an increase in size of the Board to eight directors and the appointment of Mr Pankaj Jain as director. Mr Jain was nominated as a director by KSS Global. The limited partners are expected to vote on the expansion of the Board to eight directors and the addition of Mr Jain as a director in November 2012. Neither Thyler nor Claremont nor their Affiliates have 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. 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, and its affiliated successor Thyler Holdings B.V., have 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.

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.

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 LP 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 LP.

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 LP 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 LP), 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 LP) 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 LP 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 LP 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 LP 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 LP 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 LP 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 LP or any company in which Zhaikmunai LP 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 LP or any company in which Zhaikmunai LP 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 LP's accounting and financial reporting processes;
- the integrity and audits of Zhaikmunai LP's financial statements;
- the Issuer's compliance with legal and regulatory requirements; and
- the qualifications, performance and independence of Zhaikmunai LP's independent accountants.

The audit committee is also responsible for engaging Zhaikmunai LP's independent accountants, reviewing the plans and results of each audit engagement with Zhaikmunai LP's independent accountants, approving professional services provided by Zhaikmunai LP's independent accountants, considering the range of audit and non-audit fees charged by Zhaikmunai LP's independent accountants and reviewing the adequacy of Zhaikmunai LP'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 LP 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 LP 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 control over the General Partner may only be transferred 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 LP directly, unless the transfer is done in accordance with the paragraph above.

Conflicts of Interest and Fiduciary Duties

Zhaikmunai LP’s organisational, ownership and investment structure involves a number of relationships that may give rise to conflicts of interest between Zhaikmunai LP, on the one hand, and Affiliates of its General Partner or limited partners and holders of GDRs, 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; and
- conflicts of interest may arise between Zhaikmunai LP and the KazStroyService Group, which constructed the gas treatment facility for Zhaikmunai’s Kazakh operating subsidiary Zhaikmunai LLP and has ongoing drilling and other commercial relationships with Zhaikmunai Group companies, because Pankaj Jain, Chief Executive Officer of the KazStroyService Group, has been nominated to be appointed as a director of the General Partner.

Pursuant to the Relationship Agreement, Thyler, and its affiliated successor Thyler Holdings B.V., have undertaken to ensure that Zhaikmunai LP is capable at all times of carrying on its business independently of Thyler and its Affiliates (other than Zhaikmunai LP and any of its subsidiaries) and that all of Zhaikmunai LP’s transactions and relationships with Thyler and its Affiliates (other than Zhaikmunai LP 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, the General Partner 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 LP 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 LP, 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 LP 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 LP 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 LP 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 GDRs

Zhaikmunai LP

Zhaikmunai LP 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 LP 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 LP consist of the Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in Zhaikmunai LP and the general partner interest held by ZGL. In this description, references to "holders of the Common Units" are to Zhaikmunai LP's limited partners and references to Zhaikmunai LP's limited partners include holders of the Common Units.

Partnership Agreement

Under Clause 2.2 of the Partnership Agreement, Zhaikmunai LP 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 LP 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 LP and do not have any right or authority to act for or to bind Zhaikmunai LP or to take part or interfere in the conduct or management of Zhaikmunai LP.

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 LP; (iii) the approval of the annual audited accounts of Zhaikmunai LP; (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 LP.

Ownership of Zhaikmunai LP

As of the date of this Offering Memorandum, the Issuer understands that the equity ownership of Zhaikmunai LP is as follows[(1)]:

	Common Units and GDRs	
	(Number)	(%)
Holder:		
Claremont Group[(2)]	51,190,476	27.20
KazStroyService Global B.V.[(3)]	50,000,000	26.57
Dehus Dolmen Nominees Limited[(4)]	23,809,524	12.65
Free Float	63,182,958	33.58

(1) The Bank of New York Mellon holds all of the Common Units (except for 10 Common Units held directly by Claremont) in its capacity as Depository, but has no beneficial interests in such Common Units.

(2) The Issuer understands that the Claremont Group is comprised of various companies indirectly controlled by Frank Monstrey and his spouse.

(3) The Issuer understands that KazStroyService Global B.V. is indirectly controlled by Timur Kulibayev, Arvind Tiku, Lakshmi Mittal and Goldman Sachs.

(4) The Issuer understands that Dehus Dolmen Nominees Limited is an affiliate of and controlled by funds managed by Baring Vostok Fund IV (GP) LP and Baring Vostok Fund IV Managers Limited.

RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Significant Limited Partners

As at the date of this Offering Memorandum, the partnership has received notice that companies controlled by Frank Monstrey, the chairman of the General Partner, own approximately 27.20% of the Common Units of the partnership (including those held through GDRs). In addition, companies indirectly controlled by Mr. Monstrey own 100% of the issued shares of ZGL, the General Partner.

The partnership understands that KazStroyService Global B.V. ("**KSS Global**"), an entity which the Issuer understands is indirectly controlled by Timur Kulibayev, Arvind Tiku, Lakshmi Mittal and Goldman Sachs, holds a 26.57% interest in the voting rights of the partnership's Common Units (including those held through GDRs).

The partnership understands that Dehus Dolmen Nominees Limited, an entity which the Issuer understands is affiliated with and controlled by Baring Vostok Capital Partners ("**BVCP**"), holds a 12.65% interest in the voting rights of the partnership's Common Units (including those held through GDRs).

Relationship Agreement with Thyler, the General Partner and Claremont

The partnership entered into a Relationship Agreement with Thyler Holdings Limited ("**Thyler**"), the General Partner and Claremont Holdings Limited ("**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, the partnership and any subsidiary of the partnership) may exercise over the management of the partnership. The principal purposes of the Relationship Agreement are to ensure that the partnership is capable at all times of carrying on its business independently of Thyler and Claremont and their affiliates (other than the General Partner, the partnership and any of its subsidiaries) and that all of the partnership's transactions and relationships with Thyler and its affiliates (other than the General Partner, the partnership and any of its subsidiaries) are at arm's length and on normal commercial terms.

Pursuant to the Relationship Agreement, each of Thyler (and its affiliated successor Thyler Holdings BV) and Claremont undertake to allow the partnership to be operated in the best interests of the limited partners and holders of the GDRs as a whole; to allow the partnership and its affiliates at all times to carry on business independently of Claremont and Thyler and its affiliates; and to allow for the partnership's transactions and relationships with Thyler, 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) the partnership 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 undertake 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 will continue in full force and effect until the occurrence of the earliest of (i) the partnership'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 the partnership. Claremont has also undertaken to procure that any of their affiliates to which they transfer any interest in the partnership will accede to the Relationship Agreement prior to such transfer.

The Directors believe that the terms of the Relationship Agreement enable the partnership to ensure that Thyler and its affiliates are not able to abuse their position as a holder of Common Units of the partnership and a shareholder in the General Partner.

Construction and Drilling Agreements

Gas Treatment Facility Agreement

Zhaikmunai entered into an agreement with JSC OGCC KazStroyService ("**KSS**"), an affiliate of KSS Global, on 10 August 2007 for KSS to engineer, design and construct the first gas treatment facility. The total cost of the construction of the first gas treatment facility, which was completed in 2011, was approximately U.S.$260 million.

Drilling Agreement

A drilling agreement with Sun Drilling LLP is expected to be entered into shortly. The agreement will be on substantially similar terms as the 2012 Saipem drilling contract. Sun Drilling LLP is an affiliate of KSS Global.

Services Agreements

Certain senior managers provide their services to the partnership's principal operating subsidiary Zhaikmunai LLP pursuant to a service agreement dated 27 March 2007 between Probel Capital Management N.V. 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 U.S.$10.3 million for the year ended 31 December 2011 (U.S.$8.5 million in 2010).

Certain personnel provide their services to Zhaikmunai 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 U.S.$1.7 million for the year ended 31 December 2009, U.S.$1.7 million for the year ended 31 December 2010 and U.S.$1.4 million for the year ended 31 December 2011.

Frank Monstrey, Kai-Uwe Kessel, Jan-Ru Muller and Thomas Hartnett provide their services to the partnership pursuant to a consultancy agreement between the General Partner and Zhaikmunai Netherlands B.V. dated 1 September 2008 and as amended and restated on 17 September 2009, with effect from 20 December 2007 (the "**Executive Services Agreement**"). Zhaikmunai Netherlands B.V., formerly an affiliate of Probel, was, at the admission to listing of the GDRs, indirectly controlled by Mr Monstrey. Zhaikmunai Netherlands B.V. was subsequently transferred to the partnership on 30 June 2008 (but the transfer was not effective until 1 January 2009). Under the terms of the Executive Services Agreement, Zhaikmunai Netherlands B.V. agrees to provide the consultancy services of these individuals to the General Partner and its subsidiaries as consultants, rather than as employees of the General Partner or any of its subsidiaries. Zhaikmunai Netherlands B.V. 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 Zhaikmunai Netherlands B.V.'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, 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. 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 U.S.$1.9 million for the year ended 31 December 2011.

Other

Piet Everaert, a Non-Executive Director, is a partner in the law firm VWEW Advocaten in Brussels, which rendered legal services to Probel since 2006. This business relationship is ongoing to date.

The Group has undertaken certain other transactions with related parties as disclosed in Note 22 to the audited consolidated financial statements for the year ended 31 December 2011.

Any transaction with any related party not controlled by the General Partner or the partnership must be approved by a majority of the independent directors of the General Partner.

DESCRIPTION OF SIGNIFICANT INDEBTEDNESS AND CERTAIN FINANCIAL ARRANGEMENTS

The following is a summary of certain provisions of the Group's indebtedness. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Existing Notes

Overview

On 19 October 2010, Zhaikmunai Finance B.V. issued U.S.$450,000,000 in aggregate principal amount of 10.5% Senior Notes due 2015.

Under the terms of the indenture relating to the Existing Notes, Zhaikmunai was permitted, subject to certain conditions, to be substituted for Zhaikmunai Finance B.V. as issuer of the Existing Notes.

On 29 December 2010, in preparation for the substitution, the shares in Zhaikmunai Finance B.V. were transferred to Zhaikmunai LLP, and on 28 February 2011, Zhaikmunai LLP was substituted for Zhaikmunai Finance B.V. as issuer of the Existing Notes pursuant to a supplemental indenture.

On 21 February 2012, Zhaikmunai LLP commenced a consent solicitation in connection with certain proposed amendments and waivers in respect of the Existing Notes. On 2 March 2012, Zhaikmunai LLP announced the approval of such amendments and waivers, and accordingly, a supplemental indenture was entered into giving effect thereto.

On 19 October 2012, the Issuer entered into a supplemental indenture pursuant to which the Issuer guaranteed the Existing Notes on a senior basis.

Any and all of the Existing Notes may be repurchased pursuant to the Tender Offer. See "*The Summary—The Refinancing*".

Interest and Maturity

The Existing Notes bear interest at the rate of 10.50% per year. Interest on the Existing Notes is payable on 19 April and 19 October of each year. The Existing Notes mature on 19 October 2015.

Redemption

The Issuer may redeem some or all of the Existing Notes at any time on or after 19 October 2013 at established redemption prices plus accrued and unpaid interest to the redemption date.

Prior to 19 October 2013, all or part of the Existing Notes may be redeemed in whole or in part at a price equal to 100% of the principal amount of the Existing Notes to be redeemed plus accrued and unpaid interest to the redemption date and a "make whole" premium.

In addition, prior to 19 October 2013, up to 35% of the aggregate principal amount of Existing Notes may be redeemed with the proceeds of certain equity offerings at a redemption price equal to 110.5% of the principal amount of the Existing Notes to be redeemed, plus accrued and unpaid interest to the redemption date, so long as at least 65% of the original principal amount of the Existing Notes remains outstanding after each such redemption and each such redemption occurs within 90 days after the closing of the relevant equity offering.

In the event of certain developments affecting taxation or certain other circumstances, the Existing Notes may also be redeemed in whole, but not in part, at any time, at a redemption price of 100% of the principal amount of the Existing Notes plus accrued and unpaid interest and additional amounts to the date of redemption.

Upon the occurrence of certain events defined as constituting a change of control, the issuer of the Existing Notes will be required to offer to repurchase the Existing Notes at 101% of their principal amount, plus accrued and unpaid interest to the date of purchase.

Guarantees and Security

The Existing Notes are jointly and severally guaranteed on a senior basis by Zhaikmunai LP and all of its subsidiaries, including the Issuer. The Existing Notes are the issuer's and the guarantors' senior obligations and will rank equally with all of the issuer's and the guarantors' other senior indebtedness.

The Existing Notes are secured by a first-priority pledge over the shares of Zhaikmunai Finance B.V. and Zhaikmunai Netherlands B.V.

Ranking

The Existing Notes:

- are general senior obligations of Zhaikmunai LLP;
- rank senior in right of payment to all existing and future subordinated obligations of Zhaikmunai LLP;
- rank equally in right of payment to any future senior indebtedness of Zhaikmunai LLP, without giving effect to collateral arrangements;
- effectively rank senior to all of the unsecured indebtedness of Zhaikmunai LLP to the extent of the value of the property or assets securing the Existing Notes; and
- effectively rank junior to any existing or future indebtedness of Zhaikmunai LLP secured by property or assets that do not secure the Existing Notes to the extent of the value of such property or assets.

Certain Covenants and Events of Default

The indenture governing the Existing Notes contains a number of covenants that, among other things, restricts, subject to certain exceptions, the ability of Zhaikmunai LP and its restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to Zhaikmunai LP or any of its restricted subsidiaries;
- sell, lease or transfer certain assets including shares of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses;
- consolidated or merge with other entities; and
- amend certain documents.

Each of these covenants is subject to significant exceptions and qualifications.

In addition, the indenture governing the Existing Notes imposes certain requirements as to future subsidiary guarantors. In addition, the indenture governing the Existing Notes also contains certain customary events of default.

The covenants and events of default described above are, subject to certain exceptions relating to security and liens, substantially similar to the covenants described under "*Description of Notes*".

DESCRIPTION OF NOTES

Zhaikmunai International B.V. will issue U.S.$560 million in aggregate principal amount of Notes in this Offering under an indenture (the "**Indenture**") among the Issuer, the Guarantors and Citibank N.A., as trustee (the "**Trustee**"). The Indenture is unlimited in aggregate principal amount, although the issuance of Notes in this Offering will be limited to U.S.$560 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.

The following description is a summary of the material terms of the Notes and the Indenture. It does not, however, restate such documents in their entirety and, where reference is made to particular provisions of such documents, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes and the Indenture. You should read the Indenture because it contains additional information and because it and not this description defines your rights as a holder of the Notes. A copy of the form of the Indenture may be obtained from the Issuer upon request. You can also obtain a copy of the Indenture in the manner described under "Listing and General Information".

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 LP and not to any of its subsidiaries. References to the "**Issuer**" refer to, prior to completion of the Substitution, Zhaikmunai International 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 unsecured obligations of the Issuer;
- mature on 13 November 2019;
- will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess of U.S.$200,000;
- 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, Zhaikmunai Netherlands B.V., Claydon Industrial Limited, Jubilata Investments Limited, Condensate-Holding LLP, Zhaikmunai Finance B.V. and Zhaikmunai LLP; and
- effectively rank junior to any existing or future Indebtedness of the Issuer secured by property or assets to the extent of the value of such property or assets.

As at 30 June 2012, on a *pro forma* basis after giving effect to this Offering (including the application of proceeds therefrom) and assuming U.S.$348 million of the Existing Notes are tendered into the Tender Offer, the

Issuer and the Guarantors would have had U.S.$662 million of outstanding Indebtedness (not including the impact under GAAP of any issuance costs). 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 7.125% 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 14 May and 13 November, commencing on 14 May 2013;
- be payable to the holders of record on 28 April and 29 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 instalments 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) Dublin, Ireland, for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**") and the rules of the Irish Stock Exchange so require. 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.

The Issuer will also maintain one or more registrars (each, a "**Registrar**") with offices in (i) Frankfurt, Germany and (ii) Dublin, Ireland, for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require. The initial Registrar will be Citigroup Global Markets Deutschland AG. The initial transfer agent will be Citibank N.A. in London. The Registrar 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 Registrar or the transfer agent 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 13 November 2016, 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 13 November of the years indicated below:

Year	Percentage
2016	103.56250%
2017	101.78125%
2018 and thereafter	100.00000%

Prior to 13 November 2016, 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 107.125% 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 13 November 2016 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 13 November 2016 (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 13 November 2016 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 13 November 2016; *provided*, *however*, *that* if the period from the redemption date to 13 November 2016 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 13 November 2016 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 U.S.$200,000 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.

Notwithstanding anything herein to the contrary, none of the Issuer, the Guarantors, nor any Paying Agent or any other person shall be required to pay any Additional Amounts with respect to any withholding or deduction imposed on or in respect of any Note or Notes Guarantee pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("FATCA"), the laws of a Relevant Taxing Jurisdiction implementing FATCA, any law implementing an intergovernmental approach thereto, or any agreement between the Issuer and the United States or any authority thereof entered into for FATCA purposes.

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 defence of a guarantor.

The Notes Guarantee of each Guarantor:

- is a general senior unsecured 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, including the guarantee by such Guarantor of the Existing Notes; and
- effectively ranks junior to any existing or future Indebtedness of such Guarantor secured by property or assets 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 and the Guarantees—Fraudulent transfer, commercial benefit or insolvency related claw-back laws may adversely affect the validity and enforceability of the Guarantees*".

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) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary;

(c) in the circumstances set forth in the fifth paragraph of "—Certain covenants—Merger and consolidation";

(d) upon irrevocable repayment of the Notes;

(e) upon defeasance or satisfaction and discharge of the Indenture as described below under "—Defeasance" or "—Satisfaction and discharge"; or

(f) 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".

Proceeds Loan

On or after the Issue Date, the Issuer will loan the proceeds of the Notes to Zhaikmunai LLP (the "**Proceeds Loan**"). 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 four 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 four 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.

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 U.S.$200,000 or an integral multiple of U.S.$1,000 in excess of U.S.$200,000) 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 U.S.$200,000 and an integral multiple of U.S.$1,000 in excess of U.S.$200,000; 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 U.S.$200,000 and integral multiples of U.S.$1,000 in excess of U.S.$200,000) 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 U.S.$200,000 or an integral multiple of U.S.$1,000 in excess of U.S.$200,000.

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 other Indebtedness of the Issuer, including the Existing Notes.

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 fulfil 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 and the Proceeds Loan, (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 U.S.$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 U.S.$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 U.S.$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, as applicable, 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);

    (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; and

    (c) any dividend, distribution, sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the assets of the Parent to the extent permitted by, and in compliance with, "Certain covenants—Merger and consolidation" to a Successor Company (as defined under Clause (1) of "Certain covenants—Merger and consolidation") of the Parent in connection with any Reorganization Transaction.

(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 U.S.$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 October 1, 2010 would exceed the sum of:

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from October 1, 2010 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 October 19, 2010 (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 October 19, 2010 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 October 19, 2010 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 U.S.$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 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 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";

(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 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 U.S.$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 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 U.S.$200,000 and integral multiples of U.S.$1,000 in excess of U.S.$200,000. 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 U.S.$200,000 and integral multiples of U.S.$1,000 in excess of U.S.$200,000. 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 U.S.$200,000 or an integral multiple of U.S.$1,000 in excess of U.S.$200,000. 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 favourable 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 U.S.$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 favourable 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 U.S.$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;

(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; and

(11) transactions permitted by, and complying with, the provisions of "Certain covenants—Merger and consolidation" and all agreements and instruments effecting such transactions.

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 Significant 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 60 days following the end of each of the first three fiscal quarters in each fiscal year of the Parent, (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 Irish Stock Exchange and traded on the Global Exchange Market and to the extent that the rules of the Irish 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 Ireland.

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 and the Indenture;

(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 U.S.$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 (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 and the Indenture;

(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 and the Notes, or (c) any sale, assignment, transfer, conveyance, lease or other disposition of assets among the Issuer and/or the Guarantors, *provided*, *however*, that this "Merger and consolidation" covenant shall apply, if the Issuer so elects, to any sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the assets of the Parent to any other Guarantor.

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 International 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.

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).

No amendment to Proceeds Loan prior to Substitution

Prior to the Substitution, Zhaikmunai International B.V. will not and the Parent will not, and will not permit any of the Parent's Restricted Subsidiaries or any other Person that is an obligor under the Proceeds Loan, to (1) sell, dispose, encumber, prepay, repay, repurchase, redeem or otherwise acquire, reduce or retire any amounts outstanding under the Proceeds Loan except in connection with (a) the Substitution or (b) a redemption, repayment or repurchase of outstanding Notes in a manner not prohibited by the Indenture or (2) amend, modify, supplement or waive any rights under the Proceeds Loan, except to the extent necessary or advisable in order to achieve registration with the National Bank of Kazakhstan.

Listing

The Parent shall use all commercially reasonable efforts to list and maintain the listing of the Notes on the Irish Stock Exchange; *provided that* if the Parent is unable to list the Notes on the Irish 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.

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 U.S.$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 U.S.$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**"); or

(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.

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 and the Notes Guarantees 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) 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

(10) make any change to or modify the ranking of the Notes that would adversely affect the holders.

Notwithstanding the foregoing, without the consent of any holder, the Issuer, the Guarantors and the Trustee may amend the Indenture, the Notes and the Notes Guarantees 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 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;

(9) conform the text of the Indenture or the Notes to any provision of this description of notes; or

(10) provide for the issuance of Additional Notes in accordance with the terms of the Indenture.

In addition, each holder, by accepting a Note, hereby expressly waives and directs the Trustee to amend any and all other provisions of the Indenture or the Notes (other than amendments or waivers that would require the consent of holders holding at least 90% of the principal amount of the Notes, as described above) that would prevent the consummation of the Listing and/or the Reorganization Transactions and expressly acknowledges granting consent to and express authorization of such Listing and/or the Reorganization Transactions notwithstanding any provisions to the contrary in the Indenture or the Notes.

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.

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

Citibank N.A. has been appointed to be the Trustee and the Paying Agent under the Indenture and Citigroup Global Markets Deutschland AG has been appointed by the Parent as Registrar 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.

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 Irish Stock Exchange and admitted for trading on the Global Exchange Market and the rules of the Irish 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 Ireland (which is expected to be the *Irish Times*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Irish Stock Exchange and, in connection with any redemption, the Issuer will notify the Irish Stock Exchange of any change in the principal amount of Notes outstanding.

Governing law

The Indenture provides that it, the Notes and the Notes Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Proceeds Loan Agreement will be 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 U.S.$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 Ireland 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 U.S.$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 an 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 the occurrence of any of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger, consolidation or transfer permitted or not otherwise prohibited under the terms of the Indenture), in one or a series of related transactions, of all or substantially all of the assets of the Parent and its Restricted Subsidiaries, taken as a whole, to any Person (including any "person" (as that term is used in Section 13(d)(3) of the Exchange Act)) other than a Permitted Holder;

(2) any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than a 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 securities 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 Voting Stock representing 50% or more of the voting power of the total outstanding Voting Stock of the Parent; or

(3) the adoption by the holders of Capital Stock of the Parent of a voluntary plan relating to the liquidation or dissolution of the Parent.

"**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.

"**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.

"**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 U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Existing Notes**" means the 10.5% Senior Notes due 2015 initially issued by Zhaikmunai Finance B.V.

"**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 U.S.$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 2**" means the additional gas treatment facility to be constructed following the first 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 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 honouring 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.

"**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 the first date on which Notes are issued.

"**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.

"**Listing**" means a listing of all or a portion of the Parent's Capital Stock (or all or a portion of the Capital Stock of a new (direct or indirect) holding company of Zhaikmunai LLP) on either the London Stock Exchange plc or another recognized stock exchange (which may be an unregulated market for purposes of European Union legislation) or alternatively, the listing of the Parent's global depositary receipts on another recognized stock exchange.

"**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 instalment 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 and the Proceeds Loan 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.

"**Pari Passu Indebtedness**" means Indebtedness that ranks equally in right of payment to the Notes or the Notes Guarantees.

"**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 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 U.S.$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 U.S.$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 favour 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 U.S.$5 million;

(20) Liens in favour 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 favour 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 favour 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 2; *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 2;

(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 2 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 2 and do not encumber any other assets or property of the Parent or any Restricted Subsidiary (other than GTU 2 and any assets affixed or appurtenant thereto and any Hydrocarbons produced thereby); and

(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 U.S.$50 million.

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 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 favourable 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 50.1% 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).

"**Reorganization Transactions**" means one or more of:

(1) an intra-group transaction, which would require one or more of the following steps:

   (a) the incorporation of a new (direct or indirect) holding company of Zhaikmunai LLP ("**NewCo**") as a Subsidiary of the Parent;

   (b) the transfer of substantially all of the assets of the Parent to NewCo;

   (c) the accession by NewCo as a successor to the Parent under the Indenture;

   (d) the distribution or transfer by the former Parent of the equity securities of NewCo to existing holders of Common Units of the former Parent;

   (e) the listing of the equity securities of NewCo on a recognized stock exchange;

   (f) the cancellation of the listing of the global depositary receipts of the former Parent; and

   (g) the dissolution of the former Parent and the General Partner;

(2) a tender offer transaction, which would require one or more of the following steps:

   (a) the incorporation of NewCo as a Subsidiary of the Permitted Holder;

   (b) the making of a tender offer by NewCo for all of the existing global depositary receipts and Common Units in the Parent (and the shares in the General Partner) in exchange for the issue of new equity securities in NewCo;

   (c) the listing of the equity securities of NewCo on a recognized stock exchange;

   (d) the transfer of substantially all of the assets of the Parent to NewCo;

   (e) the accession by NewCo as a successor to the Parent under the Indenture; and

   (f) the dissolution or liquidation of the former Parent and the General Partner; or

(3) an alternative reorganization transaction, which comprises any other corporate reorganization or restructuring of the Parent, the General Partner, Zhaikmunai LLP and the other Guarantors as would result in NewCo becoming the new holding company of Zhaikmunai LLP with its equity securities listed on a recognized stock exchange in substitution of the listing of global depositary receipts of the Parent on the London Stock Exchange, the transfer of substantially all of the assets of the Parent to NewCo and the accession by NewCo as a successor to the Parent under the Indenture.

"**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.

"**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 Zhaikmunai Netherlands B.V., Claydon Industrial Limited, Jubilata Investments Limited, Condensate-Holding LLP, Zhaikmunai Finance B.V. 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.

"**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 favourable 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 U.S.$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 U.S.$200,000 and integral multiples of U.S.$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, *societé 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 "*—Depositary 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 Prospective Investors" and "*Transfer Restrictions*".

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 depositary; 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 depositary 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 depositaries 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 Prospective Investors*," unless we determine otherwise in compliance with the requirements of the Indenture.

For so long as the Notes are listed on the Irish 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 Principal 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 Principal 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 Principal 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 Prospective 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:

(a) financial institutions;

(b) insurance companies;

(c) tax exempt organisations;

(d) real estate investment trusts;

(e) regulated investment companies;

(f) grantor trusts;

(g) persons that have a functional currency other than the U.S. dollar;

(h) persons that will hold a Note through partnerships or other pass through entity;

(i) dealers or traders in securities or currencies;

(j) certain former citizens or long term residents of the United States; or

(k) 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). This description also does not address tax considerations applicable to prospective purchasers of Notes who also tendered their Existing Notes. 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:

(a) an individual citizen or resident of the United States;

(b) 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);

(c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(d) 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 20 August 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 (or other entity treated as a partnership for U.S. federal income tax purposes) 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

Interest paid to you on a Note will be includible in your gross income as ordinary interest income at the time it is received, in accordance with your usual method of tax accounting.

Interest 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 13 November 2016, in some cases, paying a specified premium (See "*Description of Notes—Optional Redemption*"). Regulations regarding notes issued with original issued discount ("**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 13 November 2016, 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 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 OID, which may affect the market value of the original Notes if the Additional Notes are not otherwise distinguishable from the original Notes.

Foreign Asset Reporting

Certain U.S. Holders who are individuals are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by financial institutions in which case such accounts may be reportable if maintained by a foreign financial institution). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to the their ownership and disposition of the 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

The following is a general summary of Kazakhstan tax consequences as at the date hereof in relation to payments made under the Notes and in relation to the sale or transfer of the Notes. It is not exhaustive and purchasers are urged to consult their professional advisers as to the tax consequences to them of holding or transferring Notes.

Zhaikmunai LLP intends to be substituted for the Issuer as issuer of the Notes, whereupon it will assume all of the obligations of the Issuer under the Substitution. See "*Description of Notes—Certain Covenants—Substitution*". Set forth below is a summary of Kazakhstan tax consequences both prior to and following the Substitution. There can be no assurances that the Substitution will take place.

Prior to the Substitution

Interest

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**") should not be subject to taxation in Kazakhstan, and no withholding of any Kazakhstan tax should 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, should be 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. Payments of interest from Zhaikmunai LLP to the Issuer under the Proceeds Loan Agreement to fund the Issuer's obligations to make payments under the Notes should be subject to Kazakhstan withholding tax at a rate of 15% (unless an applicable double taxation treaty provides otherwise).

Gains

Gains realised by Non-Kazakhstan Holders derived from the disposal, sale, exchange or transfer of the Notes should not be subject to Kazakhstan income tax. Any gains derived by Kazakhstan Holders in relation to Notes will be subject to Kazakhstan income tax unless the Notes 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.

Payments under the Guarantees issued by Zhaikmunai LLP and Condensate-Holding LLP

Payments of interest to Non-Kazakhstan Holders under the Guarantees issued by Zhaikmunai LLP and Condensate-Holding LLP should be subject to withholding tax at a rate of 15% unless reduced by an applicable double taxation treaty. Payments of interest under such Guarantees 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 and others) should 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 Zhaikmunai LLP and Condensate-Holding LLP other than to Kazakhstan investment funds and certain other entities, should be subject to withholding tax at a rate of 15% and for individuals, at a rate of 10%.

Zhaikmunai LLP and Condensate-Holding LLP 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—Taxation*". Payments by Zhaikmunai LLP and Condensate-Holding LLP to a Noteholder entitled to the benefits of an applicable double taxation treaty may be subject to a reduced rate of withholding tax.

Following the Substitution

Interest

Payments of interest on the Notes by Zhaikmunai LLP to Non-Kazakhstan Holders should 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 and others) should be subject to withholding of Kazakhstan tax at a rate of 20% unless reduced by an applicable double taxation treaty.

Under Kazakhstan law presently in effect, the withholding tax on interest should 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 (such as, the KASE).

Interest payable by Zhaikmunai LLP to Kazakhstan Holders, other than to individuals (who are exempt) and Kazakhstan investment funds and certain other entities, should be subject to Kazakhstan withholding tax at a rate of 15% 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

Gains realised by Non-Kazakhstan Holders derived from the disposal, sale, exchange or transfer of the Notes should 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 should be 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 should not be subject to withholding tax. Also, the withholding tax on the gains may be reduced 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 should not be subject to Kazakhstan income tax.

Payments under the Guarantees issued by Condensate-Holding LLP

Payments of interest to Non-Kazakhstan Holders under the Guarantee issued by Condensate-Holding LLP should 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 and others) should 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 issued by Condensate-Holding LLP, other than to Kazakhstan investment funds and certain other entities, should be subject to withholding tax at a rate of 15% and for individuals, at a rate of 10%.

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—Taxation*". Payments by Condensate-Holding LLP to a Noteholder entitled to the benefits of an applicable double taxation treaty may be subject to a reduced rate of withholding tax.

Netherlands

General

The following is a general summary of certain Netherlands tax consequences of the acquisition, holding, disposal and Substitution 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 investors that are subject to taxation in Bonaire, Sint Eustatius and Saba and 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 of Notes should consult with their tax advisers 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 domestic 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, and upon Substitution made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes, duties or charges of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, *provided that* the Notes will not be regarded nor will be deemed to be regarded under Netherlands Corporate Income Tax Act 1969 (In Dutch: "*Wet op de vennootschapsbelasting 1969"*) as a loan that in fact functions as equity of the issuer.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) 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 (in Dutch: "*aanmerkelijk belang"*) or deemed substantial interest in the issuer under the Netherlands Income Tax Act 2001 (In Dutch: "*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 and certain relatives by blood in the direct line (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) rights to acquire, directly or indirectly, such interest; or (iii) 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 may arise 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 as a result of applying a tax facility (rollover facility);

(ii) pension funds, investment institutions (in Dutch: "*fiscale beleggingsinstellingen"*), exempt investment institutions (in Dutch: "*vrijgestelde beleggingsinstellingen"*) (as defined in the Netherlands Corporate Income Tax Act 1969) and other entities that are exempt from Netherlands corporate income tax; and

(iii) holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders 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 income derived from the Notes or any gain or loss realized on the disposal, deemed disposal or the Substitution of the Notes is subject to Netherlands corporate income tax at a rate of 25% (a corporate income tax rate of 20% applies with respect to taxable profits up to EUR 200,000, the bracket for 2012).

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 income derived from the notes or any gain or loss realized on the disposal, deemed disposal or the Substitution of the notes is taxable at the progressive income tax rates (with a maximum of 52%), if:

(i) 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 an entrepreneur or a shareholder (as defined in the Netherlands Income Tax Act 2001); or

(ii) the holder of the Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the notes that are (otherwise) taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions (i) and (ii) 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% (leading to a net effective tax rate on investment assets of 1.2%). The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Notes, before and after Substitution, are included as investment assets. A tax free allowance may be available to decrease the amount of net investment assets on which the tax is levied. Actual interest income or 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 the Notes that is neither resident nor deemed to be resident of the Netherlands nor 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 will not be subject to Netherlands taxes on income or capital gains in respect of any income derived from the Notes or in respect of any gain or loss realized on the disposal, deemed disposal or Substitution of the Notes, *provided that*:

(i) 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, including, but not limited to, article 17-3-c) 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;

(ii) 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; and

(iii) such holder does not have an interest in an enterprise in the Netherlands other than by way of the holding of securities and is not a managing director or part of a supervisory board of an enterprise in the Netherlands.

A holder of a note will not become subject to taxation in the Netherlands by reason only of the execution, delivery, Substitution or enforcement of the Notes or the performance by the relevant issuer of its obligations under the Notes.

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. For purposes of Netherlands gift and inheritance taxes, an individual holding the Netherlands nationality will be deemed to be resident in the Netherlands if such individual 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, an individual not having the Netherlands nationality will be deemed to be resident in the Netherlands if such individual has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

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 at the time of the gift or death of the holder of notes, his/her Notes are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands, or the holder of Notes is entitled to a share in the profits of an enterprise managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which the notes are attributable.

Based on legal fictions in Netherlands tax law certain transactions undertaken during the lifetime of a holder of Notes, even if such holder at the time of such a transaction was neither resident nor deemed to be resident in the Netherlands, are taxed with Netherlands inheritance tax when the holder of Notes dies as a resident or deemed resident of the Netherlands. Examples of such transactions are transfers of ownership under which the holder of Notes keeps the usufruct, gifts made under condition precedent and gifts made within 180 days before the death of the donor.

Furthermore, under certain circumstances a holder of Notes will be deemed to be resident in the Netherlands for purposes of Netherlands gift and inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes on any payment in consideration for the issue or transfer of the Notes or with respect to the payment of interest or principal by the issuer under the notes. No Netherlands VAT should be due on the Substitution of the Notes.

Other taxes and duties

There is no Netherlands registration tax, capital tax, stamp duty or any other similar tax or duty in connection with (i) the issue of the notes, (ii) the payment of interest or principal by the issuer under the notes or (iii) the transfer of the notes, other than court fees and contributions for the registration with the Trade Register of the Chamber of Commerce, payable by a holder of a note in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the Notes or the performance of issuer's obligations under the notes.

No Netherlands registration tax, capital tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by the holder of the Notes in respect of or in connection with the Substitution.

EU Savings Directive

Under the European Union Directive on the taxation of savings income (Council Directive 2003/48/EC, the "EU Savings Directive", each member State (each a "**Member State**") of the European Union 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 a rate of 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.

The European Commission has published proposals for amendments to the EU Savings Directive, which, if implemented, would amend and broaden the scope of the requirements above.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes offered hereby.

The Notes (including the Guarantees) have not been registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, or in any other jurisdiction, and, unless so registered, may not be offered, sold, pledged or otherwise transferred within the United States or to U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Notes (including the Guarantees) are being offered and sold only (i) to qualified institutional buyers as defined in, and in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A; and (ii) to non-U.S. persons in offers or sales that occur outside the United States, in compliance with Regulation S. Terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein.

If you purchase Notes (including the Guarantees), you, by acceptance thereof, will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the Notes (including the Guarantees) have not been registered under the Securities Act or with any securities regulatory authority or any state other jurisdictions, and that the Notes (including the Guarantees) are being offered for resale in a transaction not requiring registration under the Securities Act or any other securities laws, and, unless so registered, may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, 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 paragraphs (5) and (6) below.

(2) You (A)(i) are a qualified institutional buyer, (ii) are aware that the sale of the Notes to you is being made in reliance on Rule 144A and (iii) are acquiring such Notes for your own account or for the account of a qualified institutional buyer, as the case may be, or (B) are a non-U.S. person and purchasing the Notes in an offshore transaction in accordance with Regulation S.

(3) You are not our "affiliate" (as defined in Rule 144) and you are not acting on our behalf.

(4) You acknowledge that none of the Issuer, the Guarantors, the Initial Purchasers, the Trustee or any person representing the Issuer, the Guarantors or the Initial Purchasers has made any representation to you with respect to the Issuer or the offer or sale of any of the Notes (including the Guarantees), other than by the Issuer and the Guarantors with respect to the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor the Trustee makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning the Issuer, the Guarantors, the Indenture, the Notes and the Guarantees as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from the Issuer, the Guarantors and the Initial Purchasers.

(5) You are purchasing the Notes (including the Guarantees) for your own account, or for an account with respect to which you exercise sole investment discretion and for which you are 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 your property or the property of such investor account or accounts be at all times within your control and subject to your ability to resell such Notes (including the Guarantees) pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act or pursuant to an effective registration statement under the Securities Act.

(6) You understand and agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes (including the Guarantees), and each subsequent holder of the Notes (including the Guarantees) by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "**Resale Restriction Termination Date**") that is one year (in the case of Notes offered or sold in reliance on Rule 144A) or 40 days (in the case of Notes offered or sold in reliance on Regulation S) after the later of the issue date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, the Guarantors or any subsidiary thereof, (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, to a person it, or any person acting on its behalf, reasonably believes is a qualified institutional buyer 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, (iv) to non-U.S. persons in an offshore transaction outside the United States in compliance with Regulation S 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 securities laws of any state or territory of the United States or any other jurisdiction, 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 (a) pursuant to clauses (iv) and (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (b) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(7) (A) Either (i) no portion of the assets used by you to acquire and hold the Notes or any interest therein constitutes assets of any employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), any plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or provisions under any federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Laws**"), or any entity whose underlying assets are considered to include "plan assets" of any such plans, accounts and arrangements, or (ii) the purchase and holding of the Notes or any interest therein by you will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws, and (B) you will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Note or any interest therein. The purchaser and any fiduciary causing it to purchase any Notes agrees to indemnify and hold harmless the Issuer and the Initial Purchasers, and their respective affiliates, from and against any cost, damage or loss incurred by any of them as a result of any of the foregoing representations, warranties and agreements being or becoming false. Any purported purchase or transfer of any Note by or to a purchaser or transferee that does not comply with the requirements of this paragraph (7) shall be null and void *ab initio*.

(8) The Notes will bear a legend to the following effect, unless we determine otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, 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 SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) OR (B) IT IS NOT A U.S. PERSON AND IT IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED NOTES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS IN THE CASE OF NOTES OFFERED OR SOLD IN RELIANCE ON RULE 144A: ONE YEAR IN THE CASE OF NOTES OFFERED OR SOLD UNDER REGULATION S: 40 DAYS (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RELEVANT REGULATION UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE ISSUER, A GUARANTOR OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT, OR ANY PERSON ACTING ON ITS BEHALF, REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER 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) TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) 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 IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES OR ANY OTHER JURISDICTION, 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 CLAUSES (D) AND (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 NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

The Notes will be available initially only in book-entry form. The Notes will be issued in the form of one or more global Notes bearing the legend set forth above.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Notes as well as to holders of the Notes.

(9) You acknowledge that the Registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.

(10) You acknowledge that:

 (a) the Issuer, the Guarantors, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and

 (b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

  (i) you have sole investment discretion; and

  (ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(11) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the Notes notice of any restrictions on the transfer of the Notes.

(12) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the Distribution Compliance Period, you shall not make any offer or sale of the Notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the U.S. Securities Act.

(13) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth above and/or in this Offering Memorandum under "*Notice to New Hampshire Residents*" and "*Plan of Distribution*."

(14) You understand that the Issuer shall not recognize any offer, sale, pledge or other transfer of the Notes (including the Guarantees) made other than in compliance with the above stated restrictions.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement dated as at 2 November 2012, 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:

	Principal Amount of Notes
	U.S.$
Initial Purchasers	
Citigroup Global Markets Limited	180,383,334
Merrill Lynch, Pierce, Fenner & Smith Incorporated	180,383,333
VTB Capital plc	180,383,333
JSC Halyk Finance	18,250,000
GMP Securities Europe LLP	200,000
Mirabaud Securities LLP	200,000
Standard Bank Plc	200,000
Total	**560,000,000**

The Initial Purchasers shall make any offers or sales into the United States, to the extent necessary, through their U.S. broker dealer affiliates.

To the extent that Standard Bank Plc intends to effect any sales of the Notes in the United States, Standard Bank Plc will do so through Standard New York Securities, Inc., its selling agent, or one or more U.S. registered broker-dealers or as otherwise permitted by applicable U.S. law.

The purchase agreement will provide 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 Prospective 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 may violate the registration requirements of the 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 EUR 43,000,000; and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 150 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.

The Issuer expects that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be 7 business days (as such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "T+7"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the next business day will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

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 Irish Stock Exchange and admitted to trading on the Irish Stock Exchange's Global Exchange Market. Neither we, nor the Initial Purchasers can assume that the Notes will be approved for listing and that such listing can be maintained. However, 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—Risks Related to the Notes and Guarantees—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 Securities Act.

Citigroup Global Markets Limited, Merrill Lynch, Pierce, Fenner & Smith Incorporated, VTB Capital plc, JSC Halyk Finance, GMP Securities Europe LLP, Mirabaud Securities LLP and Standard Bank Plc 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.

In addition, in the ordinary course of their business activities, such Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade in debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer or the Issuer's affiliates routinely hedge their credit exposure as consistent with their customary risk management policies. Typically, such Initial Purchaser and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potential Notes. Any such short position could adversely affect future trading prices of Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Citigroup Global Markets Limited, Merrill Lynch International (or its affiliates) and VTB Capital plc will be joint dealer managers for the Tender Offer and will receive a fee in connection with the Tender Offer.

LEGAL MATTERS

Certain legal matters are being passed upon for the Issuer and the Guarantors by White & Case LLP with respect to matters of U.S. federal, New York State, English and Kazakh law, by Maples and Calder with respect to matters of British Virgin Islands law and by Mann & Partners with respect to matters of Isle of Man law. Certain legal matters will be passed upon for the Initial Purchasers by Linklaters LLP with respect to matters of U.S. federal, New York State and English law, by Baker & McKenzie-CIS Limited with respect to matters of Kazakh law and by Greenberg Traurig LLP with respect to matters of Dutch law.

INDEPENDENT AUDITORS

The audited consolidated financial statements of Zhaikmunai LP and its subsidiaries as at and for the years ended 31 December 2011, 2010 and 2009 included in this Offering Memorandum have been audited by Ernst & Young LLP as stated in their reports appearing herein.

The unaudited interim condensed consolidated financial statements of Zhaikmunai LP and its subsidiaries as at and for the six months ended 30 June 2012 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, a member of the Chamber of Auditors of the Republic of Kazakhstan, 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 Irish 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 Principal Paying Agent.

LISTING AND GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 18 October 2012.

Admission to Trading and Listing

Application has been made for the Notes to be admitted to trading on the Irish Stock Exchange's Global Exchange Market and to listing on the Official List of the Irish Stock Exchange, in accordance with the rules and regulations of such exchange.

The expenses in relation to the admission of the Notes to trading on the Irish Stock Exchange's Global Exchange Market and to listing on the Official List of the Irish Stock Exchange will be approximately EUR 4,940.

Irish Listing Information

For so long as the Notes are admitted to trading on the Global Exchange Market and to listing on the Official List of the Irish Stock Exchange and the rules and regulations of that exchange require, as well as for the life of the Listing Particulars, physical copies of the following documents may be inspected and obtained at the Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB of the Principal Paying Agent 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 LP to the extent available;
- the Indenture; and
- the Purchase Agreement.

The Issuer has appointed Arthur Cox Services Limited as Irish listing 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.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the notes and is not itself seeking admission of the Notes to trading on the Global Exchange Market of the Irish Stock Exchange.

The Issuer accepts responsibility for the information contained in this Listing Particulars. To the Issuer's best knowledge and belief, having taken all reasonable care to ensure such is the case, the information contained in these Listing Particulars is in accordance with the facts and contains no omission likely to affect its import.

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 N97716AA7 and 98953VAA0, respectively. The ISIN and Common Code for the Notes sold pursuant to Regulation S are USN97716AA72 and 085313177, respectively, and the ISIN and Common Code for the Notes sold pursuant to Rule 144A are US98953VAA08 and 085259776, respectively.

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 Amersfoot, The Netherlands and it is registered with the trade register of Gooi-, Eem- en Flevoland under number 56250851. 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 board of managing directors on 18 October 2012.

Financial Year and Accounts

The Issuer's financial year begins on 1 January and ends on 31 December of each year. The Issuer's financial information will be consolidated in the audited consolidated financial statements of Zhaikmunai LP and its subsidiaries for the year ended 31 December 2012. Any future published financial statements it prepares will be available, during normal business hours, at the offices of the Principal Paying Agent.

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 Kazakhstan 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.

Zhaikmunai LP 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 LP, please see "*Significant Holders of Limited Partnership Interests and Common Units*". Zhaikmunai LP 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 were authorised by its general partner and pursuant to Article 4.1(b)(vi) of Zhaikmunai LP's by-laws on 18 October 2012.

Zhaikmunai Netherlands 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. Zhaikmunai Netherlands B.V. is a direct, wholly-owned subsidiary of Zhaikmunai LP. The authorised share capital of Zhaikmunai Netherlands B.V. is EUR 110,359.57, divided into 90,000 ordinary registered shares with a par value of EUR 1 each and 2,035,957 type B shares with a par value of EUR0.01 each. Zhaikmunai Netherlands B.V. 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 Guarantee was authorised by the management board of Zhaikmunai Netherlands B.V. and pursuant to article 16 of Zhaikmunai Netherlands B.V. articles of association, on 18 October 2012.

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 Kazakhstan 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 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 18 October 2012.

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 LP. The authorised share capital of Claydon Industrial Limited is U.S.$50,000, divided into 50,000 shares with a par value of U.S.$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 Guarantee was authorised by the directors of Claydon Industrial Limited on 18 October 2012.

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 LP The authorised share capital of Jubilata Investments Limited is U.S.$50,000, divided into 50,000 shares with a par value of U.S.$1.00 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 Guarantee was authorised by the directors of Jubilata Investments Limited on 18 October 2012.

Zhaikmunai Finance B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) duly incorporated under the laws of the Netherlands on 29 April 2010 for an unlimited duration. Its number in the trade register of the Netherlands is 32171914. Zhaikmunai Finance B.V. is a direct, wholly-owned subsidiary of Zhaikmunai LLP. The authorised share capital of Zhaikmunai Finance B.V. is EUR 90,000, divided into ordinary registered shares with a par value of EUR 1 each of which 18,000 shares are issued and paid up. Zhaikmunai Finance B.V. 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 Guarantee was authorised by the board of Zhaikmunai Finance B.V. pursuant to article 10 of Zhaikmunai Finance B.V. articles of association, on 18 October 2012.

Third Party Information

Ryder Scott has given and not withdrawn its written consent to the inclusion in these Listing Particulars of its report and references to it in the form and context in which they appear and has authorised the contents of its report and confirms that this information has been accurately reproduced herein.

AMEC, an international engineering, project management and consultancy company, with its registered office at Lambousa Street, 1 Nicosia, Cyprus has prepared the AMEC Report at the request of Zhaikmunai. AMEC does not have a material interest in the Issuer or any Group company. AMEC has given and not withdrawn its written consent to the inclusion in these Listing Particulars of its report and references to it in the form and context in which they appear and has authorised the contents of its report and confirms that this information has been accurately reproduced herein.

General

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in the Group's financial position since 30 June 2012; and
- the Group (including the Issuer) has not, during the last 12 months, been involved in any litigation, governmental, administrative proceeding or arbitration relating to claims or amounts which are material 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.
"**2011 Ryder Scott Report**"	The report prepared by Ryder Scott dated 15 May 2011 relating to the Group's reserves and resources.
"**2012 Ryder Scott Report**"	The report prepared by Ryder Scott dated 20 March 2012 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 Overseas (Cyprus) Limited
"**AMEC Report**"	AMEC environmental, health and safety due diligence report "Health, Safety and Environmental Compliance and Assurance of Audit of Zhaikmunai's Facilities" dated 31 July 2012.
"**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.
"**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 U.S.$4.00 per Common Unit pursuant to the Claremont Subscription Agreement.
"**Claremont Subscription Agreement**"	The conditional subscription agreement dated 29 July 2009 between Zhaikmunai LP, the General Partner and Claremont.
"**Claydon**"	Claydon Industrial Limited whose registered office is at Trident Chambers, Road Town, Tortola, British Virgin Islands.

"**UK Corporate Governance Code**"	The UK Code on Corporate Governance, a set of principles of good corporate governance which 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 LP
"**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).
"**Distribution Compliance Period**"	40-day distribution compliance period (as defined under Regulation S under the Securities Act).
"**DTC**"	The Depositary Trust Company.
"**EBIT**"	Earnings before interest and tax.
"**EBITDA**"	Earnings before interest, taxes, depreciation and amortisation.
"**EEA**"	European Economic Area.
"**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 Zhaikmunai Netherlands B.V. 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).
"**Guarantee**"	A full and unconditional guarantee, subject to local law limitations, of the Notes by the Guarantors.
"**Guarantors**"	Collectively, the guarantors of the Notes, being Claydon, Jubilata, Zhaikmunai Finance B.V., Zhaikmunai LP Zhaikmunai Netherlands B.V., Condensate-Holding and Zhaikmunai.
"**GDRs**"	The global depositary receipts of Zhaikmunai LP
"**General Partner**"	ZGL in its capacity as general partner of Zhaikmunai LP
"**Government**"	The government of Kazakhstan.
"**Group**"	Zhaikmunai LP 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, Merrill Lynch, Pierce, Fenner & Smith Incorporated, VTB Capital plc, JSC Halyk Finance, GMP Securities Europe LLP, Mirabaud Securities LLP and Standard Bank Plc.
"**Investor**"	An affiliate of funds managed by Baring Vostok Capital Partners Limited.
"**IOB**"	London Stock Exchange's International Order Book.
"**Issuer**"	Zhaikmunai International B.V.
"**Jubilata**"	Jubilata Investments Limited whose registered office is at Trident Chambers, Road Town, Tortola, British Virgin Islands.
"**Kazakhstan**"	The Republic of Kazakhstan.
"**KASE**"	Kazakhstan Stock Exchange
"**KazMunaiGas**" or "**KazMunaiGas EP**"	JSC KazMunaiGas Exploration Production.
"**KPO**"	Karachaganak Petroleum Operations.
"**KSS**"	JSC OGCC KazStroyService.
"**KSS Global**"	KazStroyService Global B.V.

“**KSS Group**”	KSS Global and its Affiliates.
“**KTO**”	JSC KazTransOil (a subsidiary of NC KazMunaiGas).
“**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 26 May 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 Particulars**”	Application has been to the Irish Stock Exchange for the approval of this Offering Memorandum, referred to as the Listing Particulars.
“**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).
“**Offering**”	The issuance of the 7.125% Senior Notes due 2019 by the Issuer.
“**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 limited partnership agreement in respect of Zhaikmunai LP dated 22 July 2011 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.

“**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.
“**Prolag**”	Prolag BVBA
“**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 LP, Thyler, ZGL and Claremont dated 28 March 2008.
“**Relevant Member State**”	A member state of the EEA which has implemented the Prospectus Directive.
“**Rule 144A**”	Rule 144A under the Securities Act.
“**Ryder Scott**”	Ryder Scott Company, LP, 621 Seventeenth Street, Suite 1550, Denver, Colorado, 80293, USA.
“**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.
"**Substitution**"	The ability for Zhaikmunai LLP to 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.
"**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.
"**U.S. Dollars**" or "**U.S.$**"	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.
"**boe**"	Barrels of crude oil equivalent.
"**boepd**"	Barrels of crude oil equivalent per day.
"**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.
"**mboepd**"	Thousands of barrels of crude oil equivalent.

"**mmbbl**"	Millions of barrels.
"**mmboepd**"	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.

INDEX TO FINANCIAL STATEMENTS

Zhaikmunai LP

Interim Condensed Consolidated Financial Statements (Unaudited)

For the six months ended June 30, 2012

CONTENTS

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REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the participants and management of Zhaikmunai LP

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Zhaikmunai LP and its subsidiaries ("the Group") as at 30 June 2012 and the related interim condensed consolidated statements of comprehensive income three and six-month periods, 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 International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information 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.

ERNST & YOUNG

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.

Ernst & Young LLP

Paul Cohn
Audit Partner

Evgeny Zhemaletdinov
Auditor / General Director
Ernst & Young LLP

Auditor Qualification Certificate № 0000553
dated 24 December 2003

State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 № 0000003 issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

17 August 2012

Interim Condensed Consolidated Statement of Financial Position

In thousands of US dollars

	Note	June 30, 2012 (unaudited)	December 31, 2011 (audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	**1,157,772**	1,120,453
Restricted cash		**3,416**	3,076
Advances for equipment and construction works		**8,306**	3,368
		1,169,494	1,126,897
Current Assets			
Inventories		**19,097**	14,518
Trade receivables		**26,565**	12,640
Prepayments and other current assets		**26,814**	23,279
Income tax prepayment		**–**	3,453
Cash and cash equivalents		**159,339**	125,393
		231,815	179,283
TOTAL ASSETS		**1,401,309**	1,306,180
EQUITY AND LIABILITIES			
Partnership capital and Reserves			
Partnership capital	4	**369,944**	368,203
Additional paid-in capital		**4,270**	1,677
Retained earnings and translation reserve		**302,000**	215,351
		676,214	585,231
Non-Current Liabilities			
Long term borrowings	5	**436,790**	438,082
Abandonment and site restoration liabilities		**9,590**	8,713
Due to Government of Kazakhstan		**6,122**	6,211
Employee share option plan		**9,165**	11,734
Deferred tax liability	11	**151,531**	146,674
		613,198	611,414
Current Liabilities			
Current portion of long term borrowings	5	**9,450**	9,450
Trade payables		**52,094**	81,914
Advances received		**1,396**	3,154
Income tax payable		**32,660**	–
Current portion of Due to Government of Kazakhstan		**1,031**	1,031
Other current liabilities		**15,266**	13,986
		111,897	109,535
TOTAL EQUITY AND LIABILITIES		**1,401,309**	1,306,180

The accounting policies and explanatory notes on pages 5 through 12 are an integral part of these interim condensed 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*

Interim Condensed Consolidated Statement of Comprehensive Income

In thousands of US dollars

		Three months ended June 30,		Six months ended June 30,	
		2012	2011	**2012**	2011
	Notes	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
Revenue:					
Revenue from export sales	**6**	**133,685**	70,461	**272,972**	121,625
Revenue from domestic sales	**6**	**26,329**	3,044	**50,437**	4,282
		160,014	73,505	**323,409**	125,907
Cost of sales	**7**	**(50,583)**	(14,197)	**(94,976)**	(28,403)
Gross profit		**109,431**	59,308	**228,433**	97,504
General and administrative expenses	**8**	**(17,315)**	(5,547)	**(28,461)**	(15,643)
Selling and transportation expenses	**9**	**(23,161)**	(8,674)	**(44,636)**	(15,437)
Finance costs	**10**	**(9,083)**	(435)	**(18,980)**	(789)
Foreign exchange (loss) / gain, net		**190**	(205)	**336**	(26)
Gain / (loss) on derivative financial instrument	**12**	**–**	298	**–**	(189)
Interest income		**72**	50	**169**	121
Other (expenses)/income		**933**	(1,565)	**162**	(1,503)
Profit before Income tax		**61,067**	43,230	**137,023**	64,038
Income tax expense	**11**	**(22,859)**	(18,340)	**(50,374)**	(28,027)
Profit for the period		**38,208**	24,890	**86,649**	36,011
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income, net of tax		**38,208**	24,890	**86,649**	36,011

The accounting policies and explanatory notes on pages 5 through 12 are an integral part of these interim condensed 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*

Interim Condensed Consolidated Statement of Cash Flows

In thousands of US dollars

	Notes	Six months ended June 30, 2012 (unaudited)	2011 (unaudited)
Cash flow from operating activities:			
Profit before income tax		**137,023**	64,038
Adjustments for:			
Depreciation and amortization	**7,8**	**46,210**	8,536
Accrual of share option expenses		**24**	1,320
Finance costs	**10**	**18,980**	789
Interest income		**(169)**	(121)
Loss on derivative financial instruments	**12**	**–**	189
Foreign exchange gain on investing and financing activities		**–**	(40)
Operating profit before working capital changes		**202,068**	74,711
Changes in working capital:			
Increase in inventories		**(4,579)**	(1,169)
Increase in trade receivables		**(13,925)**	(4,834)
Increase in prepayments and other current assets		**(3,535)**	(1,345)
Decrease in trade payables		**(8,605)**	(3,014)
Decrease in advances received		**(1,758)**	(9,702)
Payment of obligation to Government of Kazakhstan		**(515)**	(515)
(Decrease) / increase in other current liabilities		**(2,451)**	1,939
Cash generated from operations		**166,700**	56,071
Income tax paid		**(5,782)**	–
Payments under Employee share option plan		**(2,593)**	–
Net cash flows from operating activities		**158,325**	56,071
Cash flow from investing activities:			
Interest income		**169**	121
Purchases of property, plant and equipment		**(100,100)**	(39,206)
Net cash used in investing activities		**(99,931)**	(39,085)
Cash flow from financing activities:			
Finance costs paid		**(28,442)**	(25,424)
Transfer (to) / from restricted cash		**(340)**	780
Realized hedging loss	**12**	**–**	(372)
Treasury shares sold		**4,334**	–
Net cash used in financing activities		**(24,448)**	(25,016)
Effects of exchange rate changes on cash and cash equivalents		**–**	–
Net change in cash and cash equivalents		**33,946**	(8,030)
Cash and cash equivalents at the beginning of period		**125,393**	144,201
Cash and cash equivalents at the end of period		**159,339**	136,171

NON-CASH TRANSACTIONS

During the six month period ended June 30, 2012, the Partnership offset Corporate Income Tax Liability for the amount of US$ 3,622 thousand with Value Added Tax Receivable.

The accounting policies and explanatory notes on pages 5 through 12 are an integral part of these interim condensed 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*

Interim Condensed Consolidated Statement of Changes in Equity

In thousands of US dollars

	Partnership capital	Treasury Shares	Additional paid-in capital	Retained earnings and reserves	Total
As at December 31, 2010 (audited)	**366,942**	**–**	**–**	**133,727**	**500,669**
Profit for the period	–	–	–	36,011	36,011
Total comprehensive income for the period	**–**	**–**	**–**	**36,011**	**36,011**
As at June 30, 2011 (unaudited)	**366,942**	**–**	**–**	**169,738**	**536,680**
As at December 31, 2011 (audited)	**373,990**	**(5,787)**	**1,677**	**215,351**	**585,231**
Profit for the period	–	–	–	86,649	86,649
Total comprehensive income for the period	**–**	**–**	**–**	**86,649**	**86,649**
Share issue (Note 4)	–	1,741	2,593	–	4,334
As at June 30, 2012 (unaudited)	**373,990**	**(4,046)**	**4,270**	**302,000**	**676,214**

The accounting policies and explanatory notes on pages 5 through 12 are an integral part of these interim condensed 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*

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

In thousands of US dollars

1. GENERAL

Zhaikmunai LP is a Limited Partnership formed on August 29, 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.

The registered address of the Zhaikmunai LP 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 August 17, 2012.

These interim condensed consolidated financial statements include the results of the operations of Zhaikmunai LP ("Zhaikmunai LP") and its wholly owned subsidiaries Zhaikmunai Netherlands B.V. (formerly Frans Van Der Schoot B.V.), Claydon Industrial Limited ("Claydon"), 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 (Note 4).

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.

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, which expired on May 26, 2011. An application for further extension has been made.

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 recovery levels and the phase of production and can vary from 2% to 7% of produced petroleum and from 4% to 9% of produced 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 hydrocarbon 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.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended June 30, 2012 have been prepared in accordance with *IAS 34 Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended December 31, 2011.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2011, except for the adoption of new standards and interpretations as at January 1, 2012, noted below.

The following amendments to IFRSs standards did not have any impact on the accounting policies, financial position or performance of the Group:

IAS 12 **-** *Deferred Tax: Recovery of Underlying Assets (Amendment)*

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. Effective implementation date is for annual periods beginning on or after 1 January 2012.

IFRS 7 **-** *Disclosures - Transfers of financial assets (Amendment)*

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after 1 July 2011 with no comparative requirements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Seasonality of operations

The Group's operating expenses are subject to seasonal fluctuations, with higher expenses for various maintenance and other oil field services usually performed in the warmer months.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

3. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2012, the Group had additions of property, plant and equipment of US$ 83,635 thousand (six month period ended June 30, 2011: US$ 71,148 thousand). These additions are mostly associated with drilling costs, capitalised interest of US$ 9,111 thousand (six month period ended June 30, 2011: US$ 27,711 thousand), abandonment and site restoration assets of US$ 262 thousand (six month period ended June 30, 2011: US$ 2,857 thousand).

4. 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.

As at June 30, 2012 Zhaikmunai LP had issued 186,761,882 common units, all but 10 of which were represented by GDRs, which includes common units (represented by GDRs) issued by Zhaikmunai LP to support its obligations to employees under the Employee Share Option Plan (ESOP). The trust in which these GDRs are held for the ESOP constitutes a special purpose entity under IFRS and therefore, these GDRs are recorded as treasury shares of Zhaikmunai LP. During the six month period ended June 30, 2012 upon share options being exercised by employees under the ESOP, Ogier Employee Benefit Trustee Limited ("the Trustee") sold 435,276 GDRs on the market and settled the respective obligations under the ESOP.

5. BORROWINGS

In thousands of US dollars	**June 30, 2012 (unaudited)**	December 31, 2011 (audited)
Notes payable	**446,240**	447,532
Less amounts due within 12 months	**(9,450)**	(9,450)
Amounts due after 12 months	**436,790**	438,082

On October 19, 2010 Zhaikmunai Finance B.V. (the "Initial Issuer") issued US$ 450,000 thousand notes (the "Notes").

On February 28, 2011 Zhaikmunai LLP (the "Issuer") substituted for the Initial Issuer, as issuer of the Notes, whereupon it assumed all of the obligations of the Initial Issuer under the Notes (the "Substitution").

The Notes bear interest at the rate of 10.50% per year. Interest on the Notes is payable on April 19 and October 19 of each year, beginning on April 19, 2011. 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 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; 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 at19 October 2013 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 United States treasury rate as of such redemption date plus 50 basis points; over (b) the principal amount of such Note.

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

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

5. BORROWINGS (continued)

The Notes and the Guarantees have the benefit of first-priority pledges over the shares of Zhaikmunai Finance B.V. and Zhaikmunai Netherlands B.V.

The total outstanding principal balance of the liability under the Notes payable as at June 30, 2012 is US$ 450,000 thousand, which is presented net of the unamortized transaction costs of US$ 13,210 thousand and increased by the amount of interest payable of US$ 9,450 thousand (December 31, 2011: US$ 450,000 thousand, US$ 11,919 thousand, and US$ 9,450 thousand, respectively).

6. REVENUES

In thousands of US dollars	Three months ended June 30, **2012 (unaudited)**	Three months ended June 30, 2011 (unaudited)	Six months ended June 30, **2012 (unaudited)**	Six months ended June 30, 2011 (unaudited)
Oil and gas condensate	**120,263**	73,505	**250,871**	125,907
Gas and liquefied petroleum gas ("LPG")	**39,751**	–	**72,538**	–
	160,014	73,505	**323,409**	125,907

In November 2011 the Partnership started recording revenue from sales of products from the gas treatment unit, which allows the Partnership to produce gas condensate, LPG and gas. As a result the Partnership's revenues during the six months ended 30 June 2012 included revenues from these products.

7. COST OF SALES

In thousands of US dollars	Three months ended June 30, **2012 (unaudited)**	Three months ended June 30, 2011 (unaudited)	Six months ended June 30, **2012 (unaudited)**	Six months ended June 30, 2011 (unaudited)
Depreciation and amortization	**23,984**	4,673	**45,631**	8,273
Repair, maintenance and other services	**13,740**	1,105	**22,346**	4,014
Payroll and related taxes	**4,814**	705	**8,780**	3,338
Materials and supplies	**3,799**	720	**7,483**	1,485
Royalties	**3,646**	3,320	**6,855**	5,272
Other transportation services	**1,256**	288	**2,867**	942
Well workover costs	**171**	–	**1,648**	2,003
Government profit share	**796**	711	**1,583**	1,198
Management fees	**444**	221	**950**	768
Environmental levies	**385**	372	**803**	577
Change in stock	**(3,709)**	1,772	**(6,434)**	(479)
Other	**1,257**	310	**2,464**	1,012
	50,583	14,197	**94,976**	28,403

8. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of US dollars	Three months ended June 30, **2012 (unaudited)**	Three months ended June 30, 2011 (unaudited)	Six months ended June 30, **2012 (unaudited)**	Six months ended June 30, 2011 (unaudited)
Social program	**11,183**	75	**11,317**	150
Management fees	**2,896**	2,064	**5,687**	3,956
Payroll and related taxes	**1,151**	938	**2,310**	1,931
Business travel	**957**	997	**2,200**	2,196
Training	**1,054**	478	**1,858**	961
Professional services	**995**	1,950	**1,794**	2,943
Insurance fees	**344**	194	**667**	316
Depreciation and amortization	**303**	141	**579**	263
Bank charges	**233**	112	**463**	242
Communication	**190**	176	**407**	349
Materials and supplies	**138**	136	**270**	219
Sponsorship	**102**	292	**244**	329
Other taxes	**71**	42	**215**	102
Lease payments	**94**	80	**189**	170
Employee share option plan	**(2,541)**	(2,276)	**23**	1,320
Other	**145**	148	**238**	196
	17,315	5,547	**28,461**	15,643

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

9. SELLING AND TRANSPORTATION EXPENSES

	Three months ended June 30,		Six months ended June 30,	
In thousands of US Dollars	**2012 (unaudited)**	2011 (unaudited)	**2012 (unaudited)**	2011 (unaudited)
Transportation costs	**15,806**	6,983	**31,049**	12,312
Loading and storage costs	**5,608**	129	**10,263**	283
Payroll	**633**	338	**1,040**	674
Management fees	**432**	326	**908**	655
Other	**682**	898	**1,376**	1,513
	23,161	8,674	**44,636**	15,437

10. FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
In thousands of US dollars	**2012 (unaudited)**	2011 (unaudited)	**2012 (unaudited)**	2011 (unaudited)
Interest expense on borrowings	**8,623**	–	**18,148**	–
Unwinding of discount on Due to Government	**257**	258	**425**	436
Unwinding of discount on Abandonment and Site Restoration Liability	**203**	177	**407**	353
	9,083	435	**18,980**	789

11. INCOME TAX EXPENSE

The income tax expense consisted of the following:

	Three months ended June 30,		Six months ended June 30,	
In thousands of US dollars	**2012 (unaudited)**	2011 (unaudited)	**2012 (unaudited)**	2011 (unaudited)
Income tax expenses comprise:				
- current income tax expense	**19,323**	12,298	**45,517**	16,965
- deferred income tax expense	**3,536**	6,042	**4,857**	11,062
Total income tax expense	**22,859**	18,340	**50,374**	28,027

The Group's profits are assessed for income taxes only in the Republic of Kazakhstan. A reconciliation between tax expense and the product of accounting profit multiplied by the Kazakhstani tax rate applicable to the license for the six months period ended 30 June is as follows:

	Three months ended June 30,		Six months ended June 30,	
In thousands of US Dollars	**2012 (unaudited)**	2011 (unaudited)	**2012 (unaudited)**	2011 (unaudited)
Profit before income tax	**61,067**	43,230	**137,023**	64,038
Statutory tax rate	**30%**	30%	**30%**	30%
Expected tax provision	**18,320**	12,969	**41,107**	19,211
Non-deductible interest expense on borrowings	**5,425**	5,083	**10,830**	11,000
Change of the tax base	**(382)**	679	**(1,017)**	(1,405)
Foreign exchange gain	**(83)**	1	**(150)**	(103)
Non-assessable income	**(2,036)**	(1,922)	**(2,347)**	(2,539)
Other	**1,615**	1,530	**1,951**	1,863
Income tax expense reported in the financial statements	**22,859**	18,340	**50,374**	28,027

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

11. INCOME TAX EXPENSE (continued)

Deferred tax balances are calculated by applying the Kazakhstani statutory tax rates in effect at the reporting dates to the temporary differences between the tax and the amounts reported in the financial statements and are comprised of the following:

In thousands of US Dollars	**June 30, 2012 (unaudited)**	December 31, 2011 (audited)
Deferred tax asset:		
Accounts payable and provisions	**2,589**	2,289
Deferred tax liability:		
Property, plant and equipment	**(154,120)**	(148,963)
Net deferred tax liability	**(151,531)**	(146,674)

The movements in the deferred tax liability were as follows:

In thousands of US Dollars	**2012 (unaudited)**	2011 (unaudited)
Balance at January 1,	**(146,674)**	(100,823)
Current period charge to profit or loss	**(4,857)**	(11,062)
Balance at June 30,	**(151,531)**	(111,885)

12. DERIVATIVE FINANCIAL INSTRUMENT

On March 4, 2010, the Partnership entered, at nil cost, into a hedging contract covering oil export sales of 4,000 bbls/day from March 2010 through December 2010. The counterparties ("Hedging Providers") to the hedging agreement were BNP Paribas, Natixis and Raiffeisen Zentralbank Österreich AG. Based on the hedging contract the floor price for Brent crude oil was fixed at a price of US$ 60 per bbl. The ceiling price was set at a range from US$ 89.25 per bbl to US$ 100 per bbl such that the Partnership received all sales proceeds in excess of $ 100 per bbl.

On October 19, 2010, after prepayment in full of the BNP Paribas Facility all the rights, liabilities, duties and obligations of the Partnership under and in respect of each of the hedging agreements were transferred by novation to Citibank, N.A. (“Citibank”). The contract was expired in January 2011.

On March 29, 2011, in accordance with its hedging policy, the Partnership entered, at nil upfront cost, into a new hedging contract covering oil sales of 2,000 bbls/day, or a total of 556,000 bbls running through December 31, 2011. The counterparty to the hedging agreement was Citibank. Based on the new hedging contract the Partnership bought a put at $85/bbl, sold a call at $125/bbl and bought a call at $134/bbl.

Gains and losses on the hedge contract, which do not qualify for hedge accounting, are taken directly to profit or loss.

In thousands of US Dollars	**2012 (unaudited)**	2011 (unaudited)
Hedging contract fair value at January 1	–	(372)
Realized hedging loss	–	372
Hedging loss	–	(189)
Hedging contract at fair value at June 30	–	(189)

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

13. 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 affiliated companies.

Accounts payable to related parties as at June 30, 2012 and December 31, 2011 consisted of the following:

In thousands of US Dollars	**June 30, 2012 (unaudited)**	December 31, 2011 (audited)
Trade payables		
Probel Capital Management N.V.	**374**	242
Prolag BVBA	**192**	18
Amersham Oil LLP	**39**	39
	605	299

During the six month period ended June 30, 2012 and 2011 the Group had the following transactions with related parties:

	Three months ended June 30,		**Six months ended June 30,**	
In thousands of US Dollars	**2012 (unaudited)**	2011 (unaudited)	**2012 (unaudited)**	2011 (unaudited)
Management fees and consulting services				
Probel Capital Management B.V.	**3,044**	2,723	**5,881**	4,236
Prolag BVBA	**501**	657	**1,073**	1,087
Amersham Oil	**295**	300	**591**	584
	3,840	3,680	**7,545**	5,907

Management fees are payable in accordance with the Technical Assistance Agreements signed between the Partnership, Amersham Oil LLP, Prolag BVBA and Probel Capital Management NV relate to the rendering of geological, geophysical, drilling, technical and other consultancy services.

Remuneration of key management personnel amounted to US$ 331 thousand for the six month period ended June 30, 2012 (six month period ended June 30, 2011: US$ 205 thousand). Other key management personnel were employed and paid by Amersham Oil LLP and Probel Capital Management and their remuneration forms part of management fees and consulting services above.

All related parties are companies, indirectly controlled by Frank Monstrey.

14. CONTINGENT LIABILITIES AND COMMITMENTS

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, 2012. As at June 30, 2012 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.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) (continued)

In thousands of US dollars

14. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

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.

Capital commitments

As at June 30, 2012 the Partnership had contractual capital commitments in the amount of US$ 13,487 thousand (31 December 2011: US$ 17,880 thousand) mainly in respect to the Partnership's oil field development activities.

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.

In March 2010 the Partnership entered into an agreement on lease of 200 railway tank wagons for transportation of liquefied hydrocarbon gases and other hydrocarbon products for a period of 7 years for KZT 6,989 (equivalent of US$47) per day per one wagon.

Social and education commitments

As required by the Contract (as amended by, inter alia, amendment #9), the Partnership is obliged to:

(i) spend US$ 300 thousand per annum to finance social infrastructure;

(ii) perform repair and reconstruction of state automobile roads for the amount of US$ 12,000 thousand in 2012;

(iii) make an accrual of one percent of the capital expenditure per annum for the purposes of educating Kazakh citizens; and

(iv) adhere to a spending schedule on education which lasts until (and including) 2020.

Domestic oil sales

In accordance with Addendum # 7 of the Contract, the Partnership is required to sell at least 15% of produced oil on the domestic market on a monthly basis for which prices are materially lower than export prices.

Zhaikmunai LP

Consolidated Financial Statements

Year ended December 31, 2011

With Independent Auditors' Report

CONTENTS

Independent Auditors' Report

To the participants of Zhaikmunai LP:

We have audited the accompanying consolidated financial statements of Zhaikmunai LP (the "Partnership") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusion

In our opinion, the consolidated financial statements of Zhaikmunai LP for the year ended 31 December 2011 are prepared, in all material respects, in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Paul Cohn
Audit Partner

Evgeny Zhemaletdinov
Auditor / General Director
Ernst & Young LLP

State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

Auditor Qualification Certificate
No. 0000553 dated 24 December 2003

12 March 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2011

In thousands of US Dollars

	Note	2011	2010
ASSETS			
Non-Current Assets			
Property, plant and equipment	**4**	**1,120,453**	955,911
Restricted cash	**8**	**3,076**	2,743
Advances for equipment and construction works		**3,368**	6,479
		1,126,897	965,133
Current Assets			
Inventories	**5**	**14,518**	5,639
Trade receivables	**6**	**12,640**	1,635
Prepayments and other current assets	**7**	**23,279**	16,759
Income tax prepayment		**3,453**	3,200
Restricted cash	**8**	**–**	1,000
Cash and cash equivalents	**8**	**125,393**	144,201
		179,283	172,434
TOTAL ASSETS		**1,306,180**	1,137,567
EQUITY AND LIABILITIES			
Partnership capital and Reserves			
Partnership capital	**9**	**368,203**	366,942
Additional paid-in capital		**1,677**	–
Retained earnings and translation reserve		**215,351**	133,727
		585,231	500,669
Non-Current Liabilities			
Long term borrowings	**10**	**438,082**	434,931
Abandonment and site restoration liabilities	**11**	**8,713**	4,543
Due to Government of Kazakhstan	**12**	**6,211**	6,290
Employee share option plan	**23**	**11,734**	10,104
Deferred tax liability	**20**	**146,674**	100,823
		611,414	556,691
Current Liabilities			
Current portion of long term borrowings	**10**	**9,450**	9,450
Trade payables	**13**	**81,914**	49,213
Advances received		**3,154**	11,693
Derivative financial instrument	**21**	**–**	372
Current portion of Due to Government of Kazakhstan	**12**	**1,031**	1,031
Other current liabilities	**14**	**13,986**	8,448
		109,535	80,207
TOTAL EQUITY AND LIABILITIES		**1,306,180**	1,137,567

The accounting policies and explanatory notes on pages 6 through 29 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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2011

In thousands of US Dollars

	Note	2011	2010
Revenue :			
Revenue from export sales		**284,548**	172,102
Revenue from domestic sales		**16,289**	6,057
	15	**300,837**	178,159
Cost of sales	**16**	**(70,805)**	(53,860)
Gross profit		**230,032**	124,299
General and administrative expenses	**17**	**(36,405)**	(27,265)
Selling and transportation expenses	**18**	**(35,395)**	(17,014)
Loss on derivative financial instruments	**21**	**–**	(470)
Finance costs	**19**	**(4,717)**	(21,296)
Foreign exchange (loss) / gain, net		**(389)**	46
Interest income		**336**	239
Other expenses	**22**	**(7,855)**	(1,054)
Other income		**3,365**	3,288
Profit before income tax		**148,972**	60,773
Income tax expense	**20**	**(67,348)**	(37,873)
Profit for the year		**81,624**	22,900
Total comprehensive profit for the year		**81,624**	22,900

The accounting policies and explanatory notes on pages 6 through 29 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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2011

	Note	2011	2010
Cash flow from operating activities:			
Profit before income tax		**148,972**	60,773
Adjustments for:			
Depreciation and amortization	16, 17	**19,843**	15,695
Finance costs	19	**4,717**	21,296
Interest income		**(336)**	(239)
Loss on derivative financial instruments	21	**–**	470
Foreign exchange gain on investing and financing activities		**202**	–
Provision for tax claims		**(728)**	728
Accrual of share option expenses		**3,545**	3,079
Loss on disposal of property, plant and equipment		**–**	920
Operating profit before working capital changes		**176,215**	102,722
Changes in working capital:			
(Increase)/decrease in inventories		**(8,879)**	(2,162)
(Increase)/decrease in trade receivables		**(11,004)**	12,243
Increase in prepayments and other current assets		**(6,519)**	(3,916)
Increase/(decrease) in trade payables		**10,497**	(18,622)
(Decrease)/increase in advances received		**(8,539)**	11,693
Payment of obligation to Government of Kazakhstan	12	**(1,033)**	(1,029)
Decrease in other current liabilities		**(3,390)**	(134)
Cash generated from operations		**147,348**	100,795
Income tax paid		**(13,210)**	(1,840)
Payments under Employee share option plan		**(1,915)**	–
Net cash flows from operating activities		**132,223**	98,955
Cash flow from investing activities:			
Interest income		**336**	239
Purchases of property, plant and equipment		**(104,017)**	(132,428)
Net cash used in investing activities		**(103,681)**	(132,189)
Cash flow from financing activities:			
Repayment of borrowings		**–**	(381,677)
Finance costs paid		**(50,583)**	(30,478)
Issue of notes	10	**–**	450,000
Transfer from restricted cash		**667**	17,615
Treasury capital sold		**2,938**	–
Realized gain on derivative financial instrument		**(372)**	–
Fees paid on arrangement of notes and borrowings		**–**	(15,750)
Net cash (used in)/provided by financing activities		**(47,350)**	39,710
Effects of exchange rate changes on cash and cash equivalents		**–**	350
Net increase/(decrease) in cash and cash equivalents		**(18,808)**	6,826
Cash and cash equivalents at the beginning of the year	8	**144,201**	137,375
Cash and cash equivalents at the end of the year	8	**125,393**	144,201

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended December 31, 2011

NON-CASH TRANSACTIONS

Non-cash transaction, including the following, has been excluded from the consolidated statement of cash flows:

Offset of Corporate Income Tax with Value Added Tax

During the year ended December 31, 2011, the Partnership offset Tax liabilities in the amount of US$ 16,744 thousand, including Corporate Income Tax Liability of US$ 8,541 thousand with Value Added Tax Receivables

The accounting policies and explanatory notes on pages 6 through 29 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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2011

	Partner-ship capital	Treasury Capital	Additional paid-in capital	Retained earnings and reserves	Total
As of December 31, 2009	**366,942**	**–**	**–**	**110,827**	**477,769**
Profit for the year	–	–	–	22,900	22,900
Total comprehensive income for the year	**–**	**–**	**–**	**22,900**	**22,900**
As of December 31, 2010	**366,942**	–	–	**133,727**	**500,669**
Profit for the year	–	–	–	81,624	81,624
Total comprehensive income for the period	**–**	**–**	**–**	**81,624**	**81,624**
Issuance of treasury capital (GDRs)	7,048	(7,048)	–	–	–
Transaction costs	–	–	(238)	–	(238)
Sale of treasury capital	–	1,261	1,915	–	3,176
As of December 31, 2011	**373,990**	**(5,787)**	**1,677**	**215,351**	**585,231**

The accounting policies and explanatory notes on pages 6 through 29 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

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 Zhaikmunai Netherlands B.V. ("ZKMNL", formerly Frans Van Der Schoot B.V.), Claydon Industrial Limited ("Claydon"), 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 (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 ZKMNL, Claydon, Jubilata, Zhaikmunai LLP and Condensate to Zhaikmunai LP had occurred from the beginning of the earliest period presented.

The Group operates in a single operating segment of exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field.

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 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 12, 2012.

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, 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, which expired on May 26, 2011. An application for further extension has been made.

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 recovery levels and the phase of production and can vary from 2% to 7% of produced petroleum and from 4% to 9% of produced natural gas.

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 hydrocarbon 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 based on a historical cost basis, 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 from management to exercise its judgment in the process of applying the Partnership'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.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2010, except for the adoption of new standards and interpretations as of January 1, 2011, noted below:

IAS 24 *Related Party Transactions* (Amendment)

The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 *Financial Instruments: Presentation* (Amendment)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group.

IFRIC 14 *Prepayments of a Minimum Funding Requirement* (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as pension asset. The amendment to the interpretation had no effect on the financial position or performance of the Group.

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* - IFRIC 19 is effective for annual periods beginning on or after July 1, 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The Group adopted the standard and has concluded that the amendment had no impact on the financial position or performance of the Group.

2. BASIS OF PREPARATION (continued)

Improvements to IFRSs (issued May 2010)

In May 2010, the IASB issued its third 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 adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

IFRS 3 *Business Combinations*: the measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments. proportionate share of the acquire 's identifiable net assets. All other components are to be measured at their acquisition date fair value.

IFRS *7 Financial Instruments* Disclosures: the amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. As a result of this amendment, the Group financial position and performance were not affected.

IAS 1 *Presentation of Financial Statements*: the amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements. The amendment had no material impact on the financial position and the Group's performance results IAS 34 *Interim Financial Statements*: the amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements. As a result of this amendment, the Group financial position and performance were not affected.

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 3 *Business Combinations* – Clarification that contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005);
- IFRS 3 *Business Combinations* – Un-replaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination;
- IAS 27 *Consolidated and Separate Financial Statements* – applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards;
- IFRIC 13 *Customer Loyalty Programs* – in determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty program).

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

2. BASIS OF PREPARATION (continued)

Standards issued but not yet effective (continued)

IAS 12 Income Taxes – Recovery of Underlying Assets
The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

IAS 19 Employee Benefits (Amendment)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The group had made a voluntary change in accounting policy to recognise actuarial gains and losses in OCI in the current period (see note 2.4). The Group is currently assessing the full impact of the remaining amendments. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will have no impact the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

2. BASIS OF PREPARATION (continued)

Standards issued but not yet effective (continued)

IFRS 12 Disclosure of Involvement with Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

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.

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 18.4% and 21.02% for 2011 and 2010, respectively. There were no impairment losses recognized by the Group during the years ended December 31, 2011 and 2010.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimation and Assumptions (continued)

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 Group 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 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, 2011were 7% and 10% 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 both, Zhaikmunai Finance B.V. and the Partnership is the United States Dollar (the "US Dollar" or "US$").

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).

Intercompany 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 Partnership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation (continued)

Subsidiaries

Subsidiaries are all entities over which the Partnership 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 the effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Partnership controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Partnership 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 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 exploration wells 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 2011 (2010: Nil).

Oil and gas properties

Expenditure on the construction, installation or completion of infrastructure facilities such as treatment facilities, 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Partnership 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 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

Borrowing Costs

The Partnership 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 operations field 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, gas condensate and LPG is determined on the weighted-average method based on the production cost including the relevant expenses on depreciation, depletion and impairment and overhead costs based on production volume. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Partnership 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.

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 Partnership 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 Partnership 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.

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 Partnership 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- 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 of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes 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 reorganization 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 amortized cost

For financial assets carried at amortized 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, recognized 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Financial assets carried at amortized cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized 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 realized 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 recognized, the previously recognized 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.

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 recognized 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 amortized cost using the effective interest rate method (EIR). Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included in finance cost in the profit or loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

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 26.

Derivative financial instruments and hedging

The Partnership from time to time uses hedging contracts 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 premeasured 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 liability 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, gas condensate and LPG under short-term agreements priced by reference to Platt's and/or Argus' index quotations and adjusted for freight, insurance and quality differentials where applicable.

Revenue from the sale of crude oil, gas condensate and LPG 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

4. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the year ended December 31, 2010 and 2011 was as follows:

	Oil and gas properties			Non oil and gas properties					
In thousand of US Dollar	Working assets	CIP	Total oil and gas properties	Buildings	Machinery & Equipment	Vehicles	Others	Total non oil gas properties	Total
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**
Additions	990	198,047	199,037	139	948	32	1,417	2,536	201,573
Transfers	103,156	(103,532)	(376)	259	501	273	(657)	376	–
Disposal	–	–	–	–	(705)	–	(215)	(920)	(920)
Depreciation charge	(13,820)	–	(13,820)	(398)	(853)	(320)	(304)	(1,875)	(15,695)
Balance at December 31, 2010, net of accumulated depreciation	**456,005**	**490,825**	**946,830**	**2,614**	**3,325**	**1,504**	**1,638**	**9,081**	**955,911**
Additions	6,318	180,042	186,360	2,714	789	40	1,360	4,903	191,263
Transfers	464,860	(465,625)	(765)	765	–	–	–	765	–
Disposal	(38)	–	(38)	(123)	(98)	(234)	(181)	(636)	(674)
Depreciation charge	(23,967)	–	(23,967)	(482)	(1,097)	(204)	(297)	(2,080)	(26,047)
Balance at December 31, 2011, net of accumulated depreciation	**903,178**	**205,242**	**1,108,420**	**5,488**	**2,919**	**1,106**	**2,520**	**12,033**	**1,120,453**
At cost at December 31, 2010	539,607	490,825	1,030,432	4,237	5,122	2,819	2,839	15,017	1,045,449
Accumulated depreciation	(83,602)	–	(83,602)	(1,623)	(1,797)	(1,315)	(1,201)	(5,936)	(89,538)
Balance at December 31, 2010, net of accumulated depreciation	**456,005**	**490,825**	**946,830**	**2,614**	**3,325**	**1,504**	**1,638**	**9,081**	**955,911**
At cost at December 31, 2011	1,010,746	205,242	1,215,988	7,594	5,813	2,625	4,017	20,049	1,236,037
Accumulated depreciation	(107,568)	–	(107,568)	(2,106)	(2,894)	(1,519)	(1,497)	(8,016)	(115,584)
Balance at December 31, 2011, net of accumulated depreciation	**903,178**	**205,242**	**1,108,420**	**5,488**	**2,919**	**1,106**	**2,520**	**12,033**	**1,120,453**

The category “Oil and Gas properties” represents mainly wells, oil and gas treatment facilities, oil transportation and other related assets.

The depletion rate for oil and gas working assets was 4.8% and 3.36% in 2011 and 2010, 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 December 31, 2010. Depreciation has been calculated using the unit of production method based on these reserves estimates.

In 2011 the Partnership capitalized net proceeds from sale of gas treatment unit test production of US$ 9,314 thousand.

The Partnership incurred borrowing costs including amortization of arrangement fee of US$ 54,647 thousand, and US$ 88,587 thousand for the years ended December 31, 2011 and 2010. For the same periods, the Partnership capitalized borrowing costs totaling US$ 51,590 thousand and US$ 51,687 thousand, at capitalization rates of 11.73% and 12.26%, respectively.

As of December 31,2011 the Partnership's property, plant and equipment of US$ 1,086,250 thousand are pledged as security for the loans due to ZKMNL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

5. INVENTORIES

As at December 31, inventories comprised the following:

In thousands of US Dollars	2011	2010
Crude oil	**2,081**	2,946
Gas condensate	**2,161**	–
Liquefied petroleum gas	**297**	–
Materials and supplies	**9,979**	2,693
	14,518	5,639

As of 31 December 2011 and 2010 inventories are carried at cost.

6. TRADE RECEIVABLES

As at December 31, 2011 and 2010 trade receivables were denominated in US$, were less than 30 days and were not impaired.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

As at December 31, prepayments and other current assets comprised the following:

In thousands of US Dollars	2011	2010
VAT receivable	**12,500**	11,090
Advances paid	**9,356**	5,146
Other	**1,423**	523
	23,279	16,759

Advances paid consist primarily of prepayments made to service providers.

8. CASH AND CASH EQUIVALENTS

In thousands of US Dollars	2011	2010
Current accounts in US Dollars	**123,112**	143,452
Current accounts in Tenge	**692**	543
Cash accounts in other currencies	**1,589**	206
	125,393	144,201

No interest was accrued on current accounts during the years ended December 31, 2011 and 2010.

In addition the Partnership has restricted cash accounts. As of December 31, 2011 the restricted cash consisted of a liquidation fund deposit of US$ 3,066 thousand with Kazkommertsbank JSC in Kazakhstan (December 31, 2010: US$ 2,743 thousand), which is kept as required by the license for abandonment and site restoration liabilities of the Partnership. As of December 31, 2010, restricted cash included money held by Citibank in the amount of US$ 1,000 thousand under the hedging contract with Citibank.

9. 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 years ended December 31, 2011 and 2010.

As at December 31, 2010 Zhaikmunai LP had issued 185,000,000 common units, all but 10 of which are represented by GDRs. During the year ended December 31, 2011 Zhaikmunai LP issued 1,761,882 new common units (represented by GDRs) to support its obligations to employees under the Employee Share Option Plan (ESOP). The issued GDRs are held by Ogier Employee Benefit Trustee Limited ("the Trustee") and upon request from employees to exercise options, sells GDRs on the market and settles respective obligations under the ESOP. This trust constitutes a special purpose entity under IFRS and therefore, these newly issued GDRs are recorded as treasury capital of Zhaikmunai LP. During the year ended December 31, 2011 630,487 share options were exercised by employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

9. PARTNERSHIP CAPITAL (continued)

The movements in GDR's during the years ended December 31, 2011 and 2010 were as follows:

	2011	2010
Balance at January 1,	**185,000,000**	185,000,000
Issued during the year	**1,761,882**	–
Balance at December 31,	**186,761,882**	185,000,000

10. BORROWINGS

Borrowings comprise the following as at December 31:

In thousands of US Dollar	2011	2010
Notes payable	**447,532**	444,381
Less amounts due within 12 months	**9,450**	9,450
Amounts due after 12 months	**438,082**	434,931

Notes payable

On October 19, 2010 Zhaikmunai Finance B.V. (the "Initial Issuer") issued US$ 450,000 thousand notes (the "Notes").

On February 28, 2011 Zhaikmunai LLP (the "Issuer") replaced the Initial Issuer of the Notes, whereupon it assumed all of the obligations of the Initial Issuer under the Notes.

The Notes bear interest at the rate of 10.50% per year. Interest on the Notes is payable on April 19 and October 19 of each year, beginning on April 19, 2011. 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 with the net cash proceeds of one or more equity offerings at a redemption price of 10.50% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption 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 at19 October 2013 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 United States treasury rate as of such redemption date plus 50 basis points; over (b) the principal amount of such Note.

The Notes are jointly and severally guaranteed (the "Guarantees") on a senior basis by Zhaikmunai LP and all of its subsidiaries other than the Issuer (the "Guarantors"). The Notes are the Issuer's and the Guarantors' senior obligations and rank equally with all of the Issuer's and the Guarantors' other senior indebtedness. The Notes and the Guarantees have the benefit of first-priority pledges over the shares of Zhaikmunai Finance B.V. and Zhaikmunai Netherlands B.V.

The total outstanding principal balance of the liability under the Notes payable as at December 31, 2011 is US$ 450,000 thousand, which is presented net of the unamortized transaction costs of US$ 12,860 thousand and increased by the amount of interest payable of US$ 9,450 thousand (December 31, 2010: US$ 450,000 thousand, US$ 15,069 thousand, and US$ 9,450 thousand, respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2011

11. 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 Dollar	**2011**	2010
Abandonment and site restoration liability as at January 1,	**4,543**	3,373
Unwinding of discount (Note 19)	**706**	397
Additional provision	**952**	308
Change in estimates	**2,512**	465
Abandonment and site restoration liability as at December 31	**8,713**	4,543

The long-term inflation and discount rates used to determine the abandonment and site restoration liabilities at December 31, 2011 were 7% and 10% respectively (2010: 5.0% and 10.35%). The decrease in the discount rate and increase in inflation rate used for estimation of the liability was treated as a change in estimate.

12. 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%.

The balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

In thousands of US Dollar	**2011**	2010
Due to Government of Kazakhstan as at January 1,	**7,321**	7,391
Unwinding of discount	**954**	959
Paid during the year	**(1,033)**	(1,029)
	7,242	7,321
Less: current portion of due to Government of Kazakhstan	**(1,031)**	(1,031)
Due to Government of Kazakhstan at December 31	**6,211**	6,290

13. TRADE PAYABLES

In thousands of US Dollars	**2011**	2010
Tenge denominated trade payables	**79,424**	12,786
US dollar denominated trade payables	**1,367**	35,548
Trade payables denominated in other currencies	**1,123**	879
	81,914	49,213

Accounts payable to KazStroyService JSC for construction of the gas treatment unit amounted to US$ 37,016 thousand as of December 31, 2011 (2010: US$ 24,118 thousand). Other payables for PPE and purchase of other non-current assets amounted to US$ 17,411 thousand as of December 31, 2011 (2010: US$ 8,952 thousand).

14. OTHER CURRENT LIABILITIES

In thousands of US Dollars	**2011**	2010
Training liability accrual	**7,398**	5,552
Taxes payable, other than corporate income tax	**3,459**	1,266
Due to employees	**973**	255
Provision for tax claims	**–**	728
Pension Obligation	**138**	–
Production Bonus	**232**	–
Other	**1,786**	647
	13,986	8,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

15. REVENUE

In thousands of US Dollars	**2011**	2010
Oil and gas condensate	**289,947**	178,159
Gas products	**10,890**	–
	300,837	178,159

16. COST OF SALES

In thousands of US dollars	**2011**	2010
Depreciation and amortization	**19,448**	15,183
Repair, maintenance and other services	**16,637**	7,617
Payroll and related taxes	**9,233**	6,629
Royalties	**8,684**	8,863
Materials and supplies	**4,952**	2,239
Well workover costs	**4,000**	5,871
Other transportation services	**2,737**	1,985
Government profit share	**1,825**	1,676
Management fees	**1,789**	1,947
Environmental levies	**817**	1,631
Change in stock	**(1,592)**	(1,529)
Other	**2,275**	1,748
	70,805	53,860

Depreciation capitalized as a result of test production of the gas treatment unit amounted to US$ 6,484 thousand.

17. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of US Dollars	**2011**	2010
Management fees	**9,949**	6,423
Business travel	**4,114**	725
Employee share option plan (Note 23)	**3,545**	3,079
Professional services	**5,973**	5,080
Payroll and related taxes	**4,295**	3,469
Training	**3,215**	2,642
Social program	**1,064**	300
Insurance fees	**743**	898
Communication	**718**	651
Bank charges	**625**	517
Depreciation and amortization	**395**	512
Other taxes	**261**	426
Sponsorship	**525**	419
Lease payments	**352**	316
Materials and supplies	**624**	316
Provision for tax claims (Note 25)	**(728)**	728
Other	**735**	764
	36,405	27,265

18. SELLING AND TRANSPORTATION EXPENSES

In thousands of US Dollar	**2011**	2010
Transportation costs	**29,655**	11,844
Loading and storage costs	**1,441**	357
Payroll and related taxes	**1,413**	1,173
Management fees	**1,071**	1,500
Other	**1,815**	2,140
	35,395	17,014

During 2011 a significant portion of oil sales was made at the Ukrainian and Russian border as opposed to the Kazakhstan and Russian border in 2010. This resulted in higher transportation costs as the Partnership paid the transportation costs through to the point of sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

19. FINANCE COSTS

In thousands of US Dollar	**2011**	2010
Interest expense on borrowing	**3,057**	19,940
Unwinding of discount on amounts Due to Government	**954**	959
Unwinding of discount on Abandonment and Site Restoration Liability	**706**	397
	4,717	21,296

20. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

In thousands of US Dollar	**2011**	2010
Income tax expenses comprise:		
- current income tax expense	**21,497**	13,709
- deferred income tax expense	**45,851**	24,164
Total income tax expense	**67,348**	37,873

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 financial statements for the year ended December 31 is as follows:

In thousands of US Dollar	**2011**	2010
Profit before income tax	**148,972**	60,773
Statutory tax rate	**30%**	30%
Expected tax provision	**44,692**	18,232
Non-deductible interest expense on borrowings	**22,385**	19,281
Non-assessable income	**(4,755)**	(2,299)
Change of the tax base	**704**	964
Difference arising on Abandonment and Site Restoration Liability and payables Due to Government	**1,309**	277
Adjustment of current income tax of prior periods	**1,663**	–
Foreign exchange loss	**30**	206
Effect of income taxed at different rate	**6**	6
Other non-deductible expenses	**1,314**	1,206
Income tax expense reported in the financial statements	**67,348**	37,873

Deferred tax balances are calculated by applying the statutory tax rates in effect at the respective reporting dates to the temporary differences between the tax base and the amounts reported in the financial statements and are comprised of the following at December 31:

In thousands of US Dollar	**2011**	2010
Deferred tax asset:		
Derivative financial instrument	**–**	112
Accounts payable and provisions	**2,289**	1,943
	2,289	2,055
Deferred tax liability:		
Property, plant and equipment	**(148,963)**	(102,878)
	(148,963)	(102,878)
Net deferred tax liability	**(146,674)**	(100,823)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

20. INCOME TAX EXPENSES (continued)

As at December 31,the movements in the deferred tax liability were as follows:

In thousands of US Dollar	**2011**	2010
Balance at January 1, 2010 and 2009	**(100,823)**	(76,659)
Current year charge to profit or loss	**(45,851)**	(24,164)
Balance at December 31, 2011 and 2010	**(146,674)**	(100,823)

21. DERIVATIVE FINANCIAL INSTRUMENT

On March 4, 2010, the Partnership entered, at nil cost, into a hedging contract covering oil export sales of 4,000 bbls/day from March 2010 through December 2010. The counterparties ("Hedging Providers") to the hedging agreement were BNP Paribas, Natixis and Raiffeisen Zentralbank Österreich AG. Based on the new hedging contract the floor price for Brent crude oil was fixed at a price of US$ 60 per bbl. The ceiling price was set at a range from US$ 89.25 per bbl to US$ 100 per bbl such that the Partnership received all sales proceeds in excess of $ 100 per bbl.

On October 19, 2010, after prepayment in full of the BNP Paribas Facility all the rights, liabilities, duties and obligations of the Partnership under and in respect of each of the hedging agreements were transferred by novation to Citibank, N.A. ("Citibank"). The contract was settled in January 2011.

On March 29, 2011, in accordance with its hedging policy, the Partnership entered, at nil upfront cost, into a new hedging contract covering oil sales of 2,000 bbls/day, or a total of 556,000 bbls running through December 31, 2011. The counterparty to the hedging agreement was Citibank. Based on the hedging contract the Partnership bought a put at $85/bbl, which protected it against any fall in the price of oil below $85/bbl. As part of this contract it also sold a call at $125/bbl and bought a call at $134/bbl which further allowed the Partnership to benefit from oil prices up to $125/bbl and above $134/bbl.

Gains and losses on the hedge contract, which do not qualify for hedge accounting, are taken directly to profit or loss.

In thousands of US Dollar	**2011**	2010
Hedging contract fair value at January 1	**(372)**	98
Realized hedging gain	**372**	–
Hedging loss	**–**	(470)
Hedging contract at fair value at December 31	**–**	(372)

22. OTHER EXPENSES

During the year ended December 31, 2011, the Partnership incurred losses in the amount of US$ 6,279 thousand on the lease of railway wagons. Although the Partnership has been leasing these wagons since June 30, 2010 for the purposes of transportation of GTU production, the wagons were not extensively utilised until October 2011.

23. 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 the plan during 2011.

During 2008 – 2011, 3,002,762 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. 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 July 1, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

23. EMPLOYEE SHARE OPTION PLAN (continued)

The carrying amount of the liability relating to 2,867,617 of SARs at December 31, 2011 is US$ 11,734 thousand (2010: US$ 10,104 thousand). During the year ended December 31, 2011, 474 455 were fully vested (2010: 654,695).

The following table illustrates the number (No.) and exercise prices (EP) of, and movements in, equity options during the year:

	December 31, 2011		December 31, 2010	
	No.	**EP, US Dollar**	No.	EP, US Dollar
Outstanding at the beginning of period	**2,982,958**	**4**	2,732,958	4
Granted	**200,000**	**10**	250,000	4
Exercised	**(315,341)**	**4**	–	–
Outstanding at the end of period	**2,867,617**		2,982,958	4
Exercisable at the end of period	**1,476,711**	**4**	–	–

The following table lists the inputs to the models used for the plan for the year ended December 31, 2010:

In thousands of US Dollars	**2011**	2010
Dividend yield (%)	**0**	0
Expected volatility (%)	**86**	86
Risk -free interest rate (%)	**3.2**	3.2
Expected life (years)	**3.5**	3.5
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.

24. 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:

In thousands of US Dollars	**2011**	2010
Trade receivables and advances	**-**	
Probel Capital Management N.V.	**-**	223
Total		223

Accounts payable to related parties as at December 31 consisted of the following:

In thousands of US Dollars	**2011**	2010
Trade payables		
Amersham Oil LLP	**39**	–
Prolag BVBA	**18**	106
Probel Capital Management N.V.	**242**	–
Total	**299**	106

During the year ended December 31, 2011 and 2010 the Group had the following transactions with related parties:

In thousands of US Dollars	**2011**	2010
Management fees and consulting services		
Probel Capital Management N.V.	**10,293**	8,508
Amersham Oil LLP	**1,360**	1,186
Prolag BVBA	**1,892**	1,378
Total	**13,545**	11,072

24. RELATED PARTY TRANSACTIONS (continued)

Management fees are payable in accordance with the Technical Assistance Agreements signed between the Partnership, Amersham Oil LLP, Prolag BVBA and Probel Capital Management NV relate to the rendering of geological, geophysical, drilling, technical and other consultancy services.

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 indirectly controlled by Frank Monstrey.

25. CONTINGENT, COMMITMENTS AND OPERATING RISKS

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, 2011. As at December 31, 2011 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax position will be sustained.

In 2010, a comprehensive tax audit was performed on the Partnership's tax accounts for 2006, 2007 and 2008 which resulted in tax claims being made. Management believed that those claims contradicted the terms of the Contract and the relevant tax codes. The Partnership appealed to the court to resolve these claims. A provision of US$ 728 thousand was made in Group's consolidated financial statements for the year ended December 31, 2010 in respect to the claims where the likelihood of the Partnership being required to pay additional tax, fines and penalties was probable.

By the Court decision as of April 7, 2011 the tax claims were cancelled in full. The Tax authorities appealed the Court's decision. The Partnership therefore continued to provide for the US$ 728 thousand as the risk of loss remained substantially unchanged. On July 28, 2011 by unanimous resolution of the court of cassation of West Kazakhstan oblast the Court decision dated April 7, 2011 was affirmed. The Partnership therefore reversed the US$ 728 thousand provision.

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, 2011 the Group had contractual capital commitments in amount of US$ 17,880 thousand (2010: US$ 23,638 thousand) mainly in respect to the Partnership's oil field development activities and construction of a gas utilisation plant.

25. CONTINGENT, COMMITMENTS AND OPERATING RISKS (continued)

Operating lease

The Partnership entered into a cancellable lease agreement for the main administrative office in Uralsk in October 2007 for a period of 20 years at US$ 15 thousand per month.

In March 2010 the Partnership entered into an agreement on lease of 200 railway tank wagons for transportation of liquefied hydrocarbon gases and other hydrocarbon products for a period of 7 years for KZT 6,989 (equivalent of US$ 47) per day per one wagon.

Social and education commitments

As required by the Contract (as amended by, inter alia, amendment number 9), the Partnership is obliged to:

(i) spend US$ 300 thousand per annum to finance social infrastructure;
(ii) perform repair and reconstruction of state automobile roads for the amount of US$ 12,000 thousand in 2012;
(iii) make an accrual of one percent of capital expenditure per annum for the purposes of educating Kazakh citizens; and
(iv) adhere to a spending schedule on education which lasts until (and including) 2020.

Domestic oil sales

In accordance with Addendum # 7 of the Contract, the Partnership is required to sell at least 15% of produced oil on the domestic market on a monthly basis for which prices are materially lower than export prices.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise Notes, 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 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 are which are summarized below.

Interest Rate Risk

The Group is not exposed to the interest rate risk in 2011 and 2010 as the Group had no floating-rate borrowings as of December 31, 2011 and 2010.

Foreign Currency Risk

As a significant portion of the Group's operation is the Kazakhstani Tenge denominated, the Group's statement of financial position can be affected significantly by movements in the US Dollar / Tenge exchange rates. The Partnership 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 Dollars 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
2011		
US thousand dollar		
US thousand dollar	**+10,72%**	**(29)**
	-10,72%	**29**
2010		
US thousand dollar	+11.56%	(78)
US thousand dollar	-11.56%	78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2011

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31, 2011 and 2010 based on contractual undiscounted payments:

Year ended December 31, 2011	**On demand**	**Less than 3 months**	**3-12 months**	**1-5 years**	**more than 5 years**	**Total**
Borrowings	**–**	**13,271**	**53,375**	**663,063**	**–**	**729,709**
Trade payables	**81,902**	**–**	**–**	**–**	**–**	**81,902**
Other current liabilities	**1,630**	**–**	**–**	**–**	**–**	**1,630**
Due to Government of Kazakhstan	**–**	**258**	**773**	**4,124**	**14,689**	**19,844**
	83,532	**13,529**	**54,148**	**667,187**	**14,689**	**833,085**

Year ended December 31, 2010	**On demand**	**Less than 3 months**	**3-12 months**	**1-5 years**	**more than 5 years**	**Total**
Borrowings	–	13,125	53,229	716,292	–	782,646
Trade payables	47,911	–	–	–	–	47,911
Other current liabilities	2,897	–	–	–	–	2,897
Due to Government of Kazakhstan	–	258	773	4,124	15,721	20,876
	50,808	13,383	54,002	720,416	15,721	854,330

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 21 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 Baa1 (stable) from Moody's rating agency and its US Dollar denominated cash with ING Belgium with a credit rating of Aa3 (negative) from Moody's rating agency at December 31, 2011. The Group does not guarantee obligations of other parties.

The Group sells its products 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.

26. 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 does not have any financial instruments valued using Level 2 hierarchy.

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, trade and other payables are not significantly different from their fair values at December 31, 2011 and 2010.

Zhaikmunai LP

Consolidated Financial Statements

Year ended December 31, 2010

With Independent Auditors' Report

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Independent Auditors' Report

To the participants of Zhaikmunai LP:

We have audited the accompanying consolidated financial statements of Zhaikmunai LP (the "Partnership") and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusion

In our opinion, the consolidated financial statements of Zhaikmunai LP for the year ended 31 December 2010 are prepared, in all material respects, in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Paul Cohn
Audit Partner

Evgeny Zhemaletdinov
Auditor / General Director
Ernst & Young LLP

State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2 No. 0000003 issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

Auditor Qualification Certificate No. 0000553 dated 24 December 2003

31 March 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2010

In thousands of US Dollars

	Note	2010	2009
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	**955,911**	770,953
Derivative financial instrument	20	**–**	98
Restricted cash	8	**2,743**	21,358
Advances for equipment and construction works		**6,479**	27,399
		965,133	819,808
Current Assets			
Restricted cash	8	**1,000**	–
Inventories		**5,639**	3,477
Trade receivables	6	**1,635**	13,878
Prepayments and other current assets	7	**16,759**	22,663
Income tax prepayment		**3,200**	5,599
Cash and cash equivalents	8	**144,201**	137,375
		172,434	182,992
TOTAL ASSETS		**1,137,567**	1,002,800
EQUITY AND LIABILITIES			
Partnership capital and Reserves			
Partnership capital	9	**366,942**	366,942
Retained earnings and translation reserve		**133,727**	110,827
		500,669	477,769
Non-Current Liabilities			
Long term borrowings	10	**434,931**	356,348
Abandonment and site restoration liabilities	11	**4,543**	3,373
Due to Government of Kazakhstan	12	**6,290**	6,363
Employee share option plan	21	**10,104**	7,025
Deferred tax liability	19	**100,823**	76,659
		556,691	449,768
Current Liabilities			
Current portion of long term borrowings	10	**9,450**	–
Trade payables	13	**49,213**	66,381
Advances received		**11,693**	–
Derivative financial instrument	20	**372**	–
Current portion of Due to Government of Kazakhstan	12	**1,031**	1,028
Other current liabilities	14	**8,448**	7,854
		80,207	75,263
TOTAL EQUITY AND LIABILITIES		**1,137,567**	1,002,800

The accounting policies and explanatory notes on pages 6 through 30 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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2010

In thousands of US Dollars

	Note	2010	2009
Sales of crude oil:			
Export sales		**172,102**	109,368
Domestic sales		**6,057**	6,665
		178,159	116,033
Cost of sales	15	**(53,860)**	(44,035)
Gross profit		**124,299**	71,998
General and administrative expenses	16	**(27,265)**	(29,726)
Selling and oil transportation expenses	17	**(17,014)**	(5,692)
Loss on hedging contract	20	**(470)**	(16,909)
Finance costs	18	**(21,296)**	(7,801)
Foreign exchange gain / (loss), net		**46**	(2,184)
Interest income		**239**	60
Other expenses		**(1,054)**	(1,611)
Other income		**3,288**	705
Profit before income tax		**60,773**	8,840
Income tax expense	19	**(37,873)**	(27,608)
Profit / (loss) for the year		**22,900**	(18,768)
Other comprehensive income:		**–**	–
Total comprehensive profit / (loss) for the year, net of tax		**22,900**	(18,768)

The accounting policies and explanatory notes on pages 6 through 30 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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2010

	Note	2010	2009
Cash flow from operating activities:			
Profit before income tax		60,773	8,840
Adjustments for:			
Depreciation and amortization	15, 16	15,695	16,593
Finance costs	18	21,296	7,801
Interest income		(239)	(60)
Loss on hedging contract	20	470	16,909
Provision for tax claims		728	–
Accrual of share option expenses		3,079	6,509
Loss on disposal of property, plant and equipment		920	1,567
Operating profit before working capital changes		102,722	58,159
Changes in working capital:			
(Increase) / decrease in inventories		(2,162)	112
Decrease / (increase) in trade receivables		12,243	(12,794)
(Increase) / decrease in prepayments and other current assets		(3,916)	5,414
(Decrease) / increase in trade payables		(18,622)	3,745
Increase in advances received		11,693	–
Payment of obligation to Government of Kazakhstan	12	(1,029)	(1,032)
Increase in other current liabilities		(134)	1,241
Cash generated from operations		100,795	54,845
Income tax paid		(1,840)	(8,911)
Net cash flows from operating activities		98,955	45,934
Cash flow from investing activities:			
Interest income		239	60
Purchases of property, plant and equipment		(132,428)	(200,733)
Net cash used in investing activities		(132,189)	(200,673)
Cash flow from financing activities:			
Repayment of borrowings		(381,677)	–
Finance costs paid		(30,478)	(26,608)
Proceeds from issue of Global Depositary Receipts	9	–	300,000
Transaction costs paid		–	(25,130)
Issue of notes	10	450,000	–
Transfer from / (to) restricted cash		17,615	(280)
Proceeds from sale of hedging contract		–	48,200
Realised hedging income		–	5,416
Purchase of hedging contract		–	(7,700)
Fees paid on arrangement of notes and borrowings		(15,750)	(14,480)
Net cash provided by financing activities		39,710	279,418
Effects of exchange rate changes on cash and cash equivalents		350	809
Net increase in cash and cash equivalents		6,826	125,488
Cash and cash equivalents at the beginning of the year	8	137,375	11,887
Cash and cash equivalents at the end of the year	8	144,201	137,375

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended December 31, 2010

NON-CASH TRANSACTIONS

Non-cash transaction, including the following, has been excluded from the consolidated statement of cash flows:

Offset of Corporate Income Tax with Value Added Tax

During the year ended December 31, 2010, the Partnership offset Corporate Income Tax for the amount of US$9,820 thousand with Value Added Tax.

The accounting policies and explanatory notes on pages 6 through 30 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*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2010

	Partnership capital	Retained earnings	Translation reserve	Total
As of December 31, 2008	**92,072**	**126,296**	**3,299**	**221,667**
Net loss for the period	–	(18,768)	–	(18,768)
Total comprehensive loss for the period	**–**	**(18,768)**	**–**	**(18,768)**
Issue of Global Depositary Receipts (Note 9)	300,000	–	–	300,000
Transaction costs (Note 9)	(25,130)	–	–	(25,130)
As of December 31, 2009	**366,942**	**107,528**	**3,299**	**477,769**
Net income for the period	–	22,900	–	22,900
Total comprehensive income for the year	**–**	**22,900**	**–**	**22,900**
As of December 31, 2010	**366,942**	**130,428**	**3,299**	**500,669**

The accounting policies and explanatory notes on pages 6 through 30 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

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 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 (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.

The Group operates in a single operating segment of exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field.

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 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 31, 2011.

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, 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 7% of produced petroleum and from 4% to 9% of produced natural gas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

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 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.

New and amended standards and interpretations

- IFRS 2 *Share-based Payment: Group Cash-settled Share-based Payment Transactions* effective January 1, 2010.
- IFRS 3 *Business Combinations (Revised)* and IAS 27 *Consolidated and Separate Financial Statements (Amended)* effective July 1, 2009, including consequential amendments to IFRS 2, IFRS 5 IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39.
- IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* effective July 1, 2009.
- IFRIC 17 *Distributions of Non-cash Assets to Owners* effective July 1, 2009.
- Improvements to IFRSs (May 2008).
- Improvements to IFRSs (April 2009).

IFRS 2 *Share-based Payment (Revised)*

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The Group adopted this amendment as of January 1, 2010. It did not have significant impact on the financial position or performance of the Group.

IFRS 3 *Business Combinations (Revised)* and IAS 27 *Consolidated and Separate Financial Statements (Amended)*

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. 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. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after January 1, 2010.

The change in accounting policy was applied prospectively and had no material impact on consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

2. BASIS OF PREPARATION (continued)

New and amended standards and interpretations (continued)

IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 17 *Distribution of Non-cash Assets to Owners*

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either, the financial position nor performance of the Group.

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued 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 adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

Issued in May 2008

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: clarifies that when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively and has no impact on the financial position nor financial performance of the Group.

Issued in April 2009

IFRS 5 *Non-current Assets Held for Sale* and Discontinued Operations: clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations. The amendment had no significant impact on the financial position nor financial performance of the Group.

IFRS 8 *Operating Segments*: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. The amendment had no significant impact on the financial position nor financial performance of the Group.

IAS 7 *Statement of Cash Flows*: States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. The amendment had no impact on the financial position nor financial performance of the Group.

IAS 36 *Impairment of Assets:* The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment had no impact on the financial position nor financial performance of the Group.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IAS 12 *Income taxes (Amendment)*

On December 20, 2010, the IASB issued Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12). These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recovered through sale. The amendments also incorporate SIC-21 Income Taxes - Recovery of Revalued Non-Depreciable Assets into IAS 12. The Group does not expect any impact on its financial position or performance as it does not have any investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

2. BASIS OF PREPARATION (continued)

Standards issued but not yet effective (continued)

IAS 24 *Related Party Disclosures (Amendment)*

The amended standard is effective for annual periods beginning on or after January 1, 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues (Amendment)*

The amendment to IAS 32 is effective for annual periods beginning on or after February 1, 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

IFRS 9 *Financial Instruments: Classification and Measurement*

In November 2009, the IASB issued the first part of Phase 1 of IFRS 9 dealing with the classification and measurement of financial assets. On October 28, 2010, the IASB issued amendments to IFRS 9 to address financial liabilities. Furthermore, these amendments also incorporate the current derecognition principles of IAS 39 into IFRS 9. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial instruments. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRIC 14 *Prepayments of a minimum funding requirement (Amendment)*

The amendment to IFRIC 14 is effective for annual periods beginning on or after January 1, 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Group.

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

IFRIC 19 is effective for annual periods beginning on or after July 1, 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this interpretation will have no effect on the consolidated financial statements of the Group.

Improvements to IFRSs (issued in May 2010)

The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either July 1, 2010 or January 1, 2011. The amendments listed below, are considered to have a reasonable possible impact on the Group:

- IFRS 3 *Business Combinations*;
- IFRS 7 *Financial Instruments: Disclosures*;
- IAS 1 *Presentation of Financial Statements*;
- IAS 27 *Consolidated and Separate Financial Statements*.

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.

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 21% for 2010 and 2009, respectively. There were no impairment losses recognized by the Group during the years ended December 31, 2010 and 2009.

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 21.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimation and Assumptions (continued)

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 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, 2010 were 5% and 10.35% respectively. Movements in the provision for decommissioning liability are disclosed in Note 11.

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 both Zhaikmunai Finance B.V. and the Partnership is the United States Dollar (the "US Dollar" or "US$").

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation (continued)

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 incurred during 2010 (2009: 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and impairment. 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

Borrowing Costs

The Group capitalizes borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalization include all assets under construction that takes a substantial period of time to get ready for its intended use, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

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
- 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Financial assets carried at amortised cost (continued)

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.

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 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability 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.

4. RECLASSIFICATION OF COMPARATIVE INFORMATION

Starting June 30, 2010 the Partnership presents Cost of goods sold in the notes to its consolidated financial statements as cost of production less/add effect of the change in the closing and opening inventory.

The effects of the above reclassification is presented below

	As previously reported	*Reclassifica-tions*	*As restated*
Statement of comprehensive income for the year ended December 31, 2009:			
Cost of sales			
Depreciation and amortization	16,198	(22)	16,176
Repair, maintenance and other services	7,338	(24)	7,314
Royalties	5,740	(29)	5,711
Payroll and related taxes	5,516	(18)	5,498
Materials and supplies	2,262	(12)	2,250
Management fees	2,064	(12)	2,052
Other transportation services	1,367	(6)	1,361
Government profit share	1,112	–	1,112
Environmental levies	1,083	(4)	1,079
Well workover costs	148	(31)	117
Change in oil stock	–	159	159
Other	1,207	(1)	1,206
	44,035	–	**44,035**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

5. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the year ended December 31, 2009 and 2010 was as follows:

	Oil and gas properties			Non oil and gas properties					
In thousand of US Dollar	Working assets	CIP	Total oil and gas properties	Buildings	Machinery & Equipment	Vehicles	Others	Total non oil gas properties	Total
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**
Additions	990	198,047	199,037	139	948	32	1,417	2,536	201,573
Transfers	103,156	(103,532)	(376)	259	501	273	(657)	376	–
Disposal	–	–	–	–	(705)	–	(215)	(920)	(920)
Depreciation charge	(13,820)	–	(13,820)	(398)	(853)	(320)	(304)	(1,875)	(15,695)
Balance at December 31, 2010, net of accumulated depreciation	**456,005**	**490,825**	**946,830**	**2,614**	**3,325**	**1,504**	**1,638**	**9,081**	**955,911**
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**
At cost at December 31, 2010	539,607	490,825	1,030,432	4,237	5,122	2,819	2,839	15,017	1,045,449
Accumulated depreciation	(83,602)	–	(83,602)	(1,623)	(1,797)	(1,315)	(1,201)	(5,936)	(89,538)
Balance at December 31, 2010, net of accumulated depreciation	**456,005**	**490,825**	**946,830**	**2,614**	**3,325**	**1,504**	**1,638**	**9,081**	**955,911**

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 3.36% and 5.41% in 2010 and 2009, 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, 2010. Depreciation has been calculated using the unit of production method based on these reserves estimates.

The Partnership incurred borrowing costs including amortization of arrangement and other borrowing related fees of US$ 47,452 thousand, and US$ 32,865 thousand for the years ended December 31, 2010 and 2009. The total amount of borrowing costs was capitalized as December 31, 2010. Borrowing costs totaling US$ 26,440 thousand, were capitalized as of December 31, 2009 at capitalization rates of 7.7%.

6. TRADE RECEIVABLES

As at December 31, 2010 and 2009 trade receivables were denominated in US$, were less than 30 days and were not impaired.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

As at December 31, prepayments and other current assets comprised the following:

In thousands of US Dollars	**2010**	2009
VAT receivable	**11,090**	20,429
Advances paid	**5,146**	1,199
Other	**523**	1,035
	16,759	22,663

Advances paid consist primarily of prepayments made to service providers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

8. CASH AND CASH EQUIVALENTS

In thousands of US Dollars	**2010**	2009
Current accounts in US Dollars	**143,452**	134,988
Current accounts in Tenge	**543**	1,069
Cash accounts in other currencies	**206**	1,318
	144,201	137,375

No interest was accrued on current accounts during the years ended December 31, 2010 and 2009.

In addition the Partnership has restricted cash accounts. As of December 31, 2009, restricted cash was represented by the Partnership's pledges under the Facility agreement with BNP Paribas (Note 10) of US$ 19,078 thousand and an additional liquidation fund deposit of US$ 2,280 thousand with Sberbank in Kazakhstan. The restricted cash as of December 31, 2010 represents money held by Citibank under the hedging contract with Citibank (Note 20) for the amount of US$1,000 thousand and a liquidation fund deposit of US$2,743 thousand with Kazcommertsbank JSC in Kazakhstan.

9. 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 years ended December 31, 2010 and 2009.

As discussed in Note 1 on September 15, 2009 Zhaikmunai LP successfully raised an additional US$300 milliion through the sale of 75,000,000 new common units in the form of GDRs at US$4 per GDR. The proceeds of the placing were used to supplement the Partnership's then-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, 2010 and 2009 were as follows:

	2010	2009
Balance at January 1,	**185,000,000**	110,000,000
Issued during the year	–	75,000,000
Balance at December 31,	**185,000,000**	185,000,000

10. BORROWINGS

Borrowings comprise the following as at December 31:

In thousands of US Dollar	**2010**	2009
Notes payable	**444,381**	–
Facility agreement with BNP Paribas	–	356,348
Less amounts due within 12 months	**9,450**	–
Amounts due after 12 months	**434,931**	356,348

Notes payable

On October 19, 2010 Zhaikmunai Finance B.V. (the "Issuer") issued US$ 450,000 thousand notes (the "Notes").

The Notes bear interest at the rate of 10.50% per year. Interest on the Notes is payable on April 19 and October 19 of each year, beginning on April 19, 2011. The Notes will mature on October 19, 2015. The Issuer may redeem some or all of the Notes at any time on or after October 19, 2013 at the prices and as described in the offering memorandum relating to the Notes. 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 October 19, 2013, the Issuer may redeem up to 35% of the outstanding principal amount of Notes from the proceeds of certain equity offerings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

10. BORROWINGS (continued)

The Notes are 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 are the Issuer's and the Guarantors' senior obligations and rank equally with all of the Issuer's and the Guarantors' other senior indebtedness.

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 of the obligations of the Issuer under the Notes (the "Substitution").

The Notes are secured by a first-priority pledge over the loan by the Issuer to Zhaikmunai LLP of the proceeds of the Notes (the "Proceeds Loan"). In addition, the Notes and the Guarantees 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. and the shares of FVDS.

In preparation for the Substitution, on December 29, 2009 the shares in Zhaikmunai Finance B.V. were transferred to Zhaikmunai LLP for a consideration of US$74,583.

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.

The Partnership used part of the net proceeds of the Notes to repay in full all amounts outstanding under the BNP Paribas Facility on October 19, 2010. All security for the BNP Paribas Facility has been released.

In accordance with the BNP Paribas Facility, the Partnership maintained a hedging programme under which it hedged a fixed volume of 4,000 barrels per day of production at Brent crude oil price at a put price of US$ 60 per bbl until December 31, 2010 (Note 20). All the security pledged under the BNP Paribas Facility was also provided to the counterparties under the hedging agreements. After the deed of release was concluded all hedge agreements concluded between the Partnership and BNP Paribas, Natixis and Raiffeisen Zentralbank Österreich AG became unsecured. Therefore, on October 19, 2010, by novation, all the rights, liabilities, duties and obligations of the Partnership under and in respect of each of the hedging agreements were transferred to Citibank, N.A. ("Citibank") (Note 20).

11. 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 Dollar	**2010**	2009
Abandonment and site restoration liability as at January 1,	**3,373**	3,411
Unwinding of discount (Note 18)	**397**	314
Additional provision	**308**	152
Change in estimates	**465**	(504)
	4,543	3,373

The long-term inflation and discount rates used to determine the abandonment and site restoration liabilities at December 31, 2010were 5.0% and 10.35% respectively (2009: 5.0% and 10.88%). The decrease in the discount rate used for estimation of the liability was treated as a change in estimates.

12. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

12. DUE TO GOVERNMENT OF KAZAKHSTAN (continued)

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 balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

In thousands of US Dollar	**2010**	2009
Due to Government of Kazakhstan as at January 1,	**7,391**	7,361
Unwinding of discount (Note 18)	**959**	1,062
Paid during the year	**(1,029)**	(1,032)
	7,321	7,391
Less: current portion of due to Government of Kazakhstan	**(1,031)**	(1,028)
Due to Government of Kazakhstan	**6,290**	6,363

13. TRADE PAYABLES

In thousands of US Dollars	**2010**	2009
Tenge denominated trade payables	**12,786**	52,930
US dollar denominated trade payables	**35,548**	8,556
Trade payables denominated in other currencies	**879**	4,895
	49,213	66,381

Accounts payable to KazSrtoyService JSC for construction of the gas treatment unit amounted to US$ 24,118 thousand as of December 31, 2010 (2009: US$ 46,636 thousand).

14. OTHER CURRENT LIABILITIES

In thousands of US Dollars	**2010**	2009
Training liability accrual	**5,552**	4,602
Taxes payable, other than corporate income tax	**1,266**	1,420
Due to employees	**255**	1,005
Provision for tax claims	**728**	–
Other	**647**	827
	8,448	7,854

15. COST OF SALES

In thousands of US dollars	**2010**	2009
Depreciation and amortization	**15,183**	16,176
Royalties	**8,863**	5,711
Payroll and related taxes	**6,629**	5,498
Repair, maintenance and other services	**7,617**	7,314
Well workover costs	**5,871**	117
Materials and supplies	**2,239**	2,250
Other transportation services	**1,985**	1,361
Management fees	**1,947**	2,052
Environmental levies	**1,631**	1,079
Government profit share	**1,676**	1,112
Change in oil stock	**(1,529)**	159
Other	**1,748**	1,206
	53,860	44,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

16. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of US Dollars	**2010**	2009
Management fees	**6,423**	8,561
Employee share option plan (Note 21)	**3,079**	6,509
Professional services	**5,080**	4,311
Payroll and related taxes	**3,469**	3,210
Training	**2,642**	2,774
Insurance fees	**898**	543
Provision for tax claims (Note 23)	**728**	
Business travel	**725**	818
Communication	**651**	403
Bank charges	**517**	503
Depreciation and amortization	**512**	417
Other taxes	**426**	90
Sponsorship	**419**	238
Lease payments	**316**	291
Materials and supplies	**316**	112
Social program	**300**	300
Other	**764**	646
	27,265	29,726

17. SELLING AND OIL TRANSPORTATION EXPENSES

In thousands of US Dollar	**2010**	2009
Oil transport costs	**11,844**	1,265
Management fees	**1,500**	1,857
Payroll	**1,173**	1,029
Oil loading and storage costs	**357**	87
Other	**2,140**	1,454
	17,014	5,692

During 2010 the Partnership commenced selling oil at Odessa in the Ukraine instead of the rail loading terminal outside Uralsk. The Partnership believes over time this will provide better pricing for their oil.

18. FINANCE COSTS

In thousands of US Dollar	**2010**	2009
Interest expense	**19,940**	6,035
Unwinding of discount on amounts Due to Government	**959**	1,062
Loan review fees	**–**	335
Unwinding of discount on Abandonment and Site Restoration Liability	**397**	314
Commitment fees on syndicated loan agreement	**–**	55
	21,296	7,801

19. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

In thousands of US Dollar	**2010**	2009
Income tax expenses comprise:		
- current income tax expense	**13,709**	7,889
- deferred income tax expense	**24,164**	19,719
Total income tax expense	**37,873**	27,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

19. INCOME TAX EXPENSES (continued)

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:

In thousands of US Dollar	2010	2009
Profit before income tax	**60,773**	8,840
Statutory tax rate	**30%**	30%
Expected tax provision	18,232	2,652
Non-deductible interest expense on borrowings	**16,452**	5,893
Employee share option plan	**924**	1,953
Foreign exchange loss	**206**	610
Difference arising on Abandonment and Site Restoration Liability and payables Due to Government	**277**	282
Change of the tax base	**964**	20,266
Effect of income taxed at different rate	**6**	(4,443)
Other non-deductible expenses	**812**	395
Income tax expense reported in the accompanying consolidated financial statements	**37,873**	27,608

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:

In thousands of US Dollar	2010	2009
Deferred tax asset:		
Hedging contract at fair value	**112**	–
Accounts payable and provisions	**1,943**	1,567
	2,055	1,567
Deferred tax liability:		
Crude oil inventory	**–**	(448)
Property, plant and equipment	**(102,878)**	(77,778)
	(102,878)	(78,226)
Net deferred tax liability	**(100,823)**	(76,659)

As at December 31, the movements in the deferred tax liability were as follows:

In thousands of US Dollar	2010	2009
Balance at January 1, 2010 and 2009	**(76,659)**	(56,940)
Current year charge to profit or loss	**(24,164)**	(19,719)
Balance at December 31, 2010 and 2009	**(100,823)**	(76,659)

20. DERIVATIVE FINANCIAL INSTRUMENT

Pursuant to the terms of the BNP Paribas facility (Note 10) 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 on March 30, 2009. On the same day the Partnership entered into a new hedging contract at a 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 a price of US$ 50 per bbl. The contract expired on June 30, 2010.

On March 4, 2010, the Partnership entered, at nil cost, into an additional hedging contract covering oil export sales of 4,000 bbls/day from March 2010 through December 2010. The counterparties to the hedging agreement were BNP Paribas, Natixis and Raiffeisen Zentralbank Österreich AG. Based on the new hedging contract the floor price for Brent crude oil was fixed at a price of US$ 60 per bbl. The ceiling price was set at a range from US$ 89.25 per bbl to US$ 100 per bbl such that the Partnership received all sales proceeds in excess of $ 100 per bbl.

On October 19, 2010, after prepayment in full of the BNP Paribas Facility all the rights, liabilities, duties and obligations of the Partnership under and in respect of each of the hedging agreements were transferred by novation to Citibank, N.A. ("Citibank") (Note 10).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

20. DERIVATIVE FINANCIAL INSTRUMENT (continued)

Cash of US$3,000 thousand was initially restricted under the hedging agreement with Citibank as the estimation of the potential payments under the hedging agreement during the period from October 19, 2010 till December 31, 2010. The restricted cash was to be released in three equal tranches on November 10, 2010, December 10, 2010 and January 10, 2011 after approval by Citibank.

The balance of cash held by Citibank, representing the final tranche, under the hedging agreement with Citibank as of December 31, 2010 is US$1,000 thousand (Note 8).

Gains and losses on the hedge contract, which do not qualify for hedge accounting, are taken directly to profit or loss.

In thousands of US Dollar	**2010**	2009
Hedging contract fair value at January 1	**98**	62,923
Proceeds from sale of hedging contract	**–**	(48,200)
Realized hedging gain	–	(5,416)
Hedging loss	**(470)**	7,602
(Loss) / gain on hedging contract	**(470)**	16,909
Hedging contract fair value at January 1	**98**	–
Purchase of hedging contract	–	7,700
Unrealized hedging loss	**(470)**	(7,602)
Hedging contract at fair value	**(372)**	98

21. 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 the plan during 2010. 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.

During 2008 – 2010, 2,982,958 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. 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 July 1, 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.

The carrying amount of the liability relating to 2,982,958 of SARs at December 31, 2010 is US$ 10,104 thousand (2009: US$ 7,025 thousand). During the year ended December 31, 2010, 654,695 were fully vested (2009: 690,748).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

21. EMPLOYEE SHARE OPTION PLAN (continued)

The following table illustrates the number (No.) and exercise prices (EP) of, and movements in, equity options during the year:

	December 31, 2010		December 31, 2009	
	No.	EP, US Dollar	No.	EP, US Dollar
Outstanding at the beginning of period	2,732,958	4	2,500,000	10
Granted	250,000	4	232,958	4
Exercised	–	–	–	–
Outstanding at the end of period	2,982,958	4	2,732,958	4
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, 2010:

In thousands of US Dollars	2010	2009
Dividend yield (%)	0	0
Expected volatility (%)	86	86
Risk -free interest rate (%)	3.2	3.2
Expected life (years)	3.5	3.5
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.

22. 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 companies.

Accounts receivable from related parties at December 31 consisted of the following:

In thousands of US Dollars	2010	2009
Trade receivables and advances		
Probel Capital Management N.V.	223	–
Total	223	–

Accounts payable to related parties as at December 31 consisted of the following:

In thousands of US Dollars	2010	2009
Trade payables		
Amersham Oil LLP	–	498
Prolag BVBA	106	129
Probel Capital Management N.V.	–	394
Total	106	1,021

During the year ended December 31, 2010 and 2009 the Group had the following transactions with related parties:

In thousands of US Dollars	2010	2009
Management fees and consulting services		
Probel Capital Management N.V.	8,508	9,215
Amersham Oil LLP	1,186	1,746
Prolag BVBA	1,378	2,184
Total	11,072	13,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

22. RELATED PARTY TRANSACTIONS (continued)

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.

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.

23. 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.

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, 2010. As at December 31, 2010 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.

In 2010, a comprehensive tax audit was performed on the Partnership's tax accounts for 2006, 2007 and 2008 which resulted in tax claims being made. Management believes that these claims contradict the terms of the Contract and the relevant tax codes. The Partnership appealed to the court to resolve these claims. A provision of US$ 728 thousand (Note 16) has been made in these consolidated financial statements in respect to the claims where the likelihood of the Partnership being required to pay additional tax, fines and penalties is probable. In addition, the Partnership assesses that the likelihood of the remaining US$ 9,363 thousand of claims, while unlikely or less likely than not, is possible and therefore, no provision has been made for this amount.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

23. CONTINGENT, COMMITMENTS AND OPERATING RISKS (continued)

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, 2010 the Group had contractual capital commitments in amount of US$ 23,638 thousand (2009: US$ 50,949 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.

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 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.

Domestic oil sales

In accordance with Addendum # 7 of the Contract, the Partnership is required to sell at least 15% of produced oil on domestic market on a monthly basis for which prices are materially lower than export prices.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 2010 and 2009 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 LIBOR interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings.

Increase / decrease in LIBOR interest rate	Effect on profit before tax for the year ended December31, 2010	Effect on profit before tax for the year ended December 31, 2009
In thousands of US Dollar		
+1.5%	–	(5,725)
-1.5%	–	5,725

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2010

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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).

	Change in Tenge to US$ exchange rate	Effect on profit before tax
2010		
US thousand dollar	**+11.56%**	**(78)**
US thousand dollar	**-11.56%**	**78**
2009		
US thousand dollar	+19.5%	(574)
US thousand dollar	-19.5%	574

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.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31, 2010 and 2009 based on contractual undiscounted payments:

Liquidity Risk (continued)

Year ended December 31, 2010	**On demand**	**Less than 3 months**	**3-12 months**	**1-5 years**	**more than 5 years**	**Total**
Borrowings	**–**	**24,938**	**101,135**	**955,954**	**–**	**1,082,027**
Trade payables	**49,213**	**–**	**–**	**–**	**–**	**49,213**
Employee share option plan	**–**	**–**	**–**	**10,104**	**–**	**10,104**
Other current liabilities	**8,448**	**–**	**–**	**–**	**–**	**8,448**
Due to Government of Kazakhstan	**–**	**258**	**773**	**4,124**	**15,721**	**20,876**
	57,661	**25,196**	**101,908**	**970,182**	**15,721**	**1,170,668**

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
	58,096	7,924	41,366	426,899	16,753	551,038

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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, 2010 and 2009, 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 20 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 Baa1 (stable) from Moody's rating agency and its US Dollar denominated cash with BNP Paribas with a credit rating of AA (positive) from Moody's rating agency for the year ended December 31, 2010. 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.

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 does not have any financial instruments valued using Level 2 hierarchy.

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 (excluding the effect of unamortized transaction costs) are not significantly different from their fair values at December 31, 2010 and 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended December 31, 2010

25. SUBSEQUENT EVENTS

On February 24, 2011 the Partnership listed the notes for the amount of US$ 450,000 thousand on the Kazakhstan Stock Exchange ("KASE") and on February 28, 2011 the Partnership transferred the notes from Zhaikmunai Finance B.V. to Zhaikmunai LLP.

On March 29, 2011, in accordance with its hedging policy, the Partnership entered, at nil upfront cost, into a new hedging contract covering oil sales of 2,000 bbls/day, or a total of 556,000 bbls running through December 2011. The counterparty to the hedging agreement is Citibank, N.A. Based on the new hedging contract the Partnership buys a put at $85/bbl, sells a call at $125/bbl and buys a call at $134/bbl.

Zhaikmunai LP

Consolidated Financial Statements
Year ended December 31, 2009
With Independent Auditors' Report

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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.

ERNST & YOUNG

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.

Ernst & Young LLP

29 March 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2009

In thousands of US Dollars

	Note	2009	2008
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
		819,808	651,799
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
		182,992	71,105
TOTAL ASSETS		**1,002,800**	722,904
EQUITY AND LIABILITIES			
Partnership capital and Reserves			
Partnership capital	8	**366,942**	92,072
Retained earnings and translation reserve		**110,827**	129,595
		477,769	221,667
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
		449,768	67,197
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
		75,263	434,040
TOTAL EQUITY AND LIABILITIES		**1,002,800**	722,904

The accounting policies and explanatory notes on pages 6 through 32 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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2009

In thousands of US Dollars

	Note	2009	2008
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 6 through 32 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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2009

	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

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 6 through 32 are an integral part of these consolidated financial statements.

Chief Executive Officer of the General Partner of Zhaikmunai LP

Kai Uwe Kessel

Kai-Uwe Kessel

Chief Financial Officer of the General Partner of Zhaikmunai LP

Jan-Ru Muller

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2009

	Partnership capital	Retained earnings	Translation reserve	Total
As of December 31, 2007	**–**	**62,818**	**4,001**	**66,819**
Profit for the year	–	63,478	–	63,478
Other comprehensive loss	–	–	(702)	(702)
Total comprehensive income for the year	**–**	**63,478**	**(702)**	**62,776**
Issue of Global Depositary Receipts (Note 8)	100,000	–	–	100,000
Transaction costs (Note 8)	(7,928)	–	–	(7,928)
As of December 31, 2008	**92,072**	**126,296**	**3,299**	**221,667**
Total comprehensive loss for the year	**–**	**(18,768)**	**–**	**(18,768)**
Issue of Global Depositary Receipts (Note 8)	300,000	–	–	300,000
Transaction costs (Note 8)	(25,130)	–	–	(25,130)
As of December 31, 2009	**366,942**	**107,528**	**3,299**	**477,769**

The accounting policies and explanatory notes on pages 6 through 32 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

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 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 (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. 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 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, 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.

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 1 January 2009
- IFRS 8 Operating Segments – effective 1 January 2009
- IAS 1 Presentation of Financial Statements – effective 1 January 2009
- IAS 23 Borrowing Costs (Revised) – effective 1 January 2009
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation – effective 1 January 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 1 January 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

2. BASIS OF PREPARATION (continued)

Adopted accounting standards and interpretations (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 1 January 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

2. BASIS OF PREPARATION (continued)

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.

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 if 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 are redeemed. This amendment has no impact on the Group because it does not maintain any customer loyalty programmes.

2. BASIS OF PREPARATION (continued)

Improvements to IFRSs (continued)

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 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
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

2. BASIS OF PREPARATION (continued)

Improvements to IFRSs (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimation and Assumptions (continued)

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (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 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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

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
- 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Financial assets carried at amortised cost (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

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.

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.

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:

	Oil and gas properties			Non oil and gas properties					
In thousand of US Dollar	**Working assets**	**CIP**	**Total oil and gas properties**	**Buildings**	**Machinery & Equipment**	**Vehicles**	**Others**	**Total non oil gas properties**	**Total**
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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

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:

In thousands of US Dollars	2009	2008
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

In thousands of US Dollars	2009	2008
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 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$4 per GDR. 25,000,000 of these GDRs were placed with Claremont Holdings Limited. Upon completion of the placing, the capital structure of the Partnership was as follows: Claremont Holdings Limited (67.57%) and other holders of GDRs' (32.43%). The proceeds of the placing will supplement the Partnership's existing credit facilities and fund in part the capital expenditure programme for the Chinarevskoye field, in particular, the completion of the Gas Treatment Unit. The issuance costs amounted to US$ 25,130 thousand.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 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 Dollar	**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%.

The balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

In thousands of US Dollar	**2009**	2008
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

In thousands of US Dollars	**2009**	2008
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

In thousands of US Dollars	**2009**	2008
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

14. COST OF SALES

In thousands of US Dollar	2009	2008
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

15. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of US Dollars	2009	2008
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
	29,726	20,299

16. SELLING AND OIL TRANSPORTATION EXPENSES

In thousands of US Dollar	2009	2008
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
	5,692	24,212

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

17. FINANCE COSTS

In thousands of US Dollar	2009	2008
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
	7,801	13,171

18. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

In thousands of US Dollar	2009	2008
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:

In thousands of US Dollar	2009	2008
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 pan	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:

In thousands of US Dollar	2009	2008
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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

18. INCOME TAX EXPENSES (continued)

As at December 31, the movements in the deferred tax liability were as follows:

In thousands of US Dollar	**2009**	2008
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)

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.

In thousands of US Dollar	**2009**	2008
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.

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

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:

In thousands of US Dollars	2009	2008
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	13,145	7,232

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

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 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.

Increase / decrease interest rate	**Effect on profit before tax for the year ended December31, 2009**	Effect on profit before tax for the year ended December 31, 2008
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).

	Change in Tenge to US$ exchange rate	**Effect on profit before tax**
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended December 31, 2009

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity Risk (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
	58,096	7,924	41,366	426,899	16,753	551,038

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
	447,611	258	773	4,124	17,784	470,550

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.

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.

ANNEX I

ESTIMATED
FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION
AGREEMENT BETWEEN
THE REPUBLIC OF KAZAKHSTAN
AND ZHAIKMUNAI LLP
AS OF
JANUARY 1, 2012

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DISCUSSION

RESERVE DEFINITIONS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPE REGISTERED ENGINEERING FIRM F-1580
621 SEVENTEENTH STREET SUITE 1550 DENVER, COLORADO 80293
FAX (303) 623-4258
TELEPHONE (303) 623-9147

Zhaikmunai LLP
59/2 Prospect Eurasia Ave.
City of Uralsk, 090002
Republic of Kazakhstan
Attention: Mr. Vyachesla Druzhinin

March 20, 2012

Gentlemen:

At your request, we have prepared an estimate of the proved and probable reserves, future production and income attributable to the terms of the production sharing agreement between the Republic of Kazakhstan and Zhaikmunai LLP as of January 1, 2012. The subject properties are located in the Chinarevskoye Field in the Republic of Kazakhstan. The income data were estimated using Zhaikmunai LLP (Zhaikmunai) corporate price policy. The reserves and income data included herein were estimated based on the definitions and disclosure guidelines contained in the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (SPE-PRMS). The income data were estimated using future price and cost parameters as noted herein and held constant throughout the life of the properties (SPE-PRMS constant case). The results of our third party study, completed on March 20, 2012 are presented herein. The properties reviewed by Ryder Scott represent 100 percent of the total net proved and probable liquid hydrocarbon reserves and 100 percent of the total net proved and probable gas reserves of Zhaikmunai LLP.

The estimated reserves and future income amounts presented in this report, as of January 1, 2012, are related to hydrocarbon prices based on unescalated price parameters. 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 January 1, 2012

	Proved			
	Developed			
	Producing	Non-Producing	Undeveloped	Total Proved
Net Remaining Reserves				
Oil/Condensate – Barrels	27,645,223	2,424,090	26,838,674	56,907,987
Plant Products – Barrels	11,168,070	1,414,038	10,039,457	22,621,565
Gas – MMCF	195,165	17,594	158,667	371,426
Income Data $M				
Future Gross Revenue	$2,932,823	$272,750	$2,755,316	$5,960,889
Deductions	1,087,307	105,836	887,453	2,080,596
Future Net Income (FNI)	$1,845,516	$166,914	$1,867,863	$3,880,293
Discounted FNI @ 10%	$1,149,792	$105,461	$879,433	$2,134,686

1100 LOUISIANA, SUITE 3800 HOUSTON, TEXAS 77002-5218 TEL (713) 651-9191 FAX (713) 651-0849
1015 4TH STREET S.W., SUITE 600 CALGARY, ALBERTA T2R 1J4 TEL (403) 262-2799 FAX (403) 262-2790

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 January 1, 2012

	Probable		
	Non-Producing	Undeveloped	Total Probable
Net Remaining Reserves			
Oil/Condensate – Barrels	16,988,670	102,236,883	119,225,553
Plant Products – Barrels	7,509,538	39,135,223	46,644,761
Gas – MMCF	105,923	640,832	746,755
Income Data M$			
Future Gross Revenue	$1,787,102	$10,511,883	$12,298,985
Deductions	429,946	3,994,461	4,424,407
Future Net Income (FNI)	$1,357,156	$6,517,422	$7,874,578
Discounted FNI @ 10%	$522,977	$2,948,795	$3,471,772

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 January 1, 2012

	Proved + Probable			
	Producing	Non-Producing	Undeveloped	Total PV&PB
Net Remaining Reserves				
Oil/Condensate – Barrels	27,645,223	19,412,760	129,075,557	176,133,540
Plant Products – Barrels	11,168,070	8,923,576	49,174,680	69,266,326
Gas – MMCF	195,165	123,517	799,499	1,118,181
Income Data M$				
Future Gross Revenue	$2,932,823	$2,059,852	$13,267,197	$18,259,872
Deductions	1,087,307	535,783	4,881,913	6,505,003
Future Net Income (FNI)	$1,845,516	$1,524,069	$8,385,284	$11,754,869
Discounted FNI @ 10%	$1,149,792	$628,438	$3,828,228	$5,606,458

The following tables present the total gross production volumes expected from the Chinarevskoye Field from January 1, 2012 through the end of the License term.

Chinarevskoye Field
Estimated Gross Reserves
As of January 1, 2012
Proved

	Producing	Non-Producing	Undeveloped	Total Proved
Oil/Condensate – Barrels	30,935,816	2,733,572	30,607,778	64,277,166
Plant Products – Barrels	12,624,133	1,590,844	11,474,859	25,689,836
Gas– MMCF(after shrink)	220,456	19,762	181,266	421,484

Chinarevskoye Field
Estimated Gross Reserves
As of January 1, 2012
Probable

	Producing	Non-Producing	Undeveloped	Total Probable
Oil/Condensate – Barrels	0	19,326,298	118,246,521	137,572,819
Plant Products – Barrels	0	8,562,778	45,095,460	53,658,238
Gas– MMCF(after shrink)	0	120,687	738,188	858,875

Chinarevskoye Field
Estimated Gross Reserves
As of January 1, 2012
Proved + Probable

	Producing	Non-Producing	Undeveloped	Total Proved + Probable
Oil/Condensate – Barrels	30,935,816	22,059,870	148,854,299	201,849,985
Plant Products – Barrels	12,624,133	10,153,622	56,570,319	79,348,074
Gas– MMCF(after shrink)	220,456	140,449	919,454	1,280,359

Liquid hydrocarbons are expressed in standard 42 gallon barrels. All gas volumes are reported on an "as sold" basis 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 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 86 percent and gas reserves account for the remaining 14 percent of total future gross revenue from proved reserves. Liquid hydrocarbon reserves account for approximately 86 percent of the total future gross revenue from probable reserves and gas reserves account for the remaining 14 percent of total future gross revenue from the probable reserves reported herein.

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 in summary form as follows.

Discount Rate Percent	Discounted Future Net Income $M As of January 1, 2012 Total Proved	Total Probable	Total Proved and Probable
12	$1,936,824	$2,992,815	$4,929,639
15	$1,692,337	$2,413,537	$4,105,874
20	$1,385,852	$1,715,267	$3,101,119
25	$1,164,625	$1,239,607	$2,404,232

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved and probable reserves included herein conform to definitions of proved and probable reserves sponsored and 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). An abridged version of the SPE/WPC/AAPG/SPEE proved and probable reserves from the SPE-PRMS entitled "Petroleum Reserves Definitions" is included as an attachment to this report.

The various reserve status categories are defined in the attachment to this report entitled "Reserves Status Definitions and Guidelines." The developed proved and probable non-producing reserves included herein consist of the shut-in and behind pipe categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The gas volumes included herein do not attribute gas consumed in operations as reserves.

While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may also increase or decrease from existing levels, such changes were omitted from consideration in making this evaluation.

Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward. Probable reserves are those additional reserves that are less likely to be recovered than proved reserves. For probable reserves, it is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. The reserves included herein were estimated using deterministic methods and presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved and probable based on their individual level of uncertainty.

The reserves and income quantities attributable to the different reserve classifications that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable. Moreover, estimates of reserves may increase or decrease as a result of future operations, effects of regulation by governmental agencies or geopolitical risks. As a result, the estimates of oil and gas reserves have an intrinsic uncertainty. The reserves included in this report are therefore 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.

The reserves reported herein are limited to the period prior to expiration of current contracts providing the legal right to produce. Furthermore, properties in Kazakhstan may be subjected to varying contractual fiscal terms that affect the net revenue to Zhaikmunai for the production of these volumes. The prices and economic return received for these net volumes can vary significantly based on the terms of these contracts. Therefore, when applicable, Ryder Scott reviewed the fiscal terms of such contracts and discussed with Zhaikmunai the net economic benefit attributed to such operations for the determination of the net hydrocarbon volumes and income thereof. Ryder Scott has not conducted an exhaustive audit or verification of such contractual information. Neither our review of such contractual information or our acceptance of Zhaikmunai's representations regarding such contractual information should be construed as a legal opinion on this matter.

Ryder Scott did not evaluate country and geopolitical risks in Kazakhstan where Zhaikmunai operates and has interests. Zhaikmunai's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include matters relating to land tenure, drilling, production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax, and foreign trade and investment and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which Zhaikmunai owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liability to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The reserves for the properties included herein were estimated by performance methods, reservoir simulation and/or the volumetric method. In general, reserves attributable to producing wells and/or reservoirs were estimated by performance methods such as decline curve analysis and/or reservoir simulation which utilized extrapolations of historical production and pressure data available through December, 2011. Reserves attributable to proved and probable non-producing and undeveloped reserves included herein were estimated by the volumetric method, reservoir simulation and/or material balance which utilized all pertinent well and seismic data available through December, 2011.

To estimate economically recoverable oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on the cost and price assumptions as noted herein, and forecasts of future production rates. Under the SPE-PRMS Section 2.2.2 and Table 3, proved reserves must be demonstrated to be commercially recoverable under defined economic conditions, operating methods and governmental regulations from a given date forward. We have applied the same criteria for economic commerciality to the probable reserves included in this report. Zhaikmunai has informed us that they have furnished us all of the accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future production and income, we have relied upon data furnished by Zhaikmunai with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, production taxes, recompletion and development costs, abandonment costs after salvage, product prices, geological structural and isochore maps, well logs, core analyses, and pressure measurements. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data supplied by Zhaikmunai.

Future Production Rates

Our forecasts of future production rates are based on historical performance from wells now on production. Test data and other related information were used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. If no production decline trend has been established, future production rates were held constant, or adjusted for the effects of curtailment 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.

The future production rates from wells now on production may be more or less than estimated because of changes in market demand or allowables set by regulatory bodies. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates.

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 $80.00 per barrel for the life of the properties.

Future prices for plant products were assumed to be $35.00 per barrel for the life of the properties.

The future gas price was assumed to be $2.41 per thousand cubic feet (MCF) for the life of the properties.

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

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, $9.51/bbl LPG ("plant products" or "LPG"). An operating cost for gas of $0.172/Mcf and an operating cost of$1.587/Bbl of oil were supplied by Zhaikmunai LLP.

Development costs and schedules 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, insurance and contingencies.

Because of the direct relationship between volumes of proved and probable undeveloped reserves and development plans, we include in the proved and probable undeveloped category only reserves assigned to undeveloped locations that we have been assured will definitely be drilled and reserves assigned to the undeveloped portions of secondary projects which we have been assured will definitely be developed. Zhaikmunai has assured us of their intent and ability to proceed with the development activities included in this report, and that they are not aware of any legal, regulatory or political obstacles that would significantly alter their plans.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world for over seventy years. Ryder Scott is employee owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have over eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any publicly traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization.

We are independent petroleum engineers with respect to Zhaikmunai. Neither we nor any of our employees have any interest in the subject properties, and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The professional qualifications of the undersigned, the technical person primarily responsible for reviewing and approving the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

This report was prepared for the exclusive use and sole benefit of Zhaikmunai Company and may not be put to other use without our prior written consent for such use. The data and work papers 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.
TBPE Firm Registration No. F-1580

COLORADO LICENSED
JAMES LARRY BAIRD
41521
3/20/2012
PROFESSIONAL ENGINEER

James L. Baird, P.E.
Managing Senior Vice President

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company L.P. James Larry Baird was the primary technical person responsible for overseeing the estimate of the reserves.

Mr. Baird, an employee of Ryder Scott Company L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President and also serves as Manager of the Denver office, responsible for coordinating and supervising staff and consulting engineers of the company in ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Baird served in a number of engineering positions with Gulf Oil Corporation, Northern Natural Gas and Questar Exploration & Production. For more information regarding Mr. Baird's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Baird earned a Bachelor of Science degree in Petroleum Engineering from the University of Missouri at Rolla in 1970 and is a registered Professional Engineer in the States of Colorado and Utah. He is also a member of the Society of Petroleum Engineers.

In addition to gaining experience and competency through prior work experience, the Colorado and Utah Board of Professional Engineers recommend continuing education annually, including at least one hour in the area of professional ethics, which Mr. Baird fulfills. As part of his 2011 continuing education hours, Mr. Baird attended an internally presented sixteen hours of formalized training as well as an eight hour public forum. Mr. Baird attended the 2011 RSC Reserves Conference and various professional society presentations specifically on the new SEC regulations relating to the definitions and disclosure guidelines contained in the United States Securities and Exchange Commission Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register. Mr. Baird attended an additional sixteen hours of formalized in-house training as well as three days of formalized external training during 2011 covering such topics as the SPE/WPC/AAPG/SPEE Petroleum Resources Management System, reservoir engineering, geoscience and petroleum economics evaluation methods, procedures and software and ethics for consultants. Mr. Baird was a keynote speaker, presenting the Changing Landscape of the SEC Reporting, at the 2009 Unconventional Gas International Conference held in Fort Worth, Texas.

Based on his educational background, professional training and more than 40 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Baird has attained the professional qualifications as a Reserves Estimator and Reserves Auditor set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-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

Reserves are those quantities of petroleum which are anticipated to be commercially recovered 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.

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 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 under the SPE-PRMS. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or 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. The SPE-PRMS acknowledges unconventional petroleum accumulations as reserves regardless of their in-place characteristics, the extraction method applied, or the degree of processing required.

Reserves do not include quantities of petroleum being held in inventory and may be reduced for usage, processing losses and/or non-hydrocarbons that must be removed prior to sale.

SPE-PRMS RESERVES DEFINITIONS

In March 2007, the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), and Society of Petroleum Evaluation Engineers (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.

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 are 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.

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 (direct passages excerpted from the SPE-PRMS document are denoted in italics herein).

RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 1.1 and Table 1 define reserves as follows:

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.*

ADDITIONAL TERMS USED IN RESERVES EVALUATIONS (SPE-PRMS DEFINITIONS)

The SPE-PRMS Sections 2.3, 2.3.4, 2.4 and Appendix A define the following terms as follows:

Improved recovery. *Improved Recovery is the extraction of additional petroleum, beyond Primary Recovery, from naturally occurring reservoirs by supplementing the natural forces in the reservoir. It includes waterflooding and gas injection for pressure maintenance, secondary processes, tertiary processes and any other means of supplementing natural reservoir recovery processes. Improved recovery also includes thermal and chemical processes to improve the in-situ mobility of viscous forms of petroleum. (Also called Enhanced Recovery.)*

Improved recovery projects must meet the same Reserves commerciality criteria as primary recovery projects. There should be an expectation that the project will be economic and that the entity has committed to implement the project in a reasonable time frame (generally within 5 years; further delays should be clearly justified). If there is significant project risk, forecast incremental recoveries may be similarly categorized but should be classified as Contingent Resources.

The judgment on commerciality is based on 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.

Incremental recoveries through improved recovery methods that have yet to be established through routine, commercially successful applications are included as Reserves only after a favorable production response from the subject reservoir from either (a) a representative pilot or (b) an installed program, where the response provides support for the analysis on which the project is based.

Similar to improved recovery projects applied to conventional reservoirs, successful pilots or operating projects in the subject reservoir or successful projects in analogous reservoirs may be required to establish a distribution of recovery efficiencies for non-conventional accumulations. Such pilot projects may evaluate both the extraction efficiency and the efficiency of unconventional processing facilities to derive sales products prior to custody transfer.

These incremental recoveries in commercial projects are categorized into Proved, Probable, and Possible Reserves based on certainty derived from engineering analysis and analogous applications in similar reservoirs.

Commercial. *When a project is commercial, this implies that the essential social, environmental and economic conditions are met, including political, legal, regulatory and contractual conditions. In addition, a project is commercial if the degree of commitment is such that the accumulation is expected to be developed and placed on production within a reasonable time frame. While 5 years is recommended as a benchmark, 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 classification as Reserves should be clearly documented.*

PROVED RESERVES (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Table 3 define proved oil and gas reserves as follows:

Proved oil and gas 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 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, three should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.*

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 hydrocarbons (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 (see “2001 Supplemental Guidelines”, Chapter 8).

Reserves in undeveloped locations may be classified as Proved provided that:

- *The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive.*

- *Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with the drilled Proved locations.*

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 (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Appendix A define unproved oil and gas reserves as follows:

***Unproved oil and gas 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 (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Table 3 define probable oil and gas reserves as follows:

***Probable oil and gas 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 (SPE-PRMS DEFINITIONS)

The SPE-PRMS Section 2.2.2 and Table 3 define possible oil and gas reserves as follows:

Possible oil and gas 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.

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RESERVES STATUS DEFINITIONS and GUIDELINES

As Adapted From:
PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
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SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)

Reserves status categories define the development and producing status of wells and reservoirs. The SPE-PRMS Table 2 define the reserves status categories as follows:

DEVELOPED RESERVES (SPE-PRMS DEFINITIONS)

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 (SPE-PRMS DEFINITIONS)

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) infill wells that will increase recovery; or
(4) where a relatively large expenditure (e.g. 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

TABLE 1

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PROVED AND
PROBABLE

	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
INITIAL								10.00% -	5,606,458
FINAL								12.00% -	4,929,639
REMARKS	CONTAINS PRODUCTION BONUS PAYMENTS							15.00% -	4,105,874
								20.00% -	3,101,119
								25.00% -	2,404,232

		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	Oil/Cond. $/bbl.	Gas $/MCF
2012	34	8,358,099	2,461,459	53,603	7,849,973	2,310,738	41,016	80.00	2.41
2013	40	8,883,542	2,524,508	55,098	8,386,615	2,384,783	41,697	80.00	2.41
2014	62	9,475,192	2,556,031	54,672	8,652,707	2,337,634	39,326	80.00	2.41
2015	75	21,510,701	6,566,574	143,109	18,956,147	5,783,131	98,719	80.00	2.41
2016	89	21,581,755	6,824,417	142,858	18,034,639	5,705,879	92,821	80.00	2.41
2017	96	20,016,834	6,764,612	142,905	16,704,483	5,645,126	92,628	80.00	2.41
2018	97	18,891,165	6,865,968	142,264	15,845,265	5,760,128	91,592	80.00	2.41
2019	95	15,416,576	6,259,008	129,774	13,103,203	5,321,785	84,324	80.00	2.41
2020	96	12,505,888	5,552,614	115,342	10,867,471	4,826,376	76,528	80.00	2.41
2021	92	10,743,740	4,863,578	100,319	9,543,105	4,320,725	67,721	80.00	2.41
2022	91	9,359,538	4,389,912	90,621	8,466,381	3,971,560	62,243	80.00	2.41
2023	91	8,236,868	4,018,030	83,116	7,196,517	3,510,985	55,167	80.00	2.41
2024	91	7,161,546	3,505,382	71,891	6,275,460	3,072,273	47,895	80.00	2.41
2025	90	6,234,414	3,084,829	63,511	5,472,088	2,707,475	42,369	80.00	2.41
2026	82	5,313,150	2,867,326	58,775	4,670,840	2,520,114	39,296	80.00	2.41
Sub-Total		183,689,008	69,104,248	1,447,858	160,024,894	60,178,712	973,342	80.00	2.41
Remainder		18,160,977	10,243,826	214,802	16,108,646	9,087,614	144,839	80.00	2.41
Total Future		201,849,985	79,348,074	1,662,660	176,133,540	69,266,326	1,118,181	80.00	2.41
Cumulative		17,248,120	0	58,306					
Ultimate		219,098,105	79,348,074	1,720,966					

	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
2012	627,998	80,876	98,733	0	807,607	31,769	7,353	768,485
2013	670,929	83,467	100,354	0	854,750	32,101	7,391	815,258
2014	692,217	81,817	94,666	0	868,700	33,635	7,060	828,005
2015	1,516,492	202,410	237,613	0	1,956,515	88,393	18,980	1,849,142
2016	1,442,770	199,706	223,433	0	1,865,909	84,727	18,371	1,762,811
2017	1,336,359	197,579	222,946	0	1,756,884	78,004	18,290	1,660,590
2018	1,267,622	201,605	220,456	0	1,689,683	73,528	18,407	1,597,748
2019	1,048,256	186,262	202,968	0	1,437,486	58,326	16,796	1,362,364
2020	869,397	168,923	184,212	0	1,222,532	45,888	15,079	1,161,565
2021	763,449	151,226	163,006	0	1,077,681	38,524	13,249	1,025,908
2022	677,311	139,004	149,807	0	966,122	32,972	12,069	921,081
2023	575,721	122,885	132,782	0	831,388	27,479	10,647	793,262
2024	502,037	107,529	115,284	0	724,850	23,381	9,192	692,277
2025	437,767	94,762	101,991	0	634,520	19,864	8,081	606,575
2026	373,667	88,204	94,584	0	556,455	16,221	7,467	532,767
Sub-Total	12,801,992	2,106,255	2,342,835	0	17,251,082	684,812	188,432	16,377,838
Remainder	1,288,692	318,066	348,622	0	1,955,380	46,656	26,690	1,882,034
Total Future	14,090,684	2,424,321	2,691,457	0	19,206,462	731,468	215,122	18,259,872

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	80,952	0	281,770	139,254	501,976	266,509	266,509	254,645
2013	77,192	0	473,226	147,975	698,393	116,865	383,374	102,029
2014	88,392	0	280,476	151,502	520,370	307,635	691,009	237,117
2015	119,978	0	168,016	338,203	626,197	1,222,945	1,913,954	863,105
2016	119,306	0	170,503	323,700	613,509	1,149,302	3,063,256	734,228
2017	112,153	0	55,875	303,250	471,278	1,189,312	4,252,568	688,660
2018	111,280	0	34,776	291,508	437,564	1,160,184	5,412,752	608,066
2019	100,323	0	4,369	246,372	351,064	1,011,300	6,424,052	480,344
2020	90,019	0	2,000	208,258	300,277	861,288	7,285,340	370,094
2021	84,460	0	2,800	183,664	270,924	754,984	8,040,324	293,577
2022	77,248	0	2,200	164,258	243,706	677,375	8,717,699	238,422
2023	74,690	0	2,000	140,905	217,595	575,667	9,293,366	183,397
2024	70,707	0	2,000	122,973	195,680	496,597	9,789,963	143,284
2025	66,517	0	3,000	107,501	177,018	429,557	10,219,520	112,163
2026	64,070	0	3,400	93,749	161,219	371,548	10,591,068	87,807
Sub-Total	1,337,287	0	1,486,411	2,963,072	5,786,770	10,591,068		5,396,938
Remainder	289,200	0	101,947	327,086	718,233	1,163,801	11,754,869	209,520
Total Future	1,626,487	0	1,588,358	3,290,158	6,505,003	11,754,869		5,606,458

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

TABLE 2

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PV AND PB
PRODUCING

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	1,149,792
12.00% -	1,065,799
15.00% -	959,751
20.00% -	822,428
25.00% -	719,397

		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	Oil/Cond. $/bbl.	Gas $/MCF
2012	24	5,885,565	1,621,310	37,565	5,533,450	1,524,311	29,158	80.00	2.41
2013	23	4,404,324	1,231,042	28,203	4,144,438	1,158,406	21,762	80.00	2.41
2014	21	3,073,002	883,863	19,553	2,730,807	785,441	14,133	80.00	2.41
2015	21	2,772,038	1,354,997	32,184	2,424,829	1,185,274	22,942	80.00	2.41
2016	21	2,223,487	1,124,147	26,216	1,872,063	946,475	17,848	80.00	2.41
2017	20	1,965,090	1,024,318	23,319	1,639,683	854,696	15,486	80.00	2.41
2018	19	1,736,410	914,615	19,869	1,459,887	768,966	12,925	80.00	2.41
2019	17	1,460,671	819,988	17,413	1,248,375	700,810	11,345	80.00	2.41
2020	17	1,161,934	636,930	13,342	1,016,688	557,309	8,914	80.00	2.41
2021	16	951,233	468,959	9,594	851,935	420,007	6,577	80.00	2.41
2022	16	835,558	431,711	8,828	762,231	393,823	6,163	80.00	2.41
2023	16	734,562	397,807	8,123	647,501	350,662	5,480	80.00	2.41
2024	16	645,927	366,894	7,483	570,707	324,167	5,059	80.00	2.41
2025	16	517,030	225,400	4,311	457,521	199,456	2,935	80.00	2.41
2026	15	468,418	199,425	3,765	414,652	176,534	2,571	80.00	2.41
Sub-Total		28,835,249	11,701,406	259,768	25,774,767	10,346,337	183,298	80.00	2.41
Remainder		2,100,567	922,727	17,287	1,870,456	821,733	11,867	80.00	2.41
Total Future		30,935,816	12,624,133	277,055	27,645,223	11,168,070	195,165	80.00	2.41
Cumulative		14,019,083	0	50,637					
Ultimate		44,954,899	12,624,133	327,692					

	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
2012	442,676	53,351	70,190	0	566,217	23,373	5,078	537,766
2013	331,555	40,544	52,371	0	424,470	17,175	3,744	403,551
2014	218,465	27,490	34,023	0	279,978	10,901	2,461	266,616
2015	193,986	41,485	55,224	0	290,695	10,107	4,032	276,556
2016	149,765	33,127	42,956	0	225,848	7,593	3,135	215,120
2017	131,175	29,914	37,279	0	198,368	6,388	2,762	189,218
2018	116,791	26,914	31,102	0	174,807	5,513	2,361	166,933
2019	99,870	24,528	27,315	0	151,713	4,504	2,089	145,120
2020	81,335	19,506	21,453	0	122,294	3,424	1,638	117,232
2021	68,154	14,700	15,834	0	98,688	2,651	1,222	94,815
2022	60,979	13,784	14,832	0	89,595	2,232	1,144	86,219
2023	51,800	12,273	13,191	0	77,264	1,870	1,019	74,375
2024	45,657	11,346	12,176	0	69,179	1,625	941	66,613
2025	36,601	6,981	7,068	0	50,650	1,274	562	48,814
2026	33,172	6,179	6,190	0	45,541	1,135	495	43,911
Sub-Total	2,061,981	362,122	441,204	0	2,865,307	99,765	32,683	2,732,859
Remainder	149,637	28,760	28,560	0	206,957	4,701	2,292	199,964
Total Future	2,211,618	390,882	469,764	0	3,072,264	104,466	34,975	2,932,823

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	60,884	0	87,930	97,166	245,980	291,786	291,786	278,616
2013	42,712	0	109,182	72,934	224,828	178,723	470,509	154,577
2014	33,048	0	20,508	48,268	101,824	164,792	635,301	128,574
2015	20,285	0	6,899	47,499	74,683	201,873	837,174	142,700
2016	16,155	0	6,453	36,970	59,578	155,542	992,716	99,527
2017	14,900	0	1,563	32,625	49,088	140,130	1,132,846	81,173
2018	13,488	0	1,388	29,123	43,999	122,934	1,255,780	64,465
2019	12,455	0	1,102	25,316	38,873	106,247	1,362,027	50,437
2020	10,962	0	386	20,489	31,837	85,395	1,447,422	36,786
2021	9,706	0	582	16,722	27,010	67,805	1,515,227	26,362
2022	9,149	0	386	15,133	24,668	61,551	1,576,778	21,666
2023	8,920	0	387	13,009	22,316	52,059	1,628,837	16,587
2024	8,705	0	389	11,609	20,703	45,910	1,674,747	13,242
2025	6,807	0	532	8,732	16,071	32,743	1,707,490	8,556
2026	6,681	0	338	7,874	14,893	29,018	1,736,508	6,857
Sub-Total	274,857	0	238,025	483,469	996,351	1,736,508		1,130,125
Remainder	35,240	0	19,957	35,759	90,956	109,008	1,845,516	19,667
Total Future	310,097	0	257,982	519,228	1,087,307	1,845,516		1,149,792

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 3

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PV AND PB
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	628,438
12.00% –	540,634
15.00% –	438,156
20.00% –	320,877
25.00% –	245,399

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	2	949,585	388,041	6,560	888,098	363,857	4,935	80.00	2.41
2013	2	1,018,004	345,048	6,622	966,447	326,521	4,999	80.00	2.41
2014	2	773,815	241,058	4,802	722,375	222,194	3,527	80.00	2.41
2015	3	1,003,897	407,920	7,453	883,481	358,416	5,095	80.00	2.41
2016	3	1,016,866	358,760	6,519	849,819	300,287	4,235	80.00	2.41
2017	3	1,075,633	403,806	7,189	897,648	336,981	4,655	80.00	2.41
2018	3	1,164,800	469,394	8,358	976,786	393,698	5,426	80.00	2.41
2019	3	1,246,660	596,334	10,344	1,058,633	506,462	6,791	80.00	2.41
2020	4	1,477,403	800,886	14,393	1,281,876	694,915	9,605	80.00	2.41
2021	4	1,644,781	945,976	17,517	1,458,031	838,567	11,913	80.00	2.41
2022	4	1,603,746	937,259	17,374	1,447,568	845,977	12,024	80.00	2.41
2023	4	1,580,235	931,659	17,271	1,377,411	812,073	11,539	80.00	2.41
2024	4	1,429,349	729,930	12,452	1,249,667	638,204	8,388	80.00	2.41
2025	4	1,450,042	692,733	12,300	1,269,894	606,709	8,275	80.00	2.41
2026	4	1,346,902	713,681	12,602	1,181,630	626,126	8,496	80.00	2.41
Sub-Total		18,781,718	8,962,485	161,756	16,509,364	7,870,987	109,903	80.00	2.41
Remainder		3,278,152	1,191,137	19,899	2,903,396	1,052,589	13,614	80.00	2.41
Total Future		22,059,870	10,153,622	181,655	19,412,760	8,923,576	123,517	80.00	2.41
Cumulative		3,229,037	0	7,669					
Ultimate		25,288,907	10,153,622	189,324					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	71,048	12,735	11,878	0	95,661	2,948	1,004	91,709
2013	77,316	11,428	12,034	0	100,778	3,176	942	96,660
2014	57,790	7,777	8,488	0	74,055	2,749	651	70,655
2015	70,678	12,545	12,264	0	95,487	4,040	1,061	90,386
2016	67,986	10,510	10,195	0	88,691	3,985	894	83,812
2017	71,811	11,794	11,203	0	94,808	4,227	1,004	89,577
2018	78,143	13,779	13,062	0	104,984	4,608	1,180	99,196
2019	84,691	17,727	16,344	0	118,762	4,858	1,493	112,411
2020	102,550	24,322	23,121	0	149,993	5,658	2,060	142,275
2021	116,643	29,349	28,671	0	174,663	6,217	2,481	165,965
2022	115,805	29,610	28,943	0	174,358	5,998	2,477	165,883
2023	110,193	28,422	27,774	0	166,389	5,600	2,367	158,422
2024	99,973	22,337	20,189	0	142,499	4,958	1,771	135,770
2025	101,592	21,235	19,921	0	142,748	4,906	1,702	136,140
2026	94,530	21,915	20,447	0	136,892	4,365	1,739	130,788
Sub-Total	1,320,749	275,485	264,534	0	1,860,768	68,293	22,826	1,769,649
Remainder	232,272	36,840	32,769	0	301,881	8,888	2,790	290,203
Total Future	1,553,021	312,325	297,303	0	2,162,649	77,181	25,616	2,059,852

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	8,778	0	31,706	16,728	57,212	34,497	34,497	32,609
2013	7,076	0	20,806	17,544	45,426	51,234	85,731	44,276
2014	5,278	0	2,478	12,906	20,662	49,993	135,724	39,004
2015	5,018	0	2,946	16,608	24,572	65,814	201,538	46,432
2016	4,189	0	943	15,552	20,684	63,128	264,666	40,385
2017	4,199	0	179	16,615	20,993	68,584	333,250	39,687
2018	4,437	0	147	18,337	22,921	76,275	409,525	39,945
2019	4,827	0	106	20,633	25,566	86,845	496,370	41,169
2020	5,899	0	52	25,760	31,711	110,564	606,934	47,303
2021	6,730	0	50	29,757	36,537	129,428	736,362	50,290
2022	6,551	0	47	29,672	36,270	129,613	865,975	45,588
2023	6,470	0	46	28,302	34,818	123,604	989,579	39,353
2024	5,379	0	44	24,739	30,162	105,608	1,095,187	30,497
2025	5,392	0	46	24,742	30,180	105,960	1,201,147	27,630
2026	5,262	0	44	23,608	28,914	101,874	1,303,021	24,056
Sub-Total	85,485	0	59,640	321,503	466,628	1,303,021		588,224
Remainder	12,848	0	2,920	53,387	69,155	221,048	1,524,069	40,214
Total Future	98,333	0	62,560	374,890	535,783	1,524,069		628,438

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 4

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROVED AND PROBABLE

PV AND PB
UNDEVELOPED

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	3,828,228
12.00% –	3,323,206
15.00% –	2,707,967
20.00% –	1,957,813
25.00% –	1,439,436

		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	Oil/Cond. $/bbl.	Gas $/MCF
2012	8	1,522,949	452,108	9,478	1,428,425	422,570	6,923	80.00	2.41
2013	15	3,461,214	948,418	20,273	3,275,730	899,856	14,936	80.00	2.41
2014	39	5,628,375	1,431,110	30,317	5,199,525	1,329,999	21,666	80.00	2.41
2015	51	17,734,766	4,803,657	103,472	15,647,837	4,239,441	70,682	80.00	2.41
2016	65	18,341,402	5,341,510	110,123	15,312,757	4,459,117	70,738	80.00	2.41
2017	73	16,976,111	5,336,488	112,397	14,167,152	4,453,449	72,487	80.00	2.41
2018	75	15,989,955	5,481,959	114,037	13,408,592	4,597,464	73,241	80.00	2.41
2019	75	12,709,245	4,842,686	102,017	10,796,195	4,114,513	66,188	80.00	2.41
2020	75	9,866,551	4,114,798	87,607	8,568,907	3,574,152	58,009	80.00	2.41
2021	72	8,147,726	3,448,643	73,208	7,233,139	3,062,151	49,231	80.00	2.41
2022	71	6,920,234	3,020,942	64,419	6,256,582	2,731,760	44,056	80.00	2.41
2023	71	5,922,071	2,688,564	57,722	5,171,605	2,348,250	38,148	80.00	2.41
2024	71	5,086,270	2,408,558	51,956	4,455,086	2,109,902	34,448	80.00	2.41
2025	70	4,267,342	2,166,696	46,900	3,744,673	1,901,310	31,159	80.00	2.41
2026	63	3,497,830	1,954,220	42,408	3,074,558	1,717,454	28,229	80.00	2.41
Sub-Total		136,072,041	48,440,357	1,026,334	117,740,763	41,961,388	680,141	80.00	2.41
Remainder		12,782,258	8,129,962	177,616	11,334,794	7,213,292	119,358	80.00	2.41
Total Future		148,854,299	56,570,319	1,203,950	129,075,557	49,174,680	799,499	80.00	2.41
Cumulative		0	0	0					
Ultimate		148,854,299	56,570,319	1,203,950					

	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. - $	
2012	114,274	14,790	16,666	0	145,730	5,448	1,272	139,010
2013	262,058	31,495	35,948	0	329,501	11,749	2,704	315,048
2014	415,962	46,550	52,156	0	514,668	19,986	3,948	490,734
2015	1,251,827	148,380	170,125	0	1,570,332	74,246	13,887	1,482,199
2016	1,225,021	156,069	170,282	0	1,551,372	73,149	14,342	1,463,881
2017	1,133,372	155,871	174,463	0	1,463,706	67,389	14,525	1,381,792
2018	1,072,688	160,912	176,293	0	1,409,893	63,407	14,865	1,331,621
2019	863,696	144,007	159,307	0	1,167,010	48,964	13,214	1,104,832
2020	685,512	125,096	139,639	0	950,247	36,806	11,380	902,061
2021	578,651	107,175	118,501	0	804,327	29,656	9,547	765,124
2022	500,527	95,612	106,031	0	702,170	24,742	8,448	668,980
2023	413,728	82,188	91,818	0	587,734	20,008	7,261	560,465
2024	356,407	73,847	82,919	0	513,173	16,798	6,480	489,895
2025	299,574	66,546	75,001	0	441,121	13,685	5,817	421,619
2026	245,965	60,111	67,948	0	374,024	10,722	5,233	358,069
Sub-Total	9,419,262	1,468,649	1,637,097	0	12,525,008	516,755	132,923	11,875,330
Remainder	906,783	252,465	287,294	0	1,446,542	33,066	21,608	1,391,868
Total Future	10,326,045	1,721,114	1,924,391	0	13,971,550	549,821	154,531	13,267,198

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	11,290	0	162,134	25,359	198,783	-59,773	-59,773	-56,579
2013	27,404	0	343,237	57,497	428,138	-113,090	-172,863	-96,826
2014	50,066	0	257,491	90,330	397,887	92,847	-80,016	69,540
2015	94,675	0	158,171	274,095	526,941	955,258	875,242	673,973
2016	98,962	0	163,107	271,179	533,248	930,633	1,805,875	594,316
2017	93,054	0	54,134	254,010	401,198	980,594	2,786,469	567,800
2018	93,355	0	33,240	244,046	370,641	960,980	3,747,449	503,656
2019	83,041	0	3,161	200,424	286,626	818,206	4,565,655	388,737
2020	73,158	0	1,562	162,010	236,730	665,331	5,230,986	286,006
2021	68,023	0	2,168	137,184	207,375	557,749	5,788,735	216,925
2022	61,548	0	1,767	119,452	182,767	486,213	6,274,948	171,169
2023	59,301	0	1,567	99,596	160,464	400,001	6,674,949	127,455
2024	56,623	0	1,567	86,624	144,814	345,081	7,020,030	99,546
2025	54,318	0	2,423	74,027	130,768	290,851	7,310,881	75,977
2026	52,127	0	3,017	62,267	117,411	240,658	7,551,539	56,894
Sub-Total	976,945	0	1,188,746	2,158,100	4,323,791	7,551,539		3,678,589
Remainder	241,112	0	79,070	237,940	558,122	833,746	8,385,285	149,639
Total Future	1,218,057	0	1,267,816	2,396,040	4,881,913	8,385,285		3,828,228

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

TABLE 5

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROVED RESERVES

TOTAL
PROVED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS	CONTAINS PRODUCTION BONUS PAYMENT						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	2,134,686
12.00% -	1,936,824
15.00% -	1,692,337
20.00% -	1,385,852
25.00% -	1,164,625

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	30	7,501,976	2,094,954	45,704	7,053,156	1,969,619	35,223	80.00	2.41
2013	32	6,593,757	1,748,674	37,502	6,204,679	1,645,494	28,591	80.00	2.41
2014	34	5,343,698	1,379,802	28,881	4,748,651	1,226,155	20,529	80.00	2.41
2015	35	6,772,633	2,447,248	54,235	5,924,333	2,140,714	37,640	80.00	2.41
2016	38	5,792,244	2,190,531	46,887	4,876,770	1,844,317	30,945	80.00	2.41
2017	37	4,775,537	2,155,120	45,099	3,984,737	1,798,242	29,097	80.00	2.41
2018	36	4,197,183	1,988,412	41,314	3,528,786	1,671,766	26,486	80.00	2.41
2019	34	3,619,713	1,792,559	37,293	3,093,618	1,532,022	24,158	80.00	2.41
2020	34	3,011,698	1,491,508	31,042	2,635,228	1,305,064	20,607	80.00	2.41
2021	33	2,551,356	1,223,331	25,380	2,285,021	1,095,631	17,261	80.00	2.41
2022	33	2,229,722	1,101,767	22,964	2,034,043	1,005,076	15,915	80.00	2.41
2023	33	1,958,481	999,149	20,877	1,726,363	880,731	13,982	80.00	2.41
2024	33	1,727,812	908,897	19,019	1,526,604	803,053	12,771	80.00	2.41
2025	33	1,478,458	715,674	14,772	1,308,286	633,299	9,940	80.00	2.41
2026	32	1,325,344	643,732	13,261	1,173,219	569,844	8,935	80.00	2.41
Sub-Total		58,879,612	22,881,358	484,230	52,103,494	20,121,027	332,080	80.00	2.41
Remainder		5,397,554	2,808,478	58,062	4,804,493	2,500,538	39,346	80.00	2.41
Total Future		64,277,166	25,689,836	542,292	56,907,987	22,621,565	371,426	80.00	2.41
Cumulative		17,248,120	0	58,306					
Ultimate		81,525,286	25,689,836	600,598					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	564,252	68,937	84,788	0	717,977	29,793	6,318	681,866
2013	496,375	57,592	68,807	0	622,774	25,712	5,094	591,968
2014	379,892	42,915	49,416	0	472,223	18,956	3,693	449,574
2015	473,947	74,925	90,604	0	639,476	24,693	6,903	607,880
2016	390,141	64,551	74,482	0	529,174	19,780	5,728	503,666
2017	318,779	62,939	70,044	0	451,762	15,525	5,466	430,771
2018	282,303	58,512	63,742	0	404,557	13,324	4,975	386,258
2019	247,490	53,621	58,155	0	359,266	11,162	4,505	343,599
2020	210,818	45,677	49,600	0	306,095	8,876	3,811	293,408
2021	182,801	38,347	41,547	0	262,695	7,111	3,196	252,388
2022	162,724	35,178	38,305	0	236,207	5,955	2,939	227,313
2023	138,109	30,825	33,656	0	202,590	4,986	2,579	195,025
2024	122,128	28,107	30,738	0	180,973	4,348	2,354	174,271
2025	104,663	22,165	23,928	0	150,756	3,642	1,844	145,270
2026	93,858	19,945	21,504	0	135,307	3,210	1,658	130,439
Sub-Total	4,168,280	704,236	799,316	0	5,671,832	197,073	61,063	5,413,696
Remainder	384,359	87,519	94,713	0	566,591	12,109	7,289	547,193
Total Future	4,552,639	791,755	894,029	0	6,238,423	209,182	68,352	5,960,889

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	69,183	0	155,637	124,105	348,925	332,941	332,941	317,993
2013	52,669	0	192,373	108,347	353,389	238,579	571,520	205,734
2014	44,203	0	62,799	82,605	189,607	259,967	831,487	202,178
2015	34,801	0	15,887	108,868	159,556	448,324	1,279,811	316,707
2016	30,112	0	58,061	90,399	178,572	325,094	1,604,905	207,705
2017	27,885	0	3,068	76,633	107,586	323,185	1,928,090	187,340
2018	25,067	0	2,819	68,618	96,504	289,754	2,217,844	151,922
2019	22,925	0	2,239	60,789	85,953	257,646	2,475,490	122,282
2020	20,556	0	978	51,781	73,315	220,093	2,695,583	94,647
2021	18,640	0	1,178	44,558	64,376	188,012	2,883,595	73,100
2022	17,166	0	978	39,947	58,091	169,222	3,052,817	59,559
2023	16,332	0	978	34,167	51,477	143,548	3,196,365	45,733
2024	16,604	0	978	30,445	48,027	126,244	3,322,609	36,409
2025	13,359	0	1,178	25,568	40,105	105,165	3,427,774	27,461
2026	12,845	0	978	22,947	36,770	93,669	3,521,443	22,133
Sub-Total	422,347	0	500,129	969,777	1,892,253	3,521,443		2,070,903
Remainder	61,918	0	30,866	95,559	188,343	358,850	3,880,293	63,783
Total Future	484,265	0	530,995	1,065,336	2,080,596	3,880,293		2,134,686

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 6

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAREVSKOYE FIELD
TOTAL PROVED PRODUCING

PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS: Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES: Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	1,149,792
12.00% -	1,065,799
15.00% -	959,751
20.00% -	822,428
25.00% -	719,397

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION: Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES: Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES: Oil/Cond. $/bbl.	Gas $/MCF
2012	24	5,885,565	1,621,310	37,565	5,533,450	1,524,311	29,158	80.00	2.41
2013	23	4,404,324	1,231,042	28,203	4,144,438	1,158,406	21,762	80.00	2.41
2014	21	3,073,002	883,863	19,553	2,730,807	785,441	14,133	80.00	2.41
2015	21	2,772,038	1,354,997	32,184	2,424,829	1,185,274	22,942	80.00	2.41
2016	21	2,223,487	1,124,147	26,216	1,872,063	946,475	17,848	80.00	2.41
2017	20	1,965,090	1,024,318	23,319	1,639,683	854,696	15,486	80.00	2.41
2018	19	1,736,410	914,615	19,869	1,459,887	768,966	12,925	80.00	2.41
2019	17	1,460,671	819,988	17,413	1,248,375	700,810	11,345	80.00	2.41
2020	17	1,161,934	636,930	13,342	1,016,688	557,309	8,914	80.00	2.41
2021	16	951,233	468,959	9,594	851,935	420,007	6,577	80.00	2.41
2022	16	835,558	431,711	8,828	762,231	393,823	6,163	80.00	2.41
2023	16	734,562	397,807	8,123	647,501	350,662	5,480	80.00	2.41
2024	16	645,927	366,894	7,483	570,707	324,167	5,059	80.00	2.41
2025	16	517,030	225,400	4,311	457,521	199,456	2,935	80.00	2.41
2026	15	468,418	199,425	3,765	414,652	176,534	2,571	80.00	2.41
Sub-Total		28,835,249	11,701,406	259,768	25,774,767	10,346,337	183,298	80.00	2.41
Remainder		2,100,567	922,727	17,287	1,870,456	821,733	11,867	80.00	2.41
Total Future		30,935,816	12,624,133	277,055	27,645,223	11,168,070	195,165	80.00	2.41
Cumulative		14,019,083	0	50,637					
Ultimate		44,954,899	12,624,133	327,692					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY: Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	442,676	53,351	70,190	0	566,217	23,373	5,078	537,766
2013	331,555	40,544	52,371	0	424,470	17,175	3,744	403,551
2014	218,465	27,490	34,023	0	279,978	10,901	2,461	266,616
2015	193,986	41,485	55,224	0	290,695	10,107	4,032	276,556
2016	149,765	33,127	42,956	0	225,848	7,593	3,135	215,120
2017	131,175	29,914	37,279	0	198,368	6,388	2,762	189,218
2018	116,791	26,914	31,102	0	174,807	5,513	2,361	166,933
2019	99,870	24,528	27,315	0	151,713	4,504	2,089	145,120
2020	81,335	19,506	21,453	0	122,294	3,424	1,638	117,232
2021	68,154	14,700	15,834	0	98,688	2,651	1,222	94,815
2022	60,979	13,784	14,832	0	89,595	2,232	1,144	86,219
2023	51,800	12,273	13,191	0	77,264	1,870	1,019	74,375
2024	45,657	11,346	12,176	0	69,179	1,625	941	66,613
2025	36,601	6,981	7,068	0	50,650	1,274	562	48,814
2026	33,172	6,179	6,190	0	45,541	1,135	495	43,911
Sub-Total	2,061,981	362,122	441,204	0	2,865,307	99,765	32,683	2,732,859
Remainder	149,637	28,760	28,560	0	206,957	4,701	2,292	199,964
Total Future	2,211,618	390,882	469,764	0	3,072,264	104,466	34,975	2,932,823

Period	DEDUCTIONS - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M: Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	60,884	0	87,930	97,166	245,980	291,786	291,786	278,616
2013	42,712	0	109,182	72,934	224,828	178,723	470,509	154,577
2014	33,048	0	20,508	48,268	101,824	164,792	635,301	128,574
2015	20,285	0	6,899	47,499	74,683	201,873	837,174	142,700
2016	16,155	0	6,453	36,970	59,578	155,542	992,716	99,527
2017	14,900	0	1,563	32,625	49,088	140,130	1,132,846	81,173
2018	13,488	0	1,388	29,123	43,999	122,934	1,255,780	64,465
2019	12,455	0	1,102	25,316	38,873	106,247	1,362,027	50,437
2020	10,962	0	386	20,489	31,837	85,395	1,447,422	36,786
2021	9,706	0	582	16,722	27,010	67,805	1,515,227	26,362
2022	9,149	0	386	15,133	24,668	61,551	1,576,778	21,666
2023	8,920	0	387	13,009	22,316	52,059	1,628,837	16,587
2024	8,705	0	389	11,609	20,703	45,910	1,674,747	13,242
2025	6,807	0	532	8,732	16,071	32,743	1,707,490	8,556
2026	6,681	0	338	7,874	14,893	29,018	1,736,508	6,857
Sub-Total	274,857	0	238,025	483,469	996,351	1,736,508		1,130,125
Remainder	35,240	0	19,957	35,759	90,956	109,008	1,845,516	19,667
Total Future	310,097	0	257,982	519,228	1,087,307	1,845,516		1,149,792

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 7

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROVED NON PRODUCING

PROVED
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	105,461
12.00% -	97,616
15.00% -	87,574
20.00% -	74,351
25.00% -	64,291

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	454,547	285,375	4,587	427,353	268,302	3,515	80.00	2.41
2013	1	303,100	190,970	3,070	285,215	179,701	2,354	80.00	2.41
2014	1	157,037	99,330	1,597	139,550	88,269	1,157	80.00	2.41
2015	2	442,117	240,309	3,677	386,740	210,209	2,501	80.00	2.41
2016	2	282,358	153,126	2,339	237,731	128,925	1,529	80.00	2.41
2017	2	216,001	118,843	1,824	180,233	99,163	1,186	80.00	2.41
2018	2	177,834	98,988	1,523	149,514	83,225	1,002	80.00	2.41
2019	2	137,349	77,216	1,191	117,386	65,992	799	80.00	2.41
2020	2	107,185	60,736	939	93,787	53,145	644	80.00	2.41
2021	2	85,990	49,057	759	77,014	43,936	535	80.00	2.41
2022	2	70,513	40,468	626	64,323	36,916	450	80.00	2.41
2023	2	58,837	33,950	527	51,865	29,926	366	80.00	2.41
2024	2	49,584	28,733	445	43,810	25,388	310	80.00	2.41
2025	2	41,979	24,402	380	37,146	21,592	264	80.00	2.41
2026	2	35,584	20,741	321	31,500	18,361	225	80.00	2.41
Sub-Total		2,620,015	1,522,244	23,805	2,323,167	1,353,050	16,837	80.00	2.41
Remainder		113,557	68,600	1,073	100,923	60,988	757	80.00	2.41
Total Future		2,733,572	1,590,844	24,878	2,424,090	1,414,038	17,594	80.00	2.41
Cumulative		3,229,037	0	7,669					
Ultimate		5,962,609	1,590,844	32,547					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	34,188	9,391	8,461	0	52,040	1,805	734	49,501
2013	22,817	6,289	5,666	0	34,772	1,182	482	33,108
2014	11,164	3,090	2,784	0	17,038	557	234	16,247
2015	30,940	7,357	6,020	0	44,317	1,612	558	42,147
2016	19,018	4,512	3,682	0	27,212	964	338	25,910
2017	14,419	3,471	2,855	0	20,745	703	260	19,782
2018	11,961	2,913	2,411	0	17,285	564	217	16,504
2019	9,391	2,310	1,921	0	13,622	424	170	13,028
2020	7,503	1,860	1,552	0	10,915	315	137	10,463
2021	6,161	1,537	1,287	0	8,985	240	113	8,632
2022	5,146	1,292	1,084	0	7,522	188	95	7,239
2023	4,149	1,048	880	0	6,077	150	77	5,850
2024	3,505	888	747	0	5,140	125	65	4,950
2025	2,971	756	635	0	4,362	103	56	4,203
2026	2,520	643	541	0	3,704	87	47	3,570
Sub-Total	185,853	47,357	40,526	0	273,736	9,019	3,583	261,134
Remainder	8,074	2,134	1,823	0	12,031	257	158	11,616
Total Future	193,927	49,491	42,349	0	285,767	9,276	3,741	272,750

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	5,844	0	10,849	8,936	25,629	23,872	23,872	22,587
2013	3,746	0	9,464	5,970	19,180	13,928	37,800	12,090
2014	2,175	0	1,345	2,925	6,445	9,802	47,602	7,654
2015	2,999	0	2,791	7,777	13,567	28,580	76,182	20,142
2016	1,890	0	813	4,777	7,480	18,430	94,612	11,815
2017	1,520	0	150	3,636	5,306	14,476	109,088	8,397
2018	1,318	0	125	3,025	4,468	12,036	121,124	6,319
2019	1,109	0	86	2,382	3,577	9,451	130,575	4,492
2020	993	0	41	1,906	2,940	7,523	138,098	3,234
2021	919	0	38	1,569	2,526	6,106	144,204	2,377
2022	800	0	35	1,312	2,147	5,092	149,296	1,793
2023	734	0	34	1,059	1,827	4,023	153,319	1,283
2024	680	0	31	896	1,607	3,343	156,662	964
2025	649	0	34	760	1,443	2,760	159,422	721
2026	607	0	31	646	1,284	2,286	161,708	541
Sub-Total	25,983	0	25,867	47,576	99,426	161,708		104,409
Remainder	2,266	0	2,057	2,087	6,410	5,206	166,914	1,052
Total Future	28,249	0	27,924	49,663	105,836	166,914		105,461

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

TABLE 8

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROVED UNDEVELOPED

PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	879,434
12.00% –	773,409
15.00% –	645,012
20.00% –	489,072
25.00% –	380,937

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	5	1,161,864	188,269	3,552	1,092,353	177,006	2,550	80.00	2.41
2013	8	1,886,333	326,662	6,229	1,775,026	307,387	4,475	80.00	2.41
2014	12	2,113,659	396,609	7,731	1,878,294	352,445	5,239	80.00	2.41
2015	12	3,558,478	851,942	18,374	3,112,764	745,231	12,197	80.00	2.41
2016	15	3,286,399	913,258	18,332	2,766,976	768,917	11,568	80.00	2.41
2017	15	2,594,446	1,011,959	19,956	2,164,821	844,383	12,425	80.00	2.41
2018	15	2,282,939	974,809	19,922	1,919,385	819,575	12,559	80.00	2.41
2019	15	2,021,693	895,355	18,689	1,727,857	765,220	12,014	80.00	2.41
2020	15	1,742,579	793,842	16,761	1,524,753	694,610	11,049	80.00	2.41
2021	15	1,514,133	705,315	15,027	1,356,072	631,688	10,149	80.00	2.41
2022	15	1,323,651	629,588	13,510	1,207,489	574,337	9,302	80.00	2.41
2023	15	1,165,082	567,392	12,227	1,026,997	500,143	8,136	80.00	2.41
2024	15	1,032,301	513,270	11,091	912,087	453,498	7,402	80.00	2.41
2025	15	919,449	465,872	10,081	813,619	412,251	6,741	80.00	2.41
2026	15	821,342	423,566	9,175	727,067	374,949	6,139	80.00	2.41
Sub-Total		27,424,348	9,657,708	200,657	24,005,560	8,421,640	131,945	80.00	2.41
Remainder		3,183,430	1,817,151	39,702	2,833,114	1,617,817	26,722	80.00	2.41
Total Future		30,607,778	11,474,859	240,359	26,838,674	10,039,457	158,667	80.00	2.41
Cumulative		0	0	0					
Ultimate		30,607,778	11,474,859	240,359					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	87,388	6,195	6,138	0	99,721	4,614	507	94,600
2013	142,002	10,759	10,769	0	163,530	7,356	867	155,307
2014	150,264	12,335	12,609	0	175,208	7,498	998	166,712
2015	249,021	26,083	29,360	0	304,464	12,974	2,312	289,178
2016	221,358	26,913	27,845	0	276,116	11,223	2,256	262,637
2017	173,186	29,553	29,909	0	232,648	8,434	2,444	221,770
2018	153,551	28,685	30,229	0	212,465	7,248	2,398	202,819
2019	138,228	26,783	28,919	0	193,930	6,234	2,245	185,451
2020	121,980	24,311	26,595	0	172,886	5,135	2,036	165,715
2021	108,486	22,109	24,426	0	155,021	4,220	1,861	148,940
2022	96,599	20,102	22,389	0	139,090	3,536	1,700	133,854
2023	82,160	17,505	19,586	0	119,251	2,966	1,484	114,801
2024	72,967	15,872	17,814	0	106,653	2,597	1,347	102,709
2025	65,089	14,429	16,225	0	95,743	2,265	1,226	92,252
2026	58,166	13,123	14,773	0	86,062	1,990	1,116	82,956
Sub-Total	1,920,445	294,757	317,586	0	2,532,788	88,290	24,797	2,419,701
Remainder	226,649	56,624	64,330	0	347,603	7,150	4,838	335,615
Total Future	2,147,094	351,381	381,916	0	2,880,391	95,440	29,635	2,755,316

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	2,455	0	56,858	18,003	77,316	17,284	17,284	16,791
2013	6,211	0	73,727	29,442	109,380	45,927	63,211	39,065
2014	8,980	0	40,946	31,414	81,340	85,372	148,583	65,951
2015	11,516	0	6,197	53,592	71,305	217,873	366,456	153,865
2016	12,069	0	50,795	48,651	111,515	151,122	517,578	96,363
2017	11,463	0	1,355	40,372	53,190	168,580	686,158	97,770
2018	10,261	0	1,306	36,470	48,037	154,782	840,940	81,137
2019	9,363	0	1,051	33,091	43,505	141,946	982,886	67,354
2020	8,601	0	551	29,386	38,538	127,177	1,110,063	54,626
2021	8,014	0	558	26,267	34,839	114,101	1,224,164	44,362
2022	7,217	0	557	23,502	31,276	102,578	1,326,742	36,100
2023	6,678	0	557	20,099	27,334	87,467	1,414,209	27,864
2024	7,219	0	558	17,940	25,717	76,992	1,491,201	22,202
2025	5,904	0	613	16,076	22,593	69,659	1,560,860	18,183
2026	5,556	0	607	14,428	20,591	62,365	1,623,225	14,736
Sub-Total	121,507	0	236,236	438,733	796,476	1,623,225		836,369
Remainder	24,412	0	8,853	57,712	90,977	244,638	1,867,863	43,065
Total Future	145,919	0	245,089	496,445	887,453	1,867,863		879,434

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 9

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROBABLE

TOTAL
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS	CONTAINS PRODUCTION BONUS PAYMENTS						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	3,471,772
12.00% –	2,992,815
15.00% –	2,413,537
20.00% –	1,715,267
25.00% –	1,239,607

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	4	856,123	366,505	7,899	796,817	341,119	5,793	80.00	2.41
2013	8	2,289,785	775,834	17,596	2,181,936	739,289	13,106	80.00	2.41
2014	28	4,131,494	1,176,229	25,791	3,904,056	1,111,479	18,797	80.00	2.41
2015	40	14,738,068	4,119,326	88,874	13,031,814	3,642,417	61,079	80.00	2.41
2016	51	15,789,511	4,633,886	95,971	13,157,869	3,861,562	61,876	80.00	2.41
2017	59	15,241,297	4,609,492	97,806	12,719,746	3,846,884	63,531	80.00	2.41
2018	61	14,693,982	4,877,556	100,950	12,316,479	4,088,362	65,106	80.00	2.41
2019	61	11,796,863	4,466,449	92,481	10,009,585	3,789,763	60,166	80.00	2.41
2020	62	9,494,190	4,061,106	84,300	8,232,243	3,521,312	55,921	80.00	2.41
2021	59	8,192,384	3,640,247	74,939	7,258,084	3,225,094	50,460	80.00	2.41
2022	58	7,129,816	3,288,145	67,657	6,432,338	2,966,484	46,328	80.00	2.41
2023	58	6,278,387	3,018,881	62,239	5,470,154	2,630,254	41,185	80.00	2.41
2024	58	5,433,734	2,596,485	52,872	4,748,856	2,269,220	35,124	80.00	2.41
2025	57	4,755,956	2,369,155	48,739	4,163,802	2,074,176	32,429	80.00	2.41
2026	50	3,987,806	2,223,594	45,514	3,497,621	1,950,270	30,361	80.00	2.41
Sub-Total		124,809,396	46,222,890	963,628	107,921,400	40,057,685	641,262	80.00	2.41
Remainder		12,763,423	7,435,348	156,740	11,304,153	6,587,076	105,493	80.00	2.41
Total Future		137,572,819	53,658,238	1,120,368	119,225,553	46,644,761	746,755	80.00	2.41
Cumulative		0	0	0					
Ultimate		137,572,819	53,658,238	1,120,368					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	63,745	11,939	13,945	0	89,629	1,976	1,035	86,618
2013	174,555	25,875	31,547	0	231,977	6,389	2,297	223,291
2014	312,325	38,902	45,250	0	396,477	14,679	3,366	378,432
2015	1,042,545	127,485	147,009	0	1,317,039	63,700	12,078	1,241,261
2016	1,052,629	135,154	148,952	0	1,336,735	64,947	12,643	1,259,145
2017	1,017,580	134,641	152,902	0	1,305,123	62,479	12,824	1,229,820
2018	985,319	143,093	156,713	0	1,285,125	60,203	13,432	1,211,490
2019	800,766	132,642	144,812	0	1,078,220	47,165	12,291	1,018,764
2020	658,580	123,246	134,613	0	916,439	37,012	11,268	868,159
2021	580,646	112,878	121,458	0	814,982	31,413	10,053	773,516
2022	514,587	103,827	111,503	0	729,917	27,016	9,130	693,771
2023	437,613	92,059	99,126	0	628,798	22,494	8,068	598,236
2024	379,908	79,422	84,546	0	543,876	19,033	6,838	518,005
2025	333,105	72,597	78,063	0	483,765	16,222	6,237	461,306
2026	279,810	68,259	73,080	0	421,149	13,011	5,809	402,329
Sub-Total	8,633,713	1,402,019	1,543,519	0	11,579,251	487,739	127,369	10,964,143
Remainder	904,332	230,548	253,910	0	1,388,790	34,547	19,401	1,334,842
Total Future	9,538,045	1,632,567	1,797,429	0	12,968,041	522,286	146,770	12,298,985

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	11,769	0	126,132	15,148	153,049	−66,431	−66,431	−63,348
2013	24,523	0	280,854	39,629	345,006	−121,715	−188,146	−103,705
2014	44,189	0	217,677	68,897	330,763	47,669	−140,477	34,939
2015	85,177	0	152,129	229,335	466,641	774,620	634,143	546,398
2016	89,193	0	112,442	233,302	434,937	824,208	1,458,351	526,523
2017	84,269	0	52,807	226,617	363,693	866,127	2,324,478	501,320
2018	86,214	0	31,957	222,888	341,059	870,431	3,194,909	456,144
2019	77,397	0	2,130	185,584	265,111	753,653	3,948,562	358,062
2020	69,463	0	1,022	156,477	226,962	641,197	4,589,759	275,447
2021	65,819	0	1,622	139,107	206,548	566,968	5,156,727	220,477
2022	60,082	0	1,222	124,310	185,614	508,157	5,664,884	178,863
2023	58,359	0	1,022	106,738	166,119	432,117	6,097,001	137,663
2024	54,102	0	1,022	92,528	147,652	370,353	6,467,354	106,876
2025	53,158	0	1,822	81,933	136,913	324,393	6,791,747	84,702
2026	51,226	0	2,422	70,801	124,449	277,880	7,069,627	65,674
Sub-Total	914,940	0	986,282	1,993,294	3,894,516	7,069,627		3,326,035
Remainder	227,282	0	71,081	231,528	529,891	804,951	7,874,578	145,737
Total Future	1,142,222	0	1,057,363	2,224,822	4,424,407	7,874,578		3,471,772

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 10

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
PROBABLE NON PRODUCING

PROBABLE
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	522,977
12.00% -	443,017
15.00% -	350,582
20.00% -	246,526
25.00% -	181,108

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	495,038	102,666	1,973	460,745	95,555	1,420	80.00	2.41
2013	1	714,904	154,078	3,552	681,232	146,820	2,645	80.00	2.41
2014	1	616,778	141,728	3,205	582,825	133,925	2,370	80.00	2.41
2015	1	561,780	167,611	3,776	496,741	148,207	2,594	80.00	2.41
2016	1	734,508	205,634	4,180	612,088	171,362	2,706	80.00	2.41
2017	1	859,632	284,963	5,365	717,415	237,818	3,469	80.00	2.41
2018	1	986,966	370,406	6,835	827,272	310,473	4,424	80.00	2.41
2019	1	1,109,311	519,118	9,153	941,247	440,470	5,992	80.00	2.41
2020	2	1,370,218	740,150	13,454	1,188,089	641,770	8,961	80.00	2.41
2021	2	1,558,791	896,919	16,758	1,381,017	794,631	11,378	80.00	2.41
2022	2	1,533,233	896,791	16,748	1,383,245	809,061	11,574	80.00	2.41
2023	2	1,521,398	897,709	16,744	1,325,546	782,147	11,173	80.00	2.41
2024	2	1,379,765	701,197	12,007	1,205,857	612,816	8,078	80.00	2.41
2025	2	1,408,063	668,331	11,920	1,232,748	585,117	8,011	80.00	2.41
2026	2	1,311,318	692,940	12,281	1,150,130	607,765	8,271	80.00	2.41
Sub-Total		16,161,703	7,440,241	137,951	14,186,197	6,517,937	93,066	80.00	2.41
Remainder		3,164,595	1,122,537	18,826	2,802,473	991,601	12,857	80.00	2.41
Total Future		19,326,298	8,562,778	156,777	16,988,670	7,509,538	105,923	80.00	2.41
Cumulative		0	0	0					
Ultimate		19,326,298	8,562,778	156,777					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	36,860	3,344	3,417	0	43,621	1,143	270	42,208
2013	54,498	5,139	6,368	0	66,005	1,994	461	63,550
2014	46,626	4,688	5,704	0	57,018	2,192	415	54,411
2015	39,740	5,187	6,243	0	51,170	2,428	503	48,239
2016	48,967	5,997	6,514	0	61,478	3,021	557	57,900
2017	57,393	8,324	8,349	0	74,066	3,524	744	69,798
2018	66,181	10,867	10,650	0	87,698	4,044	964	82,690
2019	75,300	15,416	14,423	0	105,139	4,435	1,322	99,382
2020	95,047	22,462	21,568	0	139,077	5,342	1,924	131,811
2021	110,482	27,812	27,385	0	165,679	5,977	2,368	157,334
2022	110,659	28,317	27,859	0	166,835	5,809	2,381	158,645
2023	106,044	27,375	26,895	0	160,314	5,451	2,291	152,572
2024	96,469	21,449	19,441	0	137,359	4,833	1,705	130,821
2025	98,619	20,479	19,286	0	138,384	4,803	1,646	131,935
2026	92,011	21,272	19,907	0	133,190	4,278	1,692	127,220
Sub-Total	1,134,896	228,128	224,009	0	1,587,033	59,274	19,243	1,508,516
Remainder	224,198	34,706	30,945	0	289,849	8,631	2,632	278,586
Total Future	1,359,094	262,834	254,954	0	1,876,882	67,905	21,875	1,787,102

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	2,934	0	20,857	7,792	31,583	10,625	10,625	10,022
2013	3,330	0	11,342	11,574	26,246	37,304	47,929	32,186
2014	3,103	0	1,133	9,981	14,217	40,194	88,123	31,350
2015	2,019	0	156	8,831	11,006	37,233	125,356	26,290
2016	2,299	0	129	10,774	13,202	44,698	170,054	28,570
2017	2,679	0	28	12,980	15,687	54,111	224,165	31,289
2018	3,119	0	23	15,312	18,454	64,236	288,401	33,626
2019	3,718	0	20	18,251	21,989	77,393	365,794	36,679
2020	4,907	0	11	23,853	28,771	103,040	468,834	44,067
2021	5,810	0	12	28,190	34,012	123,322	592,156	47,914
2022	5,751	0	12	28,360	34,123	124,522	716,678	43,794
2023	5,736	0	12	27,241	32,989	119,583	836,261	38,072
2024	4,699	0	13	23,844	28,556	102,265	938,526	29,532
2025	4,744	0	12	23,982	28,738	103,197	1,041,723	26,908
2026	4,654	0	13	22,962	27,629	99,591	1,141,314	23,516
Sub-Total	59,502	0	33,773	273,927	367,202	1,141,314		483,815
Remainder	10,581	0	864	51,299	62,744	215,842	1,357,156	39,162
Total Future	70,083	0	34,637	325,226	429,946	1,357,156		522,977

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

TABLE 11

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
CHINAVERSKOYE FIELD
TOTAL PROBABLE UNDEVELOPED

PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% −	2,948,795
12.00% −	2,549,798
15.00% −	2,062,954
20.00% −	1,468,741
25.00% −	1,058,499

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	3	361,085	263,839	5,926	336,072	245,564	4,373	80.00	2.41
2013	7	1,574,881	621,756	14,044	1,500,704	592,469	10,461	80.00	2.41
2014	27	3,514,716	1,034,501	22,586	3,321,231	977,554	16,427	80.00	2.41
2015	39	14,176,288	3,951,715	85,098	12,535,073	3,494,210	58,485	80.00	2.41
2016	50	15,055,003	4,428,252	91,791	12,545,781	3,690,200	59,170	80.00	2.41
2017	58	14,381,665	4,324,529	92,441	12,002,331	3,609,066	60,062	80.00	2.41
2018	60	13,707,016	4,507,150	94,115	11,489,207	3,777,889	60,682	80.00	2.41
2019	60	10,687,552	3,947,331	83,328	9,068,338	3,349,293	54,174	80.00	2.41
2020	60	8,123,972	3,320,956	70,846	7,044,154	2,879,542	46,960	80.00	2.41
2021	57	6,633,593	2,743,328	58,181	5,877,067	2,430,463	39,082	80.00	2.41
2022	56	5,596,583	2,391,354	50,909	5,049,093	2,157,423	34,754	80.00	2.41
2023	56	4,756,989	2,121,172	45,495	4,144,608	1,848,107	30,012	80.00	2.41
2024	56	4,053,969	1,895,288	40,865	3,542,999	1,656,404	27,046	80.00	2.41
2025	55	3,347,893	1,700,824	36,819	2,931,054	1,489,059	24,418	80.00	2.41
2026	48	2,676,488	1,530,654	33,233	2,347,491	1,342,505	22,090	80.00	2.41
Sub-Total		108,647,693	38,782,649	825,677	93,735,203	33,539,748	548,196	80.00	2.41
Remainder		9,598,828	6,312,811	137,914	8,501,680	5,595,475	92,636	80.00	2.41
Total Future		118,246,521	45,095,460	963,591	102,236,883	39,135,223	640,832	80.00	2.41
Cumulative		0	0	0					
Ultimate		118,246,521	45,095,460	963,591					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	26,886	8,595	10,528	0	46,009	833	765	44,411
2013	120,056	20,736	25,179	0	165,971	4,395	1,837	159,739
2014	265,699	34,214	39,546	0	339,459	12,487	2,950	324,022
2015	1,002,805	122,298	140,766	0	1,265,869	61,272	11,575	1,193,022
2016	1,003,663	129,157	142,437	0	1,275,257	61,926	12,086	1,201,245
2017	960,187	126,317	144,554	0	1,231,058	58,955	12,081	1,160,022
2018	919,136	132,226	146,064	0	1,197,426	56,159	12,467	1,128,800
2019	725,467	117,226	130,388	0	973,081	42,730	10,969	919,382
2020	563,532	100,784	113,045	0	777,361	31,671	9,345	736,345
2021	470,166	85,066	94,073	0	649,305	25,436	7,685	616,184
2022	403,927	75,510	83,644	0	563,081	21,206	6,748	535,127
2023	331,569	64,683	72,231	0	468,483	17,043	5,778	445,662
2024	283,440	57,975	65,105	0	406,520	14,200	5,132	387,188
2025	234,484	52,117	58,777	0	345,378	11,419	4,591	329,368
2026	187,800	46,987	53,174	0	287,961	8,733	4,117	275,111
Sub-Total	7,498,817	1,173,891	1,319,511	0	9,992,219	428,465	108,126	9,455,628
Remainder	680,134	195,842	222,964	0	1,098,940	25,915	16,770	1,056,255
Total Future	8,178,951	1,369,733	1,542,475	0	11,091,159	454,380	124,896	10,511,883

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	8,835	0	105,275	7,356	121,466	−77,055	−77,055	−73,370
2013	21,193	0	269,511	28,055	318,759	−159,020	−236,075	−135,891
2014	41,086	0	216,545	58,916	316,547	7,475	−228,600	3,589
2015	83,159	0	151,973	220,504	455,636	737,386	508,786	520,108
2016	86,893	0	112,313	222,528	421,734	779,511	1,288,297	497,953
2017	81,591	0	52,778	213,637	348,006	812,016	2,100,313	470,031
2018	83,094	0	31,934	207,576	322,604	806,196	2,906,509	422,518
2019	73,678	0	2,111	167,333	243,122	676,260	3,582,769	321,383
2020	64,558	0	1,011	132,624	198,193	538,152	4,120,921	231,380
2021	60,008	0	1,610	110,917	172,535	443,649	4,564,570	172,563
2022	54,331	0	1,210	95,951	151,492	383,635	4,948,205	135,069
2023	52,623	0	1,010	79,496	133,129	312,533	5,260,738	99,591
2024	49,403	0	1,010	68,684	119,097	268,091	5,528,829	77,344
2025	48,415	0	1,809	57,951	108,175	221,193	5,750,022	57,794
2026	46,571	0	2,409	47,839	96,819	178,292	5,928,314	42,157
Sub-Total	855,438	0	952,509	1,719,367	3,527,314	5,928,314		2,842,219
Remainder	216,701	0	70,217	180,228	467,146	589,109	6,517,423	106,576
Total Future	1,072,139	0	1,022,726	1,899,595	3,994,460	6,517,423		2,948,795

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

TABLE 12

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NORTH TOURNAISIAN
TOTAL PROVED AND PROB

PROVED AND
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	987,080
12.00% –	874,014
15.00% –	739,661
20.00% –	580,740
25.00% –	473,403

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	20	2,602,722	540,064	7,452	2,444,963	507,475	5,442	80.00	2.41
2013	21	2,566,865	508,358	7,012	2,419,937	479,020	5,141	80.00	2.41
2014	23	2,335,943	473,541	6,532	2,097,031	424,470	4,552	80.00	2.41
2015	27	2,607,040	568,993	7,853	2,290,494	499,870	5,361	80.00	2.41
2016	28	2,538,418	570,706	7,875	2,126,256	478,129	5,130	80.00	2.41
2017	28	2,261,947	562,120	7,754	1,887,558	469,080	5,032	80.00	2.41
2018	28	2,075,552	553,507	7,636	1,742,246	464,551	4,984	80.00	2.41
2019	27	1,951,871	629,354	8,683	1,661,490	535,330	5,740	80.00	2.41
2020	27	1,897,100	676,464	9,335	1,650,998	588,088	6,310	80.00	2.41
2021	27	1,863,829	673,126	9,284	1,657,887	598,049	6,415	80.00	2.41
2022	27	1,814,449	644,051	8,888	1,643,187	582,622	6,251	80.00	2.41
2023	27	1,798,002	622,760	8,591	1,572,327	544,065	5,837	80.00	2.41
2024	27	1,773,233	633,158	8,737	1,554,760	554,633	5,949	80.00	2.41
2025	27	1,720,689	545,324	7,525	1,511,063	478,601	5,133	80.00	2.41
2026	27	1,616,402	554,392	7,646	1,421,463	487,197	5,226	80.00	2.41
Sub-Total		31,424,062	8,755,918	120,803	27,681,660	7,691,180	82,503	80.00	2.41
Remainder		5,151,710	1,490,976	20,571	4,572,468	1,320,737	14,169	80.00	2.41
Total Future		36,575,772	10,246,894	141,374	32,254,128	9,011,917	96,672	80.00	2.41
Cumulative		14,318,127	0	28,321					
Ultimate		50,893,899	10,246,894	169,695					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	195,597	17,762	13,103	0	226,462	9,976	1,267	215,219
2013	193,595	16,765	12,368	0	222,728	9,586	1,173	211,969
2014	167,763	14,857	10,960	0	193,580	8,289	1,033	184,258
2015	183,239	17,495	12,907	0	213,641	10,218	1,295	202,128
2016	170,100	16,735	12,345	0	199,180	9,557	1,245	188,378
2017	151,005	16,418	12,112	0	179,535	8,334	1,225	169,976
2018	139,380	16,259	11,995	0	167,634	7,593	1,216	158,825
2019	132,919	18,736	13,822	0	165,477	7,012	1,398	157,067
2020	132,080	20,583	15,185	0	167,848	6,667	1,525	159,656
2021	132,631	20,932	15,441	0	169,004	6,429	1,533	161,042
2022	131,455	20,392	15,044	0	166,891	6,182	1,481	159,228
2023	125,786	19,042	14,048	0	158,876	5,855	1,380	151,641
2024	124,381	19,412	14,320	0	158,113	5,694	1,394	151,025
2025	120,885	16,751	12,358	0	149,994	5,404	1,196	143,394
2026	113,717	17,052	12,579	0	143,348	4,887	1,211	137,250
Sub-Total	2,214,533	269,191	198,587	0	2,682,311	111,683	19,572	2,551,056
Remainder	365,797	46,226	34,102	0	446,125	13,044	3,217	429,864
Total Future	2,580,330	315,417	232,689	0	3,128,436	124,727	22,789	2,980,920

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	13,891	0	48,377	41,354	103,622	111,597	111,597	106,749
2013	11,287	0	37,062	40,709	89,058	122,911	234,508	106,126
2014	10,579	0	36,696	35,367	82,642	101,616	336,124	79,411
2015	7,343	0	33,234	38,973	79,550	122,578	458,702	86,112
2016	6,938	0	9,235	36,314	52,487	135,891	594,593	86,902
2017	6,388	0	257	32,661	39,306	130,670	725,263	75,613
2018	6,026	0	229	30,447	36,702	122,123	847,386	63,969
2019	6,054	0	185	29,913	36,152	120,915	968,301	57,334
2020	6,261	0	102	30,259	36,622	123,034	1,091,335	52,804
2021	6,403	0	108	30,456	36,967	124,075	1,215,410	48,202
2022	6,253	0	113	30,090	36,456	122,772	1,338,182	43,173
2023	6,270	0	118	28,665	35,053	116,588	1,454,770	37,113
2024	6,354	0	124	28,502	34,980	116,045	1,570,815	33,437
2025	6,232	0	143	27,127	33,502	109,892	1,680,707	28,663
2026	6,205	0	149	25,870	32,224	105,026	1,785,733	24,798
Sub-Total	112,484	0	166,132	486,707	765,323	1,785,733		930,406
Remainder	25,310	0	6,524	80,873	112,707	317,157	2,102,890	56,674
Total Future	137,794	0	172,656	567,580	878,030	2,102,890		987,080

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 13

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NORTH TOURNAISIAN
TOTAL PROVED RESERVES

TOTAL
PROVED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	555,866
12.00% -	508,571
15.00% -	450,358
20.00% -	377,463
25.00% -	324,540

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	19	2,385,951	510,637	7,046	2,243,208	480,087	5,148	80.00	2.41
2013	20	2,185,902	453,273	6,252	2,056,918	426,529	4,578	80.00	2.41
2014	20	1,959,295	408,527	5,635	1,741,118	363,035	3,893	80.00	2.41
2015	20	1,552,739	342,420	4,727	1,358,250	299,529	3,212	80.00	2.41
2016	20	1,266,368	294,847	4,069	1,066,219	248,246	2,664	80.00	2.41
2017	20	1,106,320	264,010	3,641	923,121	220,290	2,363	80.00	2.41
2018	20	987,540	235,682	3,251	830,274	198,152	2,127	80.00	2.41
2019	19	866,015	214,552	2,960	740,148	183,370	1,964	80.00	2.41
2020	19	765,118	194,762	2,689	669,476	170,413	1,830	80.00	2.41
2021	19	685,765	174,826	2,409	614,176	156,578	1,679	80.00	2.41
2022	19	619,417	156,694	2,164	565,059	142,941	1,535	80.00	2.41
2023	19	566,424	144,175	1,988	499,292	127,090	1,363	80.00	2.41
2024	19	524,485	133,625	1,845	463,407	118,063	1,266	80.00	2.41
2025	19	490,341	124,797	1,723	433,903	110,431	1,184	80.00	2.41
2026	19	460,678	116,830	1,609	407,800	103,421	1,109	80.00	2.41
Sub-Total		16,422,358	3,769,657	52,008	14,612,369	3,348,175	35,915	80.00	2.41
Remainder		2,041,646	528,369	7,290	1,818,118	470,559	5,049	80.00	2.41
Total Future		18,464,004	4,298,026	59,298	16,430,487	3,818,734	40,964	80.00	2.41
Cumulative		14,318,127	0	28,321					
Ultimate		32,782,131	4,298,026	87,619					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	179,457	16,803	12,396	0	208,656	9,475	1,200	197,981
2013	164,553	14,929	11,013	0	190,495	8,524	1,046	180,925
2014	139,289	12,706	9,374	0	161,369	6,951	883	153,535
2015	108,661	10,483	7,733	0	126,877	5,661	759	120,457
2016	85,297	8,689	6,410	0	100,396	4,324	622	95,450
2017	73,850	7,710	5,688	0	87,248	3,597	551	83,100
2018	66,422	6,935	5,116	0	78,473	3,135	491	74,847
2019	59,211	6,418	4,735	0	70,364	2,671	449	67,244
2020	53,558	5,965	4,400	0	63,923	2,254	415	61,254
2021	49,135	5,480	4,043	0	58,658	1,912	381	56,365
2022	45,204	5,003	3,691	0	53,898	1,654	347	51,897
2023	39,944	4,448	3,281	0	47,673	1,442	309	45,922
2024	37,072	4,132	3,049	0	44,253	1,320	288	42,645
2025	34,713	3,865	2,851	0	41,429	1,208	268	39,953
2026	32,624	3,620	2,670	0	38,914	1,116	252	37,546
Sub-Total	1,168,990	117,186	86,450	0	1,372,626	55,244	8,261	1,309,121
Remainder	145,449	16,470	12,150	0	174,069	4,571	1,145	168,353
Total Future	1,314,439	133,656	98,600	0	1,546,695	59,815	9,406	1,477,474

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	13,477	0	48,377	38,079	99,933	98,048	98,048	93,851
2013	10,552	0	37,062	34,787	82,401	98,524	196,572	85,116
2014	9,826	0	20,696	29,465	59,987	93,548	290,120	73,061
2015	5,133	0	1,234	23,140	29,507	90,950	381,070	64,255
2016	4,264	0	1,235	18,290	23,789	71,661	452,731	45,828
2017	3,848	0	257	15,887	19,992	63,108	515,839	36,531
2018	3,545	0	229	14,289	18,063	56,784	572,623	29,754
2019	3,345	0	185	12,801	16,331	50,913	623,536	24,149
2020	3,322	0	102	11,623	15,047	46,207	669,743	19,838
2021	3,351	0	108	10,665	14,124	42,241	711,984	16,415
2022	3,200	0	113	9,801	13,114	38,783	750,767	13,642
2023	3,180	0	118	8,668	11,966	33,956	784,723	10,812
2024	3,187	0	124	8,046	11,357	31,288	816,011	9,019
2025	3,281	0	143	7,533	10,957	28,996	845,007	7,565
2026	3,332	0	149	7,076	10,557	26,989	871,996	6,375
Sub-Total	76,843	0	110,132	250,150	437,125	871,996		536,211
Remainder	18,090	0	6,524	31,638	56,252	112,101	984,097	19,655
Total Future	94,933	0	116,656	281,788	493,377	984,097		555,866

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 14

GRAND SUMMARY
NORTH TOURNAISIAN
TOTAL PROVED PRODUCING

PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL								10.00% -	335,376
FINAL								12.00% -	308,629
REMARKS								15.00% -	275,763
								20.00% -	234,684
								25.00% -	204,881

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	15	1,651,984	428,010	5,906	1,553,152	402,403	4,315	80.00	2.41
2013	14	1,182,062	317,228	4,375	1,112,312	298,512	3,204	80.00	2.41
2014	12	951,379	262,045	3,614	845,438	232,864	2,497	80.00	2.41
2015	12	805,962	223,045	3,080	705,010	195,107	2,092	80.00	2.41
2016	12	695,932	193,955	2,677	585,941	163,300	1,753	80.00	2.41
2017	12	609,103	171,453	2,364	508,241	143,060	1,534	80.00	2.41
2018	12	544,919	154,649	2,133	458,139	130,023	1,396	80.00	2.41
2019	11	479,738	140,623	1,940	410,013	120,186	1,287	80.00	2.41
2020	11	429,439	129,240	1,785	375,758	113,081	1,215	80.00	2.41
2021	11	390,426	119,451	1,645	349,668	106,984	1,147	80.00	2.41
2022	11	358,266	110,887	1,532	326,826	101,154	1,086	80.00	2.41
2023	11	330,970	103,296	1,424	291,744	91,056	977	80.00	2.41
2024	11	307,259	96,515	1,333	271,477	85,275	914	80.00	2.41
2025	11	286,327	90,369	1,248	253,372	79,966	857	80.00	2.41
2026	11	267,566	84,722	1,166	236,853	74,997	804	80.00	2.41
Sub-Total		9,291,332	2,625,488	36,222	8,283,944	2,337,968	25,078	80.00	2.41
Remainder		1,285,545	409,502	5,650	1,145,023	364,742	3,914	80.00	2.41
Total Future		10,576,877	3,034,990	41,872	9,428,967	2,702,710	28,992	80.00	2.41
Cumulative		11,152,799	0	20,914					
Ultimate		21,729,676	3,034,990	62,786					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	124,252	14,084	10,390	0	148,726	6,561	1,006	141,159
2013	88,985	10,448	7,708	0	107,141	4,609	732	101,800
2014	67,635	8,150	6,012	0	81,797	3,375	566	77,856
2015	56,401	6,829	5,038	0	68,268	2,938	495	64,835
2016	46,875	5,716	4,216	0	56,807	2,377	409	54,021
2017	40,659	5,007	3,694	0	49,360	1,980	358	47,022
2018	36,652	4,550	3,357	0	44,559	1,730	322	42,507
2019	32,801	4,207	3,104	0	40,112	1,479	294	38,339
2020	30,060	3,958	2,919	0	36,937	1,266	275	35,396
2021	27,974	3,744	2,763	0	34,481	1,088	261	33,132
2022	26,146	3,541	2,612	0	32,299	957	246	31,096
2023	23,339	3,187	2,351	0	28,877	843	221	27,813
2024	21,719	2,984	2,201	0	26,904	773	208	25,923
2025	20,269	2,799	2,065	0	25,133	705	194	24,234
2026	18,949	2,625	1,937	0	23,511	648	183	22,680
Sub-Total	662,716	81,829	60,367	0	804,912	31,329	5,770	767,813
Remainder	91,601	12,766	9,417	0	113,784	2,873	887	110,024
Total Future	754,317	94,595	69,784	0	918,696	34,202	6,657	877,837

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	12,116	0	16,377	27,031	55,524	85,635	85,635	81,900
2013	8,636	0	21,062	19,457	49,155	52,645	138,280	45,522
2014	7,879	0	4,696	14,845	27,420	50,436	188,716	39,380
2015	3,664	0	1,234	12,388	17,286	47,549	236,265	33,613
2016	3,120	0	1,235	10,307	14,662	39,359	275,624	25,186
2017	2,839	0	257	8,954	12,050	34,972	310,596	20,253
2018	2,650	0	229	8,081	10,960	31,547	342,143	16,538
2019	2,557	0	185	7,269	10,011	28,328	370,471	13,442
2020	2,634	0	102	6,689	9,425	25,971	396,442	11,156
2021	2,750	0	108	6,241	9,099	24,033	420,475	9,342
2022	2,678	0	113	5,845	8,636	22,460	442,935	7,904
2023	2,709	0	118	5,225	8,052	19,761	462,696	6,294
2024	2,754	0	124	4,867	7,745	18,178	480,874	5,242
2025	2,875	0	143	4,545	7,563	16,671	497,545	4,350
2026	2,950	0	149	4,252	7,351	15,329	512,874	3,622
Sub-Total	62,811	0	46,132	145,996	254,939	512,874		323,744
Remainder	16,608	0	6,524	20,576	43,708	66,316	579,190	11,632
Total Future	79,419	0	52,656	166,572	298,647	579,190		335,376

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

TABLE 15

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NORTH TOURNAISIAN
TOTAL PROVED NON PRODUCING

PROVED
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		3,165,328	0	7,407					
Ultimate		3,165,328	0	7,407					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 16

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NORTH TOURNAISIAN
TOTAL PROVED UNDEVELOPED

PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	220,489
12.00% -	199,943
15.00% -	174,595
20.00% -	142,779
25.00% -	119,659

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	4	733,967	82,627	1,140	690,056	77,684	833	80.00	2.41
2013	6	1,003,840	136,045	1,877	944,606	128,017	1,374	80.00	2.41
2014	8	1,007,916	146,482	2,021	895,680	130,171	1,396	80.00	2.41
2015	8	746,777	119,375	1,647	653,240	104,422	1,120	80.00	2.41
2016	8	570,436	100,892	1,392	480,278	84,946	911	80.00	2.41
2017	8	497,217	92,557	1,277	414,880	77,230	829	80.00	2.41
2018	8	442,621	81,033	1,118	372,135	68,129	731	80.00	2.41
2019	8	386,277	73,929	1,020	330,135	63,184	677	80.00	2.41
2020	8	335,679	65,522	904	293,718	57,332	615	80.00	2.41
2021	8	295,339	55,375	764	264,508	49,594	532	80.00	2.41
2022	8	261,151	45,807	632	238,233	41,787	449	80.00	2.41
2023	8	235,454	40,879	564	207,548	36,034	386	80.00	2.41
2024	8	217,226	37,110	512	191,930	32,788	352	80.00	2.41
2025	8	204,014	34,428	475	180,531	30,465	327	80.00	2.41
2026	8	193,112	32,108	443	170,947	28,424	305	80.00	2.41
Sub-Total		7,131,026	1,144,169	15,786	6,328,425	1,010,207	10,837	80.00	2.41
Remainder		756,101	118,867	1,640	673,095	105,817	1,135	80.00	2.41
Total Future		7,887,127	1,263,036	17,426	7,001,520	1,116,024	11,972	80.00	2.41
Cumulative		0	0	0					
Ultimate		7,887,127	1,263,036	17,426					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	55,204	2,719	2,006	0	59,929	2,915	194	56,820
2013	75,569	4,481	3,305	0	83,355	3,914	314	79,127
2014	71,654	4,556	3,361	0	79,571	3,576	317	75,678
2015	52,260	3,654	2,696	0	58,610	2,723	264	55,623
2016	38,422	2,973	2,194	0	43,589	1,948	213	41,428
2017	33,190	2,703	1,994	0	37,887	1,616	193	36,078
2018	29,771	2,385	1,759	0	33,915	1,405	169	32,341
2019	26,411	2,211	1,631	0	30,253	1,191	155	28,907
2020	23,497	2,007	1,481	0	26,985	989	139	25,857
2021	21,161	1,736	1,280	0	24,177	824	121	23,232
2022	19,059	1,462	1,079	0	21,600	697	102	20,801
2023	16,603	1,262	931	0	18,796	600	87	18,109
2024	15,355	1,147	846	0	17,348	546	80	16,722
2025	14,442	1,066	787	0	16,295	503	74	15,718
2026	13,676	995	734	0	15,405	467	69	14,869
Sub-Total	506,274	35,357	26,084	0	567,715	23,914	2,491	541,310
Remainder	53,848	3,704	2,732	0	60,284	1,699	258	58,327
Total Future	560,122	39,061	28,816	0	627,999	25,613	2,749	599,637

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,361	0	32,000	11,048	44,409	12,411	12,411	11,952
2013	1,916	0	16,000	15,330	33,246	45,881	58,292	39,593
2014	1,947	0	16,000	14,619	32,566	43,112	101,404	33,681
2015	1,468	0	0	10,753	12,221	43,402	144,806	30,642
2016	1,145	0	0	7,983	9,128	32,300	177,106	20,642
2017	1,009	0	0	6,933	7,942	28,136	205,242	16,277
2018	895	0	0	6,207	7,102	25,239	230,481	13,217
2019	788	0	0	5,534	6,322	22,585	253,066	10,706
2020	688	0	0	4,933	5,621	20,236	273,302	8,683
2021	600	0	0	4,423	5,023	18,209	291,511	7,073
2022	524	0	0	3,957	4,481	16,320	307,831	5,739
2023	470	0	0	3,443	3,913	14,196	322,027	4,517
2024	433	0	0	3,180	3,613	13,109	335,136	3,777
2025	405	0	0	2,986	3,391	12,327	347,463	3,215
2026	383	0	0	2,825	3,208	11,661	359,124	2,753
Sub-Total	14,032	0	64,000	104,154	182,186	359,124		212,467
Remainder	1,482	0	0	11,062	12,544	45,783	404,907	8,022
Total Future	15,514	0	64,000	115,216	194,730	404,907		220,489

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 17

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NORTH TOURNAISIAN
TOTAL PROBABLE

TOTAL
PROBABLE

	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
INITIAL								10.00% -	431,214
FINAL								12.00% -	365,442
REMARKS								15.00% -	289,303
								20.00% -	203,278
								25.00% -	148,863

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	216,771	29,427	406	201,755	27,388	294	80.00	2.41
2013	1	380,963	55,085	760	363,019	52,491	563	80.00	2.41
2014	3	376,648	65,014	897	355,913	61,435	659	80.00	2.41
2015	7	1,054,301	226,573	3,126	932,244	200,341	2,149	80.00	2.41
2016	8	1,272,050	275,859	3,806	1,060,037	229,883	2,466	80.00	2.41
2017	8	1,155,627	298,110	4,113	964,437	248,790	2,669	80.00	2.41
2018	8	1,088,012	317,825	4,385	911,972	266,399	2,857	80.00	2.41
2019	8	1,085,856	414,802	5,723	921,342	351,960	3,776	80.00	2.41
2020	8	1,131,982	481,702	6,646	981,522	417,675	4,480	80.00	2.41
2021	8	1,178,064	498,300	6,875	1,043,711	441,471	4,736	80.00	2.41
2022	8	1,195,032	487,357	6,724	1,078,128	439,681	4,716	80.00	2.41
2023	8	1,231,578	478,585	6,603	1,073,035	416,975	4,474	80.00	2.41
2024	8	1,248,748	499,533	6,892	1,091,353	436,570	4,683	80.00	2.41
2025	8	1,230,348	420,527	5,802	1,077,160	368,170	3,949	80.00	2.41
2026	8	1,155,724	437,562	6,037	1,013,663	383,776	4,117	80.00	2.41
Sub-Total		15,001,704	4,986,261	68,795	13,069,291	4,343,005	46,588	80.00	2.41
Remainder		3,110,064	962,607	13,281	2,754,350	850,178	9,120	80.00	2.41
Total Future		18,111,768	5,948,868	82,076	15,823,641	5,193,183	55,708	80.00	2.41
Cumulative		0	0	0					
Ultimate		18,111,768	5,948,868	82,076					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	16,140	959	707	0	17,806	500	67	17,239
2013	29,042	1,837	1,355	0	32,234	1,063	127	31,044
2014	28,473	2,150	1,587	0	32,210	1,339	150	30,721
2015	74,579	7,012	5,173	0	86,764	4,556	536	81,672
2016	84,803	8,046	5,935	0	98,784	5,233	622	92,929
2017	77,155	8,707	6,424	0	92,286	4,737	675	86,874
2018	72,958	9,324	6,878	0	89,160	4,458	726	83,976
2019	73,708	12,319	9,088	0	95,115	4,341	948	89,826
2020	78,521	14,619	10,784	0	103,924	4,413	1,110	98,401
2021	83,497	15,451	11,399	0	110,347	4,517	1,152	104,678
2022	86,250	15,389	11,353	0	112,992	4,528	1,134	107,330
2023	85,843	14,594	10,766	0	111,203	4,413	1,070	105,720
2024	87,308	15,280	11,273	0	113,861	4,374	1,107	108,380
2025	86,173	12,886	9,506	0	108,565	4,196	927	103,442
2026	81,093	13,432	9,909	0	104,434	3,771	960	99,703
Sub-Total	1,045,543	152,005	112,137	0	1,309,685	56,439	11,311	1,241,935
Remainder	220,348	29,756	21,952	0	272,056	8,473	2,072	261,511
Total Future	1,265,891	181,761	134,089	0	1,581,741	64,912	13,383	1,503,446

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	414	0	0	3,275	3,689	13,550	13,550	12,898
2013	735	0	0	5,922	6,657	24,387	37,937	21,010
2014	752	0	16,000	5,902	22,654	8,067	46,004	6,350
2015	2,211	0	32,000	15,833	50,044	31,628	77,632	21,857
2016	2,673	0	8,000	18,023	28,696	64,233	141,865	41,074
2017	2,542	0	0	16,775	19,317	67,557	209,422	39,082
2018	2,481	0	0	16,158	18,639	65,337	274,759	34,216
2019	2,707	0	0	17,112	19,819	70,007	344,766	33,184
2020	2,940	0	0	18,636	21,576	76,825	421,591	32,966
2021	3,052	0	0	19,792	22,844	81,834	503,425	31,787
2022	3,053	0	0	20,288	23,341	83,989	587,414	29,530
2023	3,090	0	0	19,997	23,087	82,633	670,047	26,301
2024	3,167	0	0	20,456	23,623	84,757	754,804	24,419
2025	2,951	0	0	19,594	22,545	80,897	835,701	21,098
2026	2,872	0	0	18,794	21,666	78,037	913,738	18,423
Sub-Total	35,640	0	56,000	236,557	328,197	913,738		394,195
Remainder	7,220	0	0	49,235	56,455	205,056	1,118,794	37,019
Total Future	42,860	0	56,000	285,792	384,652	1,118,794		431,214

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

TABLE 18

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 10 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M	
COMPOUNDED	MONTHLY
10.00% –	34,850
12.00% –	31,504
15.00% –	27,453
20.00% –	22,508
25.00% –	19,027

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	113,534	69,953	965	106,741	65,768	705	80.00	2.41
2013	1	95,662	62,518	863	90,018	58,829	632	80.00	2.41
2014	1	82,659	56,512	779	73,454	50,219	538	80.00	2.41
2015	1	72,769	51,560	712	63,654	45,102	484	80.00	2.41
2016	1	64,994	47,404	654	54,722	39,912	428	80.00	2.41
2017	1	58,721	43,870	605	48,998	36,605	393	80.00	2.41
2018	1	53,553	40,826	563	45,024	34,324	368	80.00	2.41
2019	1	49,220	38,176	527	42,066	32,628	350	80.00	2.41
2020	1	45,536	35,841	495	39,845	31,360	336	80.00	2.41
2021	1	42,366	33,689	464	37,943	30,173	324	80.00	2.41
2022	1	39,608	31,668	437	36,132	28,889	310	80.00	2.41
2023	1	37,179	29,768	411	32,773	26,240	282	80.00	2.41
2024	1	34,948	27,982	386	30,877	24,724	265	80.00	2.41
2025	1	32,850	26,303	363	29,070	23,275	249	80.00	2.41
2026	1	30,880	24,725	341	27,335	21,887	235	80.00	2.41
Sub-Total		854,479	620,795	8,565	758,652	549,935	5,899	80.00	2.41
Remainder		150,036	120,132	1,657	133,639	107,002	1,148	80.00	2.41
Total Future		1,004,515	740,927	10,222	892,291	656,937	7,047	80.00	2.41
Cumulative		3,089,874	0	5,707					
Ultimate		4,094,389	740,927	15,929					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	8,539	2,302	1,698	0	12,539	451	164	11,924
2013	7,202	2,059	1,519	0	10,780	373	145	10,262
2014	5,876	1,758	1,297	0	8,931	293	122	8,516
2015	5,092	1,578	1,164	0	7,834	265	114	7,455
2016	4,378	1,397	1,031	0	6,806	222	100	6,484
2017	3,920	1,281	945	0	6,146	191	92	5,863
2018	3,602	1,202	886	0	5,690	170	85	5,435
2019	3,365	1,142	843	0	5,350	152	80	5,118
2020	3,188	1,097	809	0	5,094	134	76	4,884
2021	3,035	1,056	779	0	4,870	118	73	4,679
2022	2,891	1,011	746	0	4,648	106	71	4,471
2023	2,622	919	678	0	4,219	95	63	4,061
2024	2,470	865	638	0	3,973	88	61	3,824
2025	2,325	815	601	0	3,741	81	56	3,604
2026	2,187	766	565	0	3,518	74	53	3,391
Sub-Total	60,692	19,248	14,199	0	94,139	2,813	1,355	89,971
Remainder	10,691	3,745	2,763	0	17,199	336	261	16,602
Total Future	71,383	22,993	16,962	0	111,338	3,149	1,616	106,573

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,437	0	2,125	2,220	5,782	6,142	6,142	5,864
2013	1,139	0	2,961	1,905	6,005	4,257	10,399	3,685
2014	1,121	0	705	1,574	3,400	5,116	15,515	3,991
2015	532	0	197	1,380	2,109	5,346	20,861	3,779
2016	476	0	207	1,198	1,881	4,603	25,464	2,945
2017	454	0	45	1,080	1,579	4,284	29,748	2,481
2018	437	0	42	999	1,478	3,957	33,705	2,073
2019	439	0	34	938	1,411	3,707	37,412	1,759
2020	467	0	19	894	1,380	3,504	40,916	1,505
2021	500	0	21	854	1,375	3,304	44,220	1,284
2022	496	0	22	814	1,332	3,139	47,359	1,105
2023	512	0	23	740	1,275	2,786	50,145	887
2024	527	0	25	696	1,248	2,576	52,721	743
2025	557	0	28	656	1,241	2,363	55,084	616
2026	577	0	30	616	1,223	2,168	57,252	512
Sub-Total	9,671	0	6,484	16,564	32,719	57,252		33,229
Remainder	3,316	0	1,013	3,014	7,343	9,259	66,511	1,621
Total Future	12,987	0	7,497	19,578	40,062	66,511		34,850

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 19

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 13 (TOURNAISIAN)

OIL LEASE
PROVED
NON PRODUCING

	EXPENSE INTEREST	Revenue Interests: Oil/ Condensate	Revenue Interests: Plant Products	Revenue Interests: Gas	Product Prices: Oil/Cond. $/bbl.	Product Prices: Plt. Prod. $/bbl.	Product Prices: Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	CASING PROBLEM WELL TO BE PLUGGED IN 2012						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	0
12.00% –	0
15.00% –	0
20.00% –	0
25.00% –	0

Period	Number of Wells	Estimated 8/8 ths Production: Oil/Cond. Barrels	Estimated 8/8 ths Production: Plant Products Barrels	Estimated 8/8 ths Production: Gas MMCF	Company Net Sales: Oil/Cond. Barrels	Company Net Sales: Plant Products Barrels	Company Net Sales: Sales Gas MMCF	Average Prices: Oil/Cond. $/bbl.	Average Prices: Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		458,768	0	1,171					
Ultimate		458,768	0	1,171					

Period	Company Future Gross Revenue (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	Royalty: Oil/Cond. - $M	Royalty: Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	Future Net Income Before Income Taxes-$M: Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 20

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 20 (TOURNAISIAN)

OIL LEASE
PROVED
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	PRODUCED UNTIL APRIL 12, 2009 THEN WORKED OVER TO BISKI/AFONINSKI						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		350,240	0	625					
Ultimate		350,240	0	625					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 21

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 22 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

		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
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41	10.00% –	11,139
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% –	10,283
REMARKS								15.00% –	9,227
								20.00% –	7,898
								25.00% –	6,927

		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
2012	1	63,790	23,325	322	59,973	21,930	235	80.00	2.41
2013	1	43,949	15,363	212	41,356	14,456	155	80.00	2.41
2014	1	33,566	11,475	158	29,828	10,197	110	80.00	2.41
2015	1	27,162	9,162	126	23,760	8,014	86	80.00	2.41
2016	1	22,815	7,626	106	19,209	6,422	69	80.00	2.41
2017	1	19,669	6,534	90	16,412	5,451	58	80.00	2.41
2018	1	17,286	5,714	79	14,534	4,804	52	80.00	2.41
2019	1	15,419	5,077	70	13,178	4,340	46	80.00	2.41
2020	1	13,916	4,569	63	12,176	3,997	43	80.00	2.41
2021	1	12,680	4,153	57	11,357	3,720	40	80.00	2.41
2022	1	11,646	3,806	53	10,624	3,472	37	80.00	2.41
2023	1	10,768	3,513	48	9,491	3,097	33	80.00	2.41
2024	1	10,013	3,262	45	8,847	2,882	31	80.00	2.41
2025	1	9,357	3,045	42	8,280	2,694	29	80.00	2.41
2026	1	8,781	2,854	39	7,773	2,526	27	80.00	2.41
Sub-Total		320,817	109,478	1,510	286,798	98,002	1,051	80.00	2.41
Remainder		42,660	13,863	192	37,998	12,348	133	80.00	2.41
Total Future		363,477	123,341	1,702	324,796	110,350	1,184	80.00	2.41
Cumulative		1,997,707	0	4,550					
Ultimate		2,361,184	123,341	6,252					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

	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
2012	4,798	768	566	0	6,132	253	55	5,824
2013	3,308	506	373	0	4,187	172	35	3,980
2014	2,387	356	264	0	3,007	119	25	2,863
2015	1,900	281	207	0	2,388	99	20	2,269
2016	1,537	225	166	0	1,928	78	16	1,834
2017	1,313	190	140	0	1,643	64	14	1,565
2018	1,163	169	124	0	1,456	55	12	1,389
2019	1,054	151	112	0	1,317	47	11	1,259
2020	974	140	104	0	1,218	41	9	1,168
2021	909	131	96	0	1,136	35	9	1,092
2022	850	121	89	0	1,060	32	9	1,019
2023	759	108	80	0	947	27	7	913
2024	708	101	75	0	884	25	7	852
2025	662	95	69	0	826	23	7	796
2026	622	88	65	0	775	21	6	748
Sub-Total	22,944	3,430	2,530	0	28,904	1,091	242	27,571
Remainder	3,040	432	319	0	3,791	96	30	3,665
Total Future	25,984	3,862	2,849	0	32,695	1,187	272	31,236

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	692	0	1,009	1,105	2,806	3,018	3,018	2,891
2013	432	0	1,130	755	2,317	1,663	4,681	1,442
2014	371	0	235	542	1,148	1,715	6,396	1,340
2015	154	0	59	432	645	1,624	8,020	1,148
2016	128	0	59	348	535	1,299	9,319	832
2017	115	0	12	297	424	1,141	10,460	662
2018	106	0	10	263	379	1,010	11,470	529
2019	102	0	9	238	349	910	12,380	432
2020	107	0	4	220	331	837	13,217	359
2021	112	0	5	205	322	770	13,987	298
2022	109	0	5	191	305	714	14,701	252
2023	111	0	5	172	288	625	15,326	199
2024	114	0	6	159	279	573	15,899	165
2025	120	0	6	150	276	520	16,419	137
2026	124	0	7	140	271	477	16,896	112
Sub-Total	2,897	0	2,561	5,217	10,675	16,896		10,798
Remainder	682	0	413	685	1,780	1,885	18,781	341
Total Future	3,579	0	2,974	5,902	12,455	18,781		11,139

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

TABLE 22

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 24 (TOURNAISIAN)

OIL LEASE
PROVED
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	T1 GAS AND T2 ISOLATED WELL RECOMPLETED TO BASHKIRIAN						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	0
12.00% –	0
15.00% –	0
20.00% –	0
25.00% –	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		839,902	0	2,619					
Ultimate		839,902	0	2,619					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 23

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 28 (TOURNAISIAN)

OIL LEASE
PROVED
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						

REMARKS
PRODUCED THROUGH AUGUST 2009
RECOMPLETED TO ARDATOVSKI IN SEPTEMBER 2010

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	0
12.00% –	0
15.00% –	0
20.00% –	0
25.00% –	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		117,501	0	166					
Ultimate		117,501	0	166					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 24

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 30 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	26,897
12.00% –	25,054
15.00% –	22,757
20.00% –	19,823
25.00% –	17,633

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	194,579	31,732	438	182,938	29,833	320	80.00	2.41
2013	1	142,042	23,164	319	133,661	21,798	234	80.00	2.41
2014	1	103,691	16,910	234	92,144	15,027	161	80.00	2.41
2015	1	75,694	12,344	170	66,213	10,798	116	80.00	2.41
2016	1	55,257	9,012	124	46,524	7,587	81	80.00	2.41
2017	1	40,338	6,578	91	33,658	5,489	59	80.00	2.41
2018	1	36,103	5,888	81	30,353	4,950	53	80.00	2.41
2019	1	31,283	5,101	71	26,737	4,360	47	80.00	2.41
2020	1	29,406	4,796	66	25,730	4,196	45	80.00	2.41
2021	1	27,641	4,507	62	24,756	4,037	43	80.00	2.41
2022	1	25,984	4,238	59	23,703	3,866	42	80.00	2.41
2023	1	24,424	3,983	54	21,529	3,511	37	80.00	2.41
2024	1	22,958	3,744	52	20,285	3,308	36	80.00	2.41
2025	1	21,582	3,519	49	19,097	3,114	33	80.00	2.41
2026	1	20,286	3,309	45	17,958	2,929	32	80.00	2.41
Sub-Total		851,268	138,825	1,915	765,286	124,803	1,339	80.00	2.41
Remainder		98,565	16,074	222	87,794	14,317	153	80.00	2.41
Total Future		949,833	154,899	2,137	853,080	139,120	1,492	80.00	2.41
Cumulative		820,675	0	1,281					
Ultimate		1,770,508	154,899	3,418					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	14,635	1,044	770	0	16,449	773	75	15,601
2013	10,693	763	563	0	12,019	554	53	11,412
2014	7,371	526	388	0	8,285	367	37	7,881
2015	5,298	378	279	0	5,955	276	27	5,652
2016	3,721	266	196	0	4,183	189	19	3,975
2017	2,693	192	142	0	3,027	131	14	2,882
2018	2,428	173	127	0	2,728	115	12	2,601
2019	2,139	152	113	0	2,404	96	11	2,297
2020	2,059	147	108	0	2,314	87	10	2,217
2021	1,980	142	105	0	2,227	77	10	2,140
2022	1,896	135	99	0	2,130	69	9	2,052
2023	1,723	123	91	0	1,937	63	9	1,865
2024	1,623	116	85	0	1,824	57	8	1,759
2025	1,527	109	81	0	1,717	54	7	1,656
2026	1,437	102	75	0	1,614	49	7	1,558
Sub-Total	61,223	4,368	3,222	0	68,813	2,957	308	65,548
Remainder	7,023	501	370	0	7,894	220	35	7,639
Total Future	68,246	4,869	3,592	0	76,707	3,177	343	73,187

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,810	0	2,749	3,017	7,576	8,025	8,025	7,676
2013	1,214	0	3,248	2,204	6,666	4,746	12,771	4,116
2014	1,005	0	644	1,520	3,169	4,712	17,483	3,684
2015	373	0	146	1,091	1,610	4,042	21,525	2,860
2016	268	0	125	768	1,161	2,814	24,339	1,805
2017	205	0	22	555	782	2,100	26,439	1,218
2018	192	0	18	500	710	1,891	28,330	994
2019	183	0	16	441	640	1,657	29,987	787
2020	198	0	8	424	630	1,587	31,574	681
2021	215	0	10	409	634	1,506	33,080	585
2022	216	0	10	391	617	1,435	34,515	505
2023	223	0	11	355	589	1,276	35,791	407
2024	231	0	11	334	576	1,183	36,974	341
2025	245	0	13	315	573	1,083	38,057	282
2026	256	0	14	296	566	992	39,049	235
Sub-Total	6,834	0	7,045	12,620	26,499	39,049		26,176
Remainder	1,452	0	685	1,448	3,585	4,054	43,103	721
Total Future	8,286	0	7,730	14,068	30,084	43,103		26,897

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

TABLE 25

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 50 (TOURNAISIAN)

OIL LEASE
PROVED
SHUT IN

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	CONVERTED TO TOURNAISIAN WATER INJECTION WELL						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	0
12.00% –	0
15.00% –	0
20.00% –	0
25.00% –	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		941,131	0	1,363					
Ultimate		941,131	0	1,363					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 26

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 51 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	77,671
12.00% -	71,016
15.00% -	62,822
20.00% -	52,572
25.00% -	45,154

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	392,424	50,567	698	368,947	47,542	510	80.00	2.41
2013	1	329,916	41,371	570	310,448	38,930	418	80.00	2.41
2014	1	281,242	34,475	476	249,924	30,636	328	80.00	2.41
2015	1	242,598	29,170	403	212,212	25,516	274	80.00	2.41
2016	1	211,408	25,003	345	177,994	21,051	226	80.00	2.41
2017	1	185,869	21,668	298	155,091	18,080	194	80.00	2.41
2018	1	164,695	18,960	262	138,467	15,941	171	80.00	2.41
2019	1	146,943	16,729	231	125,587	14,297	153	80.00	2.41
2020	1	131,916	14,870	205	115,426	13,011	140	80.00	2.41
2021	1	119,081	13,304	184	106,649	11,916	127	80.00	2.41
2022	1	108,032	11,974	165	98,552	10,923	118	80.00	2.41
2023	1	98,453	10,833	149	86,784	9,549	102	80.00	2.41
2024	1	90,094	9,849	136	79,603	8,702	93	80.00	2.41
2025	1	82,756	8,992	124	73,231	7,957	86	80.00	2.41
2026	1	76,280	8,243	114	67,524	7,296	78	80.00	2.41
Sub-Total		2,661,707	316,008	4,360	2,366,439	281,347	3,018	80.00	2.41
Remainder		356,152	37,915	523	317,200	33,767	362	80.00	2.41
Total Future		3,017,859	353,923	4,883	2,683,639	315,114	3,380	80.00	2.41
Cumulative		1,529,710	0	2,356					
Ultimate		4,547,569	353,923	7,239					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	29,516	1,664	1,228	0	32,408	1,558	119	30,731
2013	24,836	1,363	1,005	0	27,204	1,287	95	25,822
2014	19,994	1,072	791	0	21,857	998	75	20,784
2015	16,976	893	659	0	18,528	884	65	17,579
2016	14,240	737	543	0	15,520	722	52	14,746
2017	12,407	632	467	0	13,506	604	45	12,857
2018	11,078	558	412	0	12,048	523	40	11,485
2019	10,047	501	369	0	10,917	453	35	10,429
2020	9,234	455	336	0	10,025	389	32	9,604
2021	8,532	417	307	0	9,256	332	29	8,895
2022	7,884	383	282	0	8,549	288	26	8,235
2023	6,943	334	247	0	7,524	251	23	7,250
2024	6,368	304	225	0	6,897	227	22	6,648
2025	5,858	279	205	0	6,342	204	19	6,119
2026	5,402	255	188	0	5,845	184	18	5,643
Sub-Total	189,315	9,847	7,264	0	206,426	8,904	695	196,827
Remainder	25,376	1,182	872	0	27,430	797	82	26,551
Total Future	214,691	11,029	8,136	0	233,856	9,701	777	223,378

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	3,544	0	5,452	5,964	14,960	15,771	15,771	15,060
2013	2,726	0	7,411	5,009	15,146	10,676	26,447	9,245
2014	2,614	0	1,712	4,025	8,351	12,433	38,880	9,705
2015	1,146	0	461	3,413	5,020	12,559	51,439	8,879
2016	984	0	468	2,859	4,311	10,435	61,874	6,677
2017	907	0	98	2,489	3,494	9,363	71,237	5,423
2018	843	0	88	2,221	3,152	8,333	79,570	4,369
2019	821	0	69	2,012	2,902	7,527	87,097	3,572
2020	850	0	37	1,848	2,735	6,869	93,966	2,950
2021	890	0	39	1,707	2,636	6,259	100,225	2,434
2022	857	0	41	1,576	2,474	5,761	105,986	2,027
2023	861	0	41	1,387	2,289	4,961	110,947	1,581
2024	869	0	43	1,272	2,184	4,464	115,411	1,288
2025	902	0	48	1,170	2,120	3,999	119,410	1,043
2026	920	0	50	1,078	2,048	3,595	123,005	850
Sub-Total	19,734	0	16,058	38,030	73,822	123,005		75,103
Remainder	5,134	0	1,784	5,060	11,978	14,573	137,578	2,568
Total Future	24,868	0	17,842	43,090	85,800	137,578		77,671

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

TABLE 27

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN — OIL LEASE
ZHAIKMUNIA - OPERATOR — PROVED
NE WELL 52 (TOURNAISIAN) — PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	26,231
12.00% -	23,818
15.00% -	20,885
20.00% -	17,282
25.00% -	14,726

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	99,341	50,112	691	93,398	47,114	505	80.00	2.41
2013	1	83,702	39,275	542	78,763	36,958	397	80.00	2.41
2014	1	72,321	32,299	446	64,268	28,702	308	80.00	2.41
2015	1	63,665	27,430	378	55,690	23,994	257	80.00	2.41
2016	1	56,860	23,837	329	47,874	20,069	215	80.00	2.41
2017	1	51,370	21,077	291	42,863	17,587	189	80.00	2.41
2018	1	46,845	18,889	261	39,385	15,882	170	80.00	2.41
2019	1	43,054	17,114	236	36,796	14,626	157	80.00	2.41
2020	1	39,830	15,643	216	34,851	13,687	147	80.00	2.41
2021	1	37,054	14,405	198	33,187	12,901	139	80.00	2.41
2022	1	34,641	13,348	184	31,600	12,177	130	80.00	2.41
2023	1	32,515	12,436	172	28,662	10,962	118	80.00	2.41
2024	1	30,564	11,640	161	27,005	10,285	110	80.00	2.41
2025	1	28,730	10,935	151	25,423	9,676	104	80.00	2.41
2026	1	27,006	10,278	141	23,906	9,099	97	80.00	2.41
Sub-Total		747,498	318,718	4,397	663,671	283,719	3,043	80.00	2.41
Remainder		131,216	49,939	689	116,875	44,481	478	80.00	2.41
Total Future		878,714	368,657	5,086	780,546	328,200	3,521	80.00	2.41
Cumulative		366,722	0	1,376					
Ultimate		1,245,436	368,657	6,462					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	7,472	1,649	1,216	0	10,337	395	118	9,824
2013	6,301	1,294	955	0	8,550	326	90	8,134
2014	5,141	1,004	741	0	6,886	256	70	6,560
2015	4,456	840	619	0	5,915	233	61	5,621
2016	3,829	702	519	0	5,050	194	50	4,806
2017	3,429	616	454	0	4,499	167	44	4,288
2018	3,151	556	410	0	4,117	148	40	3,929
2019	2,944	512	377	0	3,833	133	35	3,665
2020	2,788	479	354	0	3,621	118	34	3,469
2021	2,655	451	333	0	3,439	103	31	3,305
2022	2,528	426	314	0	3,268	92	30	3,146
2023	2,293	384	283	0	2,960	83	26	2,851
2024	2,160	360	266	0	2,786	77	25	2,684
2025	2,034	339	250	0	2,623	71	24	2,528
2026	1,913	318	235	0	2,466	65	22	2,379
Sub-Total	53,094	9,930	7,326	0	70,350	2,461	700	67,189
Remainder	9,350	1,557	1,148	0	12,055	293	108	11,654
Total Future	62,444	11,487	8,474	0	82,405	2,754	808	78,843

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,175	0	1,744	1,843	4,762	5,062	5,062	4,836
2013	891	0	2,338	1,529	4,758	3,376	8,438	2,922
2014	851	0	542	1,233	2,626	3,934	12,372	3,071
2015	388	0	148	1,060	1,596	4,025	16,397	2,845
2016	339	0	153	906	1,398	3,408	19,805	2,181
2017	319	0	33	808	1,160	3,128	22,933	1,811
2018	304	0	30	739	1,073	2,856	25,789	1,497
2019	302	0	24	689	1,015	2,650	28,439	1,257
2020	319	0	14	651	984	2,485	30,924	1,068
2021	342	0	14	618	974	2,331	33,255	905
2022	339	0	16	588	943	2,203	35,458	776
2023	348	0	16	533	897	1,954	37,412	622
2024	360	0	18	501	879	1,805	39,217	521
2025	382	0	20	472	874	1,654	40,871	431
2026	396	0	21	443	860	1,519	42,390	359
Sub-Total	7,055	0	5,131	12,613	24,799	42,390		25,102
Remainder	2,271	0	788	2,170	5,229	6,425	48,815	1,129
Total Future	9,326	0	5,919	14,783	30,028	48,815		26,231

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 28

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 53 (TOURNAISIAN)

OIL LEASE
PROVED
SHUT IN

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	CONVERTED TO TOURNAISIAN WATER INJECTION WELL						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		96,276	0	277					
Ultimate		96,276	0	277					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 29

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 54 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	40,775
12.00% -	37,398
15.00% -	33,257
20.00% -	28,102
25.00% -	24,382

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	246,770	23,851	329	232,006	22,424	241	80.00	2.41
2013	1	181,511	18,056	249	170,801	16,991	182	80.00	2.41
2014	1	143,645	14,862	205	127,650	13,207	141	80.00	2.41
2015	1	118,882	12,790	177	103,991	11,188	120	80.00	2.41
2016	1	101,415	11,316	156	85,386	9,527	103	80.00	2.41
2017	1	88,427	10,206	141	73,785	8,516	91	80.00	2.41
2018	1	78,393	9,334	128	65,908	7,848	84	80.00	2.41
2019	1	70,404	8,626	119	60,172	7,372	79	80.00	2.41
2020	1	63,895	8,040	111	55,907	7,035	76	80.00	2.41
2021	1	58,487	7,541	104	52,382	6,754	72	80.00	2.41
2022	1	53,925	7,089	98	49,192	6,466	70	80.00	2.41
2023	1	50,021	6,663	92	44,094	5,874	63	80.00	2.41
2024	1	46,647	6,263	87	41,214	5,534	59	80.00	2.41
2025	1	43,697	5,888	81	38,668	5,210	56	80.00	2.41
2026	1	41,060	5,534	76	36,347	4,899	52	80.00	2.41
Sub-Total		1,387,179	156,059	2,153	1,237,503	138,845	1,489	80.00	2.41
Remainder		199,499	26,890	371	177,696	23,951	257	80.00	2.41
Total Future		1,586,678	182,949	2,524	1,415,199	162,796	1,746	80.00	2.41
Cumulative		1,614,405	0	2,000					
Ultimate		3,201,083	182,949	4,524					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	18,561	785	579	0	19,925	980	56	18,889
2013	13,664	595	439	0	14,698	708	42	13,948
2014	10,212	462	341	0	11,015	509	32	10,474
2015	8,319	391	289	0	8,999	434	28	8,537
2016	6,831	334	246	0	7,411	346	24	7,041
2017	5,902	298	219	0	6,419	288	21	6,110
2018	5,273	275	203	0	5,751	248	20	5,483
2019	4,814	258	190	0	5,262	218	18	5,026
2020	4,473	246	182	0	4,901	188	17	4,696
2021	4,190	236	174	0	4,600	163	16	4,421
2022	3,935	226	167	0	4,328	144	16	4,168
2023	3,528	206	152	0	3,886	127	14	3,745
2024	3,297	194	143	0	3,634	118	14	3,502
2025	3,093	182	134	0	3,409	107	13	3,289
2026	2,908	172	127	0	3,207	100	11	3,096
Sub-Total	99,000	4,860	3,585	0	107,445	4,678	342	102,425
Remainder	14,216	838	618	0	15,672	445	59	15,168
Total Future	113,216	5,698	4,203	0	123,117	5,123	401	117,593

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	2,176	0	3,299	3,679	9,154	9,735	9,735	9,313
2013	1,470	0	3,972	2,714	8,156	5,792	15,527	5,022
2014	1,318	0	859	2,032	4,209	6,265	21,792	4,891
2015	555	0	223	1,660	2,438	6,099	27,891	4,313
2016	469	0	223	1,367	2,059	4,982	32,873	3,188
2017	431	0	47	1,183	1,661	4,449	37,322	2,578
2018	403	0	42	1,059	1,504	3,979	41,301	2,086
2019	396	0	33	969	1,398	3,628	44,929	1,721
2020	417	0	18	903	1,338	3,358	48,287	1,442
2021	444	0	20	846	1,310	3,111	51,398	1,210
2022	435	0	20	797	1,252	2,916	54,314	1,027
2023	446	0	22	714	1,182	2,563	56,877	815
2024	459	0	22	669	1,150	2,352	59,229	679
2025	486	0	26	627	1,139	2,150	61,379	561
2026	506	0	28	590	1,124	1,972	63,351	466
Sub-Total	10,411	0	8,854	19,809	39,074	63,351		39,312
Remainder	2,921	0	1,040	2,882	6,843	8,325	71,676	1,463
Total Future	13,332	0	9,894	22,691	45,917	71,676		40,775

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

TABLE 30

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 56 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	17,574
12.00% –	16,249
15.00% –	14,621
20.00% –	12,582
25.00% –	11,093

		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
2012	1	64,874	26,220	362	60,993	24,651	264	80.00	2.41
2013	1	48,750	19,080	263	45,873	17,954	193	80.00	2.41
2014	1	39,066	15,008	207	34,716	13,337	143	80.00	2.41
2015	1	32,598	12,372	171	28,515	10,822	116	80.00	2.41
2016	1	27,971	10,524	145	23,550	8,862	95	80.00	2.41
2017	1	24,496	9,158	126	20,440	7,641	82	80.00	2.41
2018	1	21,789	8,106	112	18,319	6,815	73	80.00	2.41
2019	1	19,622	7,271	100	16,770	6,214	67	80.00	2.41
2020	1	17,847	6,592	91	15,616	5,768	62	80.00	2.41
2021	1	16,366	6,029	84	14,657	5,400	58	80.00	2.41
2022	1	15,112	5,555	76	13,787	5,067	54	80.00	2.41
2023	1	14,038	5,149	71	12,374	4,539	49	80.00	2.41
2024	1	13,105	4,800	66	11,579	4,241	45	80.00	2.41
2025	1	12,289	4,494	63	10,874	3,976	43	80.00	2.41
2026	1	11,550	4,222	58	10,224	3,738	40	80.00	2.41
Sub-Total		379,473	144,580	1,995	338,287	129,025	1,384	80.00	2.41
Remainder		56,116	20,513	283	49,984	18,271	196	80.00	2.41
Total Future		435,589	165,093	2,278	388,271	147,296	1,580	80.00	2.41
Cumulative		874,853	0	1,385					
Ultimate		1,310,442	165,093	3,663					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

	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
2012	4,879	863	636	0	6,378	258	62	6,058
2013	3,670	628	464	0	4,762	190	44	4,528
2014	2,778	467	344	0	3,589	138	32	3,419
2015	2,281	379	280	0	2,940	119	28	2,793
2016	1,884	310	229	0	2,423	96	22	2,305
2017	1,635	267	197	0	2,099	79	19	2,001
2018	1,465	239	176	0	1,880	69	17	1,794
2019	1,342	217	160	0	1,719	61	15	1,643
2020	1,249	202	149	0	1,600	53	14	1,533
2021	1,173	189	140	0	1,502	45	13	1,444
2022	1,103	178	131	0	1,412	41	12	1,359
2023	990	158	117	0	1,265	35	11	1,219
2024	926	149	109	0	1,184	33	11	1,140
2025	870	139	103	0	1,112	31	9	1,072
2026	818	131	96	0	1,045	28	10	1,007
Sub-Total	27,063	4,516	3,331	0	34,910	1,276	319	33,315
Remainder	3,999	639	472	0	5,110	125	44	4,941
Total Future	31,062	5,155	3,803	0	40,020	1,401	363	38,256

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	165	0	0	1,146	1,311	4,747	4,747	4,532
2013	123	0	0	856	979	3,549	8,296	3,065
2014	97	0	0	645	742	2,677	10,973	2,089
2015	82	0	0	529	611	2,182	13,155	1,543
2016	69	0	0	436	505	1,800	14,955	1,152
2017	61	0	0	378	439	1,562	16,517	905
2018	53	0	0	339	392	1,402	17,919	734
2019	49	0	0	309	358	1,285	19,204	610
2020	44	0	0	289	333	1,200	20,404	516
2021	40	0	0	270	310	1,134	21,538	440
2022	37	0	0	254	291	1,068	22,606	375
2023	35	0	0	228	263	956	23,562	305
2024	32	0	0	213	245	895	24,457	258
2025	30	0	0	201	231	841	25,298	220
2026	28	0	0	188	216	791	26,089	187
Sub-Total	945	0	0	6,281	7,226	26,089		16,931
Remainder	138	0	200	921	1,259	3,682	29,771	643
Total Future	1,083	0	200	7,202	8,485	29,771		17,574

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 31

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 62 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	42,038
12.00% –	38,611
15.00% –	34,383
20.00% –	29,064
25.00% –	25,176

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	2	125,100	43,474	600	117,616	40,873	438	80.00	2.41
2013	2	110,200	35,521	490	103,697	33,425	359	80.00	2.41
2014	2	103,200	30,032	414	91,708	26,688	286	80.00	2.41
2015	2	96,900	26,014	359	84,763	22,756	244	80.00	2.41
2016	2	90,900	22,946	317	76,533	19,319	208	80.00	2.41
2017	2	84,300	20,526	283	70,341	17,127	183	80.00	2.41
2018	2	76,800	18,568	256	64,569	15,611	168	80.00	2.41
2019	1	59,455	16,950	234	50,814	14,487	155	80.00	2.41
2020	1	46,913	15,593	215	41,049	13,644	147	80.00	2.41
2021	1	40,015	14,437	199	35,837	12,929	138	80.00	2.41
2022	1	35,483	13,440	186	32,370	12,261	132	80.00	2.41
2023	1	32,212	12,572	173	28,394	11,082	119	80.00	2.41
2024	1	29,708	11,806	163	26,248	10,431	112	80.00	2.41
2025	1	27,709	11,097	153	24,520	9,819	105	80.00	2.41
2026	1	26,024	10,431	144	23,037	9,234	99	80.00	2.41
Sub-Total		984,919	303,407	4,186	871,496	269,686	2,893	80.00	2.41
Remainder		126,439	50,683	699	112,621	45,144	484	80.00	2.41
Total Future		1,111,358	354,090	4,885	984,117	314,830	3,377	80.00	2.41
Cumulative		444,226	0	1,407					
Ultimate		1,555,584	354,090	6,292					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	9,409	1,431	1,055	0	11,895	497	102	11,296
2013	8,296	1,169	863	0	10,328	430	82	9,816
2014	7,337	934	689	0	8,960	366	65	8,529
2015	6,781	797	588	0	8,166	353	58	7,755
2016	6,122	676	499	0	7,297	310	48	6,939
2017	5,628	600	442	0	6,670	274	43	6,353
2018	5,165	546	403	0	6,114	244	39	5,831
2019	4,065	507	374	0	4,946	184	35	4,727
2020	3,284	478	352	0	4,114	138	33	3,943
2021	2,867	452	334	0	3,653	111	32	3,510
2022	2,590	429	317	0	3,336	95	30	3,211
2023	2,271	388	286	0	2,945	82	27	2,836
2024	2,100	365	269	0	2,734	75	25	2,634
2025	1,962	344	254	0	2,560	68	24	2,468
2026	1,843	323	238	0	2,404	63	22	2,319
Sub-Total	69,720	9,439	6,963	0	86,122	3,290	665	82,167
Remainder	9,009	1,580	1,166	0	11,755	283	110	11,362
Total Future	78,729	11,019	8,129	0	97,877	3,573	775	93,529

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	302	0	0	2,146	2,448	8,848	8,848	8,426
2013	259	0	0	1,867	2,126	7,690	16,538	6,628
2014	235	0	0	1,624	1,859	6,670	23,208	5,203
2015	215	0	0	1,483	1,698	6,057	29,265	4,276
2016	199	0	0	1,327	1,526	5,413	34,678	3,460
2017	183	0	0	1,214	1,397	4,956	39,634	2,867
2018	166	0	0	1,113	1,279	4,552	44,186	2,385
2019	134	0	0	897	1,031	3,696	47,882	1,756
2020	112	0	0	743	855	3,088	50,970	1,327
2021	97	0	0	658	755	2,755	53,725	1,071
2022	89	0	0	600	689	2,522	56,247	887
2023	81	0	0	530	611	2,225	58,472	709
2024	75	0	0	491	566	2,068	60,540	596
2025	70	0	0	460	530	1,938	62,478	506
2026	66	0	0	432	498	1,821	64,299	430
Sub-Total	2,283	0	0	15,585	17,868	64,299		40,527
Remainder	321	0	200	2,112	2,633	8,729	73,028	1,511
Total Future	2,604	0	200	17,697	20,501	73,028		42,038

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 32

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 63 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS	REPLACEMENT FOR 28						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED MONTHLY	
10.00% -	14,582
12.00% -	13,657
15.00% -	12,513
20.00% -	11,059
25.00% -	9,979

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	2	90,500	14,259	197	85,086	13,406	144	80.00	2.41
2013	2	44,100	11,771	162	41,497	11,077	119	80.00	2.41
2014	1	25,613	10,024	138	22,761	8,907	95	80.00	2.41
2015	1	21,144	8,728	121	18,496	7,635	82	80.00	2.41
2016	1	18,004	7,730	107	15,159	6,508	70	80.00	2.41
2017	1	15,679	6,937	95	13,082	5,788	62	80.00	2.41
2018	1	13,884	6,291	87	11,673	5,289	57	80.00	2.41
2019	1	12,460	5,755	79	10,649	4,919	52	80.00	2.41
2020	1	11,300	5,304	74	9,888	4,641	50	80.00	2.41
2021	1	10,339	4,918	67	9,259	4,405	48	80.00	2.41
2022	1	9,527	4,585	64	8,691	4,182	44	80.00	2.41
2023	1	8,834	4,294	59	7,787	3,785	41	80.00	2.41
2024	1	8,235	4,034	56	7,276	3,564	38	80.00	2.41
2025	1	7,713	3,792	52	6,825	3,356	36	80.00	2.41
2026	1	7,246	3,564	49	6,415	3,155	34	80.00	2.41
Sub-Total		304,578	101,986	1,407	274,544	90,617	972	80.00	2.41
Remainder		35,207	17,319	239	31,359	15,426	166	80.00	2.41
Total Future		339,785	119,305	1,646	305,903	106,043	1,138	80.00	2.41
Cumulative		0	0	0					
Ultimate		339,785	119,305	1,646					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	6,807	469	346	0	7,622	359	34	7,229
2013	3,320	388	286	0	3,994	172	27	3,795
2014	1,821	312	230	0	2,363	91	21	2,251
2015	1,479	267	197	0	1,943	77	20	1,846
2016	1,213	228	168	0	1,609	62	16	1,531
2017	1,046	202	150	0	1,398	51	14	1,333
2018	934	185	136	0	1,255	44	14	1,197
2019	852	173	127	0	1,152	38	12	1,102
2020	791	162	120	0	1,073	34	11	1,028
2021	741	154	114	0	1,009	28	11	970
2022	695	147	108	0	950	26	10	914
2023	623	132	98	0	853	22	9	822
2024	582	125	92	0	799	21	9	769
2025	546	117	86	0	749	19	8	722
2026	513	111	82	0	706	18	8	680
Sub-Total	21,963	3,172	2,340	0	27,475	1,062	224	26,189
Remainder	2,509	540	398	0	3,447	78	37	3,332
Total Future	24,472	3,712	2,738	0	30,922	1,140	261	29,521

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	177	0	0	1,399	1,576	5,653	5,653	5,382
2013	98	0	0	725	823	2,972	8,625	2,560
2014	65	0	0	425	490	1,761	10,386	1,376
2015	54	0	0	349	403	1,443	11,829	1,021
2016	47	0	0	288	335	1,196	13,025	765
2017	41	0	0	251	292	1,041	14,066	603
2018	37	0	0	224	261	936	15,002	491
2019	34	0	0	206	240	862	15,864	409
2020	30	0	0	192	222	806	16,670	346
2021	28	0	0	180	208	762	17,432	295
2022	26	0	0	170	196	718	18,150	253
2023	25	0	0	152	177	645	18,795	206
2024	22	0	0	143	165	604	19,399	174
2025	21	0	0	134	155	567	19,966	148
2026	20	0	0	125	145	535	20,501	126
Sub-Total	725	0	0	4,963	5,688	20,501		14,155
Remainder	97	0	200	616	913	2,419	22,920	427
Total Future	822	0	200	5,579	6,601	22,920		14,582

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 33

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 65 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	17,625
12.00% -	16,520
15.00% -	15,148
20.00% -	13,396
25.00% -	12,084

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	2	107,500	12,305	170	101,069	11,568	124	80.00	2.41
2013	2	64,400	9,049	125	60,600	8,516	91	80.00	2.41
2014	1	36,438	7,162	98	32,380	6,364	69	80.00	2.41
2015	1	29,772	5,927	82	26,043	5,185	55	80.00	2.41
2016	1	25,172	5,056	70	21,194	4,257	46	80.00	2.41
2017	1	21,804	4,408	61	18,193	3,678	39	80.00	2.41
2018	1	19,233	3,908	54	16,170	3,286	36	80.00	2.41
2019	1	17,204	3,510	48	14,704	3,000	32	80.00	2.41
2020	1	15,563	3,186	44	13,617	2,787	30	80.00	2.41
2021	1	14,207	2,915	40	12,724	2,611	28	80.00	2.41
2022	1	13,070	2,688	37	11,923	2,452	26	80.00	2.41
2023	1	12,100	2,494	35	10,666	2,199	24	80.00	2.41
2024	1	11,265	2,326	32	9,953	2,054	22	80.00	2.41
2025	1	10,537	2,178	30	9,325	1,928	20	80.00	2.41
2026	1	9,895	2,047	28	8,759	1,812	20	80.00	2.41
Sub-Total		408,160	69,159	954	367,320	61,697	662	80.00	2.41
Remainder		48,076	9,945	137	42,822	8,858	95	80.00	2.41
Total Future		456,236	79,104	1,091	410,142	70,555	757	80.00	2.41
Cumulative		362,082	0	561					
Ultimate		818,318	79,104	1,652					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	8,085	405	299	0	8,789	427	29	8,333
2013	4,848	298	220	0	5,366	251	21	5,094
2014	2,591	223	164	0	2,978	129	15	2,834
2015	2,083	181	134	0	2,398	109	13	2,276
2016	1,696	149	110	0	1,955	86	11	1,858
2017	1,455	129	95	0	1,679	71	9	1,599
2018	1,294	115	84	0	1,493	61	8	1,424
2019	1,176	105	78	0	1,359	53	8	1,298
2020	1,090	97	72	0	1,259	46	7	1,206
2021	1,018	92	67	0	1,177	39	6	1,132
2022	953	86	64	0	1,103	35	6	1,062
2023	854	77	56	0	987	31	5	951
2024	796	72	53	0	921	28	5	888
2025	746	67	50	0	863	26	5	832
2026	701	63	47	0	811	24	4	783
Sub-Total	29,386	2,159	1,593	0	33,138	1,416	152	31,570
Remainder	3,425	310	229	0	3,964	108	22	3,834
Total Future	32,811	2,469	1,822	0	37,102	1,524	174	35,404

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	200	0	0	1,620	1,820	6,513	6,513	6,201
2013	123	0	0	986	1,109	3,985	10,498	3,433
2014	75	0	0	545	620	2,214	12,712	1,730
2015	62	0	0	438	500	1,776	14,488	1,257
2016	52	0	0	357	409	1,449	15,937	927
2017	45	0	0	307	352	1,247	17,184	722
2018	39	0	0	273	312	1,112	18,296	583
2019	36	0	0	248	284	1,014	19,310	481
2020	32	0	0	230	262	944	20,254	405
2021	30	0	0	215	245	887	21,141	345
2022	27	0	0	201	228	834	21,975	293
2023	25	0	0	181	206	745	22,720	238
2024	23	0	0	168	191	697	23,417	200
2025	22	0	0	157	179	653	24,070	171
2026	21	0	0	148	169	614	24,684	145
Sub-Total	812	0	0	6,074	6,886	24,684		17,131
Remainder	100	0	200	724	1,024	2,810	27,494	494
Total Future	912	0	200	6,798	7,910	27,494		17,625

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

TABLE 34

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 66 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED MONTHLY	
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41	10.00% –	19,380
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% –	17,934
REMARKS								15.00% –	16,158
								20.00% –	13,934
								25.00% –	12,307

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	51,431	57,183	789	48,354	53,762	577	80.00	2.41
2013	1	37,830	42,060	580	35,598	39,578	424	80.00	2.41
2014	1	29,938	33,286	459	26,605	29,580	318	80.00	2.41
2015	1	24,778	27,548	381	21,673	24,097	258	80.00	2.41
2016	1	21,136	23,501	324	17,796	19,786	212	80.00	2.41
2017	1	18,430	20,491	283	15,378	17,098	184	80.00	2.41
2018	1	16,338	18,165	250	13,737	15,273	164	80.00	2.41
2019	1	14,674	16,314	225	12,540	13,943	149	80.00	2.41
2020	1	13,317	14,806	205	11,653	12,955	139	80.00	2.41
2021	1	12,190	13,553	186	10,917	12,138	130	80.00	2.41
2022	1	11,238	12,496	173	10,252	11,399	123	80.00	2.41
2023	1	10,426	11,591	160	9,190	10,218	109	80.00	2.41
2024	1	9,722	10,809	149	8,590	9,550	103	80.00	2.41
2025	1	9,107	10,126	140	8,059	8,961	96	80.00	2.41
2026	1	8,558	9,515	131	7,575	8,422	90	80.00	2.41
Sub-Total		289,113	321,444	4,435	257,917	286,760	3,076	80.00	2.41
Remainder		41,579	46,229	638	37,035	41,177	442	80.00	2.41
Total Future		330,692	367,673	5,073	294,952	327,937	3,518	80.00	2.41
Cumulative		6,406	0	86					
Ultimate		337,098	367,673	5,159					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	3,868	1,882	1,388	0	7,138	204	134	6,800
2013	2,848	1,385	1,022	0	5,255	148	97	5,010
2014	2,129	1,035	764	0	3,928	106	72	3,750
2015	1,733	844	622	0	3,199	90	61	3,048
2016	1,424	692	511	0	2,627	72	50	2,505
2017	1,230	599	441	0	2,270	60	43	2,167
2018	1,099	534	395	0	2,028	52	38	1,938
2019	1,004	488	360	0	1,852	46	34	1,772
2020	932	454	334	0	1,720	39	31	1,650
2021	873	424	314	0	1,611	34	30	1,547
2022	820	399	294	0	1,513	30	28	1,455
2023	735	358	264	0	1,357	26	24	1,307
2024	688	334	246	0	1,268	25	24	1,219
2025	644	314	232	0	1,190	22	21	1,147
2026	606	295	217	0	1,118	21	21	1,076
Sub-Total	20,633	10,037	7,404	0	38,074	975	708	36,391
Remainder	2,963	1,441	1,063	0	5,467	93	100	5,274
Total Future	23,596	11,478	8,467	0	43,541	1,068	808	41,665

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	217	0	0	1,234	1,451	5,349	5,349	5,106
2013	160	0	0	908	1,068	3,942	9,291	3,404
2014	127	0	0	679	806	2,944	12,235	2,300
2015	104	0	0	553	657	2,391	14,626	1,690
2016	90	0	0	454	544	1,961	16,587	1,255
2017	78	0	0	392	470	1,697	18,284	983
2018	69	0	0	351	420	1,518	19,802	796
2019	62	0	0	319	381	1,391	21,193	660
2020	56	0	0	298	354	1,296	22,489	556
2021	51	0	0	278	329	1,218	23,707	473
2022	48	0	0	262	310	1,145	24,852	404
2023	44	0	0	234	278	1,029	25,881	327
2024	41	0	0	219	260	959	26,840	277
2025	38	0	0	206	244	903	27,743	235
2026	37	0	0	193	230	846	28,589	200
Sub-Total	1,222	0	0	6,580	7,802	28,589		18,666
Remainder	175	0	0	945	1,120	4,154	32,743	714
Total Future	1,397	0	0	7,525	8,922	32,743		19,380

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 35

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 115 (TOURNAISIAN)

OIL LEASE
PROVED
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	RECOMPLETED TO ARDATOVSKI						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		158,112	0	865					
Ultimate		158,112	0	865					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 36

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 115B (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	6,614
12.00% -	6,584
15.00% -	6,539
20.00% -	6,465
25.00% -	6,393

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	102,141	25,029	345	96,031	23,532	252	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		102,141	25,029	345	96,031	23,532	252	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		102,141	25,029	345	96,031	23,532	252	80.00	2.41
Cumulative		46,139	0	205					
Ultimate		148,280	25,029	550					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	7,682	824	608	0	9,114	406	59	8,649
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	7,682	824	608	0	9,114	406	59	8,649
Remainder	0	0	0	0	0	0	0	0
Total Future	7,682	824	608	0	9,114	406	59	8,649

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	221	0	0	1,658	1,879	6,770	6,770	6,614
2013	0	0	0	0	0	0	6,770	0
2014	0	0	0	0	0	0	6,770	0
2015	0	0	0	0	0	0	6,770	0
2016	0	0	0	0	0	0	6,770	0
2017	0	0	0	0	0	0	6,770	0
2018	0	0	0	0	0	0	6,770	0
2019	0	0	0	0	0	0	6,770	0
2020	0	0	0	0	0	0	6,770	0
2021	0	0	0	0	0	0	6,770	0
2022	0	0	0	0	0	0	6,770	0
2023	0	0	0	0	0	0	6,770	0
2024	0	0	0	0	0	0	6,770	0
2025	0	0	0	0	0	0	6,770	0
2026	0	0	0	0	0	0	6,770	0
Sub-Total	221	0	0	1,658	1,879	6,770		6,614
Remainder	0	0	0	0	0	0	6,770	0
Total Future	221	0	0	1,658	1,879	6,770		6,614

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 37

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 119 (TOURNAISIAN)

OIL LEASE
PROVED
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	RECOMPLETED TO BISKI-AFONISKI IN OCTOBER 2010						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	0
12.00% –	0
15.00% –	0
20.00% –	0
25.00% –	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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		203,398	0	321					
Ultimate		203,398	0	321					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
PROVED UNDEVELOPED LOCATIONS (TOURNAISIAN)

OIL LEASE
PROVED
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41

REMARKS: PROVED UNDEVELOPED WELLS #24B_ST, #58, #59, #60, #64, #67, #73 AND #116

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	220,489
12.00% -	199,943
15.00% -	174,595
20.00% -	142,779
25.00% -	119,659

		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
2012	4	733,967	82,627	1,140	690,056	77,684	833	80.00	2.41
2013	6	1,003,840	136,045	1,877	944,606	128,017	1,374	80.00	2.41
2014	8	1,007,916	146,482	2,021	895,680	130,171	1,396	80.00	2.41
2015	8	746,777	119,375	1,647	653,240	104,422	1,120	80.00	2.41
2016	8	570,436	100,892	1,392	480,278	84,946	911	80.00	2.41
2017	8	497,217	92,557	1,277	414,880	77,230	829	80.00	2.41
2018	8	442,621	81,033	1,118	372,135	68,129	731	80.00	2.41
2019	8	386,277	73,929	1,020	330,135	63,184	677	80.00	2.41
2020	8	335,679	65,522	904	293,718	57,332	615	80.00	2.41
2021	8	295,339	55,375	764	264,508	49,594	532	80.00	2.41
2022	8	261,151	45,807	632	238,233	41,787	449	80.00	2.41
2023	8	235,454	40,879	564	207,548	36,034	386	80.00	2.41
2024	8	217,226	37,110	512	191,930	32,788	352	80.00	2.41
2025	8	204,014	34,428	475	180,531	30,465	327	80.00	2.41
2026	8	193,112	32,108	443	170,947	28,424	305	80.00	2.41
Sub-Total		7,131,026	1,144,169	15,786	6,328,425	1,010,207	10,837	80.00	2.41
Remainder		756,101	118,867	1,640	673,095	105,817	1,135	80.00	2.41
Total Future		7,887,127	1,263,036	17,426	7,001,520	1,116,024	11,972	80.00	2.41
Cumulative		0	0	0					
Ultimate		7,887,127	1,263,036	17,426					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

	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
2012	55,204	2,719	2,006	0	59,929	2,915	194	56,820
2013	75,569	4,481	3,305	0	83,355	3,914	314	79,127
2014	71,654	4,556	3,361	0	79,571	3,576	317	75,678
2015	52,260	3,654	2,696	0	58,610	2,723	264	55,623
2016	38,422	2,973	2,194	0	43,589	1,948	213	41,428
2017	33,190	2,703	1,994	0	37,887	1,616	193	36,078
2018	29,771	2,385	1,759	0	33,915	1,405	169	32,341
2019	26,411	2,211	1,631	0	30,253	1,191	155	28,907
2020	23,497	2,007	1,481	0	26,985	989	139	25,857
2021	21,161	1,736	1,280	0	24,177	824	121	23,232
2022	19,059	1,462	1,079	0	21,600	697	102	20,801
2023	16,603	1,262	931	0	18,796	600	87	18,109
2024	15,355	1,147	846	0	17,348	546	80	16,722
2025	14,442	1,066	787	0	16,295	503	74	15,718
2026	13,676	995	734	0	15,405	467	69	14,869
Sub-Total	506,274	35,357	26,084	0	567,715	23,914	2,491	541,310
Remainder	53,848	3,704	2,732	0	60,284	1,699	258	58,327
Total Future	560,122	39,061	28,816	0	627,999	25,613	2,749	599,637

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	1,361	0	32,000	11,048	44,409	12,411	12,411	11,952
2013	1,916	0	16,000	15,330	33,246	45,881	58,292	39,593
2014	1,947	0	16,000	14,619	32,566	43,112	101,404	33,681
2015	1,468	0	0	10,753	12,221	43,402	144,806	30,642
2016	1,145	0	0	7,983	9,128	32,300	177,106	20,642
2017	1,009	0	0	6,933	7,942	28,136	205,242	16,277
2018	895	0	0	6,207	7,102	25,239	230,481	13,217
2019	788	0	0	5,534	6,322	22,585	253,066	10,706
2020	688	0	0	4,933	5,621	20,236	273,302	8,683
2021	600	0	0	4,423	5,023	18,209	291,511	7,073
2022	524	0	0	3,957	4,481	16,320	307,831	5,739
2023	470	0	0	3,443	3,913	14,196	322,027	4,517
2024	433	0	0	3,180	3,613	13,109	335,136	3,777
2025	405	0	0	2,986	3,391	12,327	347,463	3,215
2026	383	0	0	2,825	3,208	11,661	359,124	2,753
Sub-Total	14,032	0	64,000	104,154	182,186	359,124		212,467
Remainder	1,482	0	0	11,062	12,544	45,783	404,907	8,022
Total Future	15,514	0	64,000	115,216	194,730	404,907		220,489

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

TABLE 39

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
PROBABLE LOCATIONS (TOURNAISIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.952899	0.952899	0.952899	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41

REMARKS PROBABLE UNDEVELOPED WELLS #27, #29, #55 AND #68

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	32,382
12.00% –	27,454
15.00% –	21,521
20.00% –	14,435
25.00% –	9,685

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	2	23,136	7,393	102	21,862	6,986	75	80.00	2.41
2015	4	335,822	113,721	1,569	296,944	100,555	1,079	80.00	2.41
2016	4	292,545	102,922	1,420	243,786	85,768	920	80.00	2.41
2017	4	206,134	79,148	1,092	172,031	66,054	708	80.00	2.41
2018	4	150,644	63,710	879	126,270	53,401	573	80.00	2.41
2019	4	113,251	53,055	732	96,092	45,018	483	80.00	2.41
2020	4	87,698	45,590	629	76,042	39,530	424	80.00	2.41
2021	4	69,508	39,284	542	61,581	34,804	373	80.00	2.41
2022	4	56,224	34,211	472	50,724	30,864	331	80.00	2.41
2023	4	46,306	30,079	415	40,345	26,207	282	80.00	2.41
2024	4	38,823	26,818	370	33,929	23,437	251	80.00	2.41
2025	4	33,086	24,135	333	28,967	21,131	227	80.00	2.41
2026	4	28,595	21,889	302	25,080	19,198	206	80.00	2.41
Sub-Total		1,481,772	641,955	8,857	1,273,653	552,953	5,932	80.00	2.41
Remainder		117,649	101,255	1,397	104,306	89,813	963	80.00	2.41
Total Future		1,599,421	743,210	10,254	1,377,959	642,766	6,895	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,599,421	743,210	10,254					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,749	245	180	0	2,174	82	17	2,075
2015	23,755	3,519	2,597	0	29,871	1,452	269	28,150
2016	19,503	3,002	2,214	0	24,719	1,203	232	23,284
2017	13,763	2,312	1,706	0	17,781	845	179	16,757
2018	10,101	1,869	1,379	0	13,349	617	146	12,586
2019	7,688	1,575	1,162	0	10,425	453	121	9,851
2020	6,083	1,384	1,021	0	8,488	342	105	8,041
2021	4,927	1,218	898	0	7,043	266	91	6,686
2022	4,058	1,080	797	0	5,935	213	80	5,642
2023	3,227	918	677	0	4,822	166	67	4,589
2024	2,715	820	605	0	4,140	136	59	3,945
2025	2,317	739	546	0	3,602	113	54	3,435
2026	2,006	672	495	0	3,173	93	48	3,032
Sub-Total	101,892	19,353	14,277	0	135,522	5,981	1,468	128,073
Remainder	8,345	3,144	2,319	0	13,808	316	218	13,274
Total Future	110,237	22,497	16,596	0	149,330	6,297	1,686	141,347

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	54	0	16,000	393	16,447	-14,372	-14,372	-11,153
2015	803	0	16,000	5,393	22,196	5,954	-8,418	4,256
2016	709	0	0	4,457	5,166	18,118	9,700	11,579
2017	515	0	0	3,199	3,714	13,043	22,743	7,545
2018	390	0	0	2,394	2,784	9,802	32,545	5,133
2019	305	0	0	1,864	2,169	7,682	40,227	3,641
2020	248	0	0	1,512	1,760	6,281	46,508	2,695
2021	203	0	0	1,251	1,454	5,232	51,740	2,032
2022	171	0	0	1,051	1,222	4,420	56,160	1,555
2023	145	0	0	852	997	3,592	59,752	1,143
2024	125	0	0	730	855	3,090	62,842	890
2025	110	0	0	634	744	2,691	65,533	702
2026	97	0	0	557	654	2,378	67,911	562
Sub-Total	3,875	0	32,000	24,287	60,162	67,911		30,580
Remainder	427	0	0	2,412	2,839	10,435	78,346	1,802
Total Future	4,302	0	32,000	26,699	63,001	78,346		32,382

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

TABLE 40

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN — OIL LEASE
ZHAIKMUNIA – OPERATOR — PROBABLE
LOCATIONS PROB SIDETRACK (TOURNAISIAN) — UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41

REMARKS PROBABLE UNDEVELOPED SIDETRACK WELLS #30_ST, #54_ST AND #65_ST

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	56,098
12.00% –	48,559
15.00% –	39,412
20.00% –	28,320
25.00% –	20,705

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	2	408,263	57,984	800	360,998	51,271	550	80.00	2.41
2016	3	468,285	71,755	990	390,236	59,796	641	80.00	2.41
2017	3	332,565	52,766	728	277,544	44,036	473	80.00	2.41
2018	3	249,286	39,066	539	208,952	32,745	351	80.00	2.41
2019	3	198,886	31,384	433	168,753	26,629	286	80.00	2.41
2020	3	164,246	26,310	363	142,415	22,814	244	80.00	2.41
2021	3	136,305	22,179	306	120,760	19,649	211	80.00	2.41
2022	3	116,340	18,193	251	104,959	16,413	176	80.00	2.41
2023	3	96,750	13,409	185	84,295	11,682	126	80.00	2.41
2024	3	81,676	12,104	167	71,382	10,579	113	80.00	2.41
2025	3	71,702	11,089	153	62,774	9,709	104	80.00	2.41
2026	3	59,305	10,002	138	52,016	8,772	94	80.00	2.41
Sub-Total		2,383,609	366,241	5,053	2,045,084	314,095	3,369	80.00	2.41
Remainder		242,951	52,838	729	215,289	46,872	503	80.00	2.41
Total Future		2,626,560	419,079	5,782	2,260,373	360,967	3,872	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,626,560	419,079	5,782					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	28,880	1,794	1,324	0	31,998	1,765	137	30,096
2016	31,219	2,093	1,544	0	34,856	1,926	162	32,768
2017	22,203	1,542	1,137	0	24,882	1,363	119	23,400
2018	16,716	1,146	845	0	18,707	1,021	90	17,596
2019	13,501	932	688	0	15,121	796	71	14,254
2020	11,393	798	589	0	12,780	640	61	12,079
2021	9,661	688	507	0	10,856	523	51	10,282
2022	8,396	574	424	0	9,394	440	43	8,911
2023	6,744	409	302	0	7,455	347	30	7,078
2024	5,711	370	273	0	6,354	286	27	6,041
2025	5,021	340	250	0	5,611	245	24	5,342
2026	4,162	307	227	0	4,696	193	22	4,481
Sub-Total	163,607	10,993	8,110	0	182,710	9,545	837	172,328
Remainder	17,223	1,641	1,210	0	20,074	653	114	19,307
Total Future	180,830	12,634	9,320	0	202,784	10,198	951	191,635

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	786	0	16,000	5,881	22,667	7,429	7,429	4,723
2016	913	0	8,000	6,399	15,312	17,456	24,885	11,179
2017	653	0	0	4,565	5,218	18,182	43,067	10,517
2018	488	0	0	3,433	3,921	13,675	56,742	7,162
2019	390	0	0	2,775	3,165	11,089	67,831	5,256
2020	323	0	0	2,344	2,667	9,412	77,243	4,039
2021	269	0	0	1,991	2,260	8,022	85,265	3,116
2022	228	0	0	1,724	1,952	6,959	92,224	2,447
2023	186	0	0	1,371	1,557	5,521	97,745	1,757
2024	158	0	0	1,167	1,325	4,716	102,461	1,359
2025	140	0	0	1,030	1,170	4,172	106,633	1,088
2026	118	0	0	861	979	3,502	110,135	827
Sub-Total	4,652	0	24,000	33,541	62,193	110,135		53,470
Remainder	511	0	0	3,662	4,173	15,134	125,269	2,628
Total Future	5,163	0	24,000	37,203	66,366	125,269		56,098

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

TABLE 41

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WATERFLOOD (PB) (TOURNAISIAN)

OIL LEASE
PROBABLE
WATERFLOOD

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	342,733
12.00% -	289,429
15.00% -	228,370
20.00% -	160,523
25.00% -	118,473

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	216,771	29,427	406	201,755	27,388	294	80.00	2.41
2013	1	380,963	55,085	760	363,019	52,491	563	80.00	2.41
2014	1	353,512	57,621	795	334,051	54,449	584	80.00	2.41
2015	1	310,216	54,868	757	274,302	48,515	520	80.00	2.41
2016	1	511,220	101,182	1,396	426,015	84,319	905	80.00	2.41
2017	1	616,928	166,196	2,293	514,862	138,700	1,488	80.00	2.41
2018	1	688,082	215,049	2,967	576,750	180,253	1,933	80.00	2.41
2019	1	773,719	330,363	4,558	656,497	280,313	3,007	80.00	2.41
2020	1	880,038	409,802	5,654	763,065	355,331	3,812	80.00	2.41
2021	1	972,251	436,837	6,027	861,370	387,018	4,152	80.00	2.41
2022	1	1,022,468	434,953	6,001	922,445	392,404	4,209	80.00	2.41
2023	1	1,088,522	435,097	6,003	948,395	379,086	4,066	80.00	2.41
2024	1	1,128,249	460,611	6,355	986,042	402,554	4,319	80.00	2.41
2025	1	1,125,560	385,303	5,316	985,419	337,330	3,618	80.00	2.41
2026	1	1,067,824	405,671	5,597	936,567	355,806	3,817	80.00	2.41
Sub-Total		11,136,323	3,978,065	54,885	9,750,554	3,475,957	37,287	80.00	2.41
Remainder		2,749,464	808,514	11,155	2,434,755	713,493	7,654	80.00	2.41
Total Future		13,885,787	4,786,579	66,040	12,185,309	4,189,450	44,941	80.00	2.41
Cumulative		0	0	0					
Ultimate		13,885,787	4,786,579	66,040					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	16,140	959	707	0	17,806	500	67	17,239
2013	29,042	1,837	1,355	0	32,234	1,063	127	31,044
2014	26,724	1,905	1,406	0	30,035	1,256	133	28,646
2015	21,944	1,699	1,253	0	24,896	1,341	130	23,425
2016	34,081	2,951	2,177	0	39,209	2,103	228	36,878
2017	41,189	4,854	3,581	0	49,624	2,529	376	46,719
2018	46,140	6,309	4,655	0	57,104	2,819	491	53,794
2019	52,520	9,811	7,237	0	69,568	3,093	755	65,720
2020	61,045	12,437	9,175	0	82,657	3,431	945	78,281
2021	68,910	13,545	9,993	0	92,448	3,728	1,010	87,710
2022	73,796	13,734	10,132	0	97,662	3,874	1,012	92,776
2023	75,871	13,268	9,788	0	98,927	3,900	973	94,054
2024	78,883	14,090	10,394	0	103,367	3,952	1,021	98,394
2025	78,834	11,806	8,710	0	99,350	3,840	849	94,661
2026	74,925	12,453	9,187	0	96,565	3,484	889	92,192
Sub-Total	780,044	121,658	89,750	0	991,452	40,913	9,006	941,533
Remainder	194,781	24,973	18,422	0	238,176	7,504	1,740	228,932
Total Future	974,825	146,631	108,172	0	1,229,628	48,417	10,746	1,170,465

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	414	0	0	3,275	3,689	13,550	13,550	12,898
2013	735	0	0	5,922	6,657	24,387	37,937	21,010
2014	698	0	0	5,509	6,207	22,439	60,376	17,502
2015	622	0	0	4,559	5,181	18,244	78,620	12,879
2016	1,052	0	0	7,167	8,219	28,659	107,279	18,317
2017	1,373	0	0	9,011	10,384	36,335	143,614	21,020
2018	1,603	0	0	10,331	11,934	41,860	185,474	21,920
2019	2,011	0	0	12,474	14,485	51,235	236,709	24,287
2020	2,370	0	0	14,779	17,149	61,132	297,841	26,232
2021	2,579	0	0	16,549	19,128	68,582	366,423	26,639
2022	2,655	0	0	17,514	20,169	72,607	439,030	25,529
2023	2,760	0	0	17,774	20,534	73,520	512,550	23,400
2024	2,884	0	0	18,559	21,443	76,951	589,501	22,170
2025	2,700	0	0	17,931	20,631	74,030	663,531	19,308
2026	2,658	0	0	17,376	20,034	72,158	735,689	17,035
Sub-Total	27,114	0	0	178,730	205,844	735,689		310,146
Remainder	6,282	0	0	43,160	49,442	179,490	915,179	32,587
Total Future	33,396	0	0	221,890	255,286	915,179		342,733

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 42

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
WEST TOURNAISIAN
TOTAL PROVED

TOTAL
PROVED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	8,393
12.00% –	7,715
15.00% –	6,874
20.00% –	5,811
25.00% –	5,034

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	49,337	4,323	60	46,385	4,064	44	80.00	2.41
2013	1	37,839	3,318	45	35,606	3,123	33	80.00	2.41
2014	1	30,699	2,693	38	27,281	2,393	26	80.00	2.41
2015	1	25,832	2,267	31	22,596	1,983	21	80.00	2.41
2016	1	22,297	1,957	27	18,774	1,648	18	80.00	2.41
2017	1	19,616	1,722	24	16,367	1,437	15	80.00	2.41
2018	1	17,508	1,538	21	14,720	1,292	14	80.00	2.41
2019	1	15,749	1,382	19	13,460	1,182	13	80.00	2.41
2020	1	14,174	1,245	17	12,402	1,089	11	80.00	2.41
2021	1	12,756	1,120	16	11,425	1,003	11	80.00	2.41
2022	1	11,481	1,008	13	10,473	920	10	80.00	2.41
2023	1	10,333	907	13	9,108	799	9	80.00	2.41
2024	1	9,299	817	11	8,217	722	7	80.00	2.41
2025	1	8,370	735	10	7,406	650	7	80.00	2.41
2026	1	7,532	661	9	6,668	585	7	80.00	2.41
Sub-Total		292,822	25,693	354	260,888	22,890	246	80.00	2.41
Remainder		31,765	2,789	39	28,278	2,483	26	80.00	2.41
Total Future		324,587	28,482	393	289,166	25,373	272	80.00	2.41
Cumulative		262,820	0	448					
Ultimate		587,407	28,482	841					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	3,711	142	105	0	3,958	196	10	3,752
2013	2,848	110	81	0	3,039	147	8	2,884
2014	2,183	83	61	0	2,327	109	6	2,212
2015	1,807	70	52	0	1,929	95	5	1,829
2016	1,502	57	42	0	1,601	76	4	1,521
2017	1,310	51	37	0	1,398	63	3	1,332
2018	1,177	45	34	0	1,256	56	4	1,196
2019	1,077	41	30	0	1,148	49	2	1,097
2020	992	38	28	0	1,058	41	3	1,014
2021	914	35	26	0	975	36	3	936
2022	838	33	24	0	895	31	2	862
2023	729	28	21	0	778	26	2	750
2024	657	25	18	0	700	23	2	675
2025	593	23	17	0	633	21	1	611
2026	533	20	15	0	568	18	2	548
Sub-Total	20,871	801	591	0	22,263	987	57	21,219
Remainder	2,262	87	64	0	2,413	71	6	2,336
Total Future	23,133	888	655	0	24,676	1,058	63	23,555

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	431	0	659	732	1,822	1,930	1,930	1,846
2013	303	0	822	561	1,686	1,198	3,128	1,036
2014	278	0	182	431	891	1,321	4,449	1,033
2015	118	0	48	356	522	1,307	5,756	924
2016	101	0	48	296	445	1,076	6,832	689
2017	93	0	10	258	361	971	7,803	560
2018	88	0	10	233	331	865	8,668	456
2019	86	0	7	212	305	792	9,460	376
2020	89	0	4	196	289	725	10,185	311
2021	94	0	4	180	278	658	10,843	256
2022	89	0	4	165	258	604	11,447	212
2023	89	0	4	144	237	513	11,960	164
2024	88	0	5	129	222	453	12,413	130
2025	89	0	5	117	211	400	12,813	105
2026	90	0	4	105	199	349	13,162	82
Sub-Total	2,126	0	1,816	4,115	8,057	13,162		8,180
Remainder	411	0	357	446	1,214	1,122	14,284	213
Total Future	2,537	0	2,173	4,561	9,271	14,284		8,393

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 43

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST AREA WELL 33 (TOURNAISIAN)

OIL LEASE
PROVED
PRODUCING

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M	
COMPOUNDED	MONTHLY
10.00% -	8,393
12.00% -	7,715
15.00% -	6,874
20.00% -	5,811
25.00% -	5,034

		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
2012	1	49,337	4,323	60	46,385	4,064	44	80.00	2.41
2013	1	37,839	3,318	45	35,606	3,123	33	80.00	2.41
2014	1	30,699	2,693	38	27,281	2,393	26	80.00	2.41
2015	1	25,832	2,267	31	22,596	1,983	21	80.00	2.41
2016	1	22,297	1,957	27	18,774	1,648	18	80.00	2.41
2017	1	19,616	1,722	24	16,367	1,437	15	80.00	2.41
2018	1	17,508	1,538	21	14,720	1,292	14	80.00	2.41
2019	1	15,749	1,382	19	13,460	1,182	13	80.00	2.41
2020	1	14,174	1,245	17	12,402	1,089	11	80.00	2.41
2021	1	12,756	1,120	16	11,425	1,003	11	80.00	2.41
2022	1	11,481	1,008	13	10,473	920	10	80.00	2.41
2023	1	10,333	907	13	9,108	799	9	80.00	2.41
2024	1	9,299	817	11	8,217	722	7	80.00	2.41
2025	1	8,370	735	10	7,406	650	7	80.00	2.41
2026	1	7,532	661	9	6,668	585	7	80.00	2.41
Sub-Total		292,822	25,693	354	260,888	22,890	246	80.00	2.41
Remainder		31,765	2,789	39	28,278	2,483	26	80.00	2.41
Total Future		324,587	28,482	393	289,166	25,373	272	80.00	2.41
Cumulative		262,820	0	448					
Ultimate		587,407	28,482	841					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 22.25 %

	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
2012	3,711	142	105	0	3,958	196	10	3,752
2013	2,848	110	81	0	3,039	147	8	2,884
2014	2,183	83	61	0	2,327	109	6	2,212
2015	1,807	70	52	0	1,929	95	5	1,829
2016	1,502	57	42	0	1,601	76	4	1,521
2017	1,310	51	37	0	1,398	63	3	1,332
2018	1,177	45	34	0	1,256	56	4	1,196
2019	1,077	41	30	0	1,148	49	2	1,097
2020	992	38	28	0	1,058	41	3	1,014
2021	914	35	26	0	975	36	3	936
2022	838	33	24	0	895	31	2	862
2023	729	28	21	0	778	26	2	750
2024	657	25	18	0	700	23	2	675
2025	593	23	17	0	633	21	1	611
2026	533	20	15	0	568	18	2	548
Sub-Total	20,871	801	591	0	22,263	987	57	21,219
Remainder	2,262	87	64	0	2,413	71	6	2,336
Total Future	23,133	888	655	0	24,676	1,058	63	23,555

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	431	0	659	732	1,822	1,930	1,930	1,846
2013	303	0	822	561	1,686	1,198	3,128	1,036
2014	278	0	182	431	891	1,321	4,449	1,033
2015	118	0	48	356	522	1,307	5,756	924
2016	101	0	48	296	445	1,076	6,832	689
2017	93	0	10	258	361	971	7,803	560
2018	88	0	10	233	331	865	8,668	456
2019	86	0	7	212	305	792	9,460	376
2020	89	0	4	196	289	725	10,185	311
2021	94	0	4	180	278	658	10,843	256
2022	89	0	4	165	258	604	11,447	212
2023	89	0	4	144	237	513	11,960	164
2024	88	0	5	129	222	453	12,413	130
2025	89	0	5	117	211	400	12,813	105
2026	90	0	4	105	199	349	13,162	82
Sub-Total	2,126	0	1,816	4,115	8,057	13,162		8,180
Remainder	411	0	357	446	1,214	1,122	14,284	213
Total Future	2,537	0	2,173	4,561	9,271	14,284		8,393

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 44

GRAND SUMMARY
SOUTH TOURNAISIAN
TOTAL PROVED AND PROB

PROVED AND PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	248,813
12.00% –	210,761
15.00% –	164,133
20.00% –	106,862
25.00% –	67,019

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	5	720,233	444,486	9,890	673,329	415,092	7,324	80.00	2.41
2013	6	932,557	612,159	14,303	885,948	581,805	10,783	80.00	2.41
2014	7	802,043	536,277	12,553	747,609	500,383	9,296	80.00	2.41
2015	9	1,017,623	703,747	16,269	898,325	621,312	11,391	80.00	2.41
2016	9	1,045,986	730,055	16,812	872,844	609,161	11,125	80.00	2.41
2017	10	948,951	662,426	15,254	791,935	552,821	10,097	80.00	2.41
2018	10	886,063	618,427	14,222	742,992	518,554	9,460	80.00	2.41
2019	10	751,141	520,992	12,000	637,994	442,472	8,081	80.00	2.41
2020	10	638,570	439,407	10,137	554,480	381,486	6,979	80.00	2.41
2021	10	544,383	371,024	8,569	483,201	329,244	6,030	80.00	2.41
2022	10	465,206	313,663	7,256	420,582	283,482	5,201	80.00	2.41
2023	10	398,514	265,505	6,149	348,056	231,790	4,255	80.00	2.41
2024	10	342,263	225,042	5,219	299,868	197,073	3,627	80.00	2.41
2025	10	294,736	191,005	4,440	258,724	167,579	3,088	80.00	2.41
2026	10	254,521	162,353	3,775	223,795	142,674	2,633	80.00	2.41
Sub-Total		10,042,790	6,796,568	156,848	8,839,682	5,974,928	109,370	80.00	2.41
Remainder		870,687	510,875	11,997	771,959	452,516	8,428	80.00	2.41
Total Future		10,913,477	7,307,443	168,845	9,611,641	6,427,444	117,798	80.00	2.41
Cumulative		246,801	0	1,931					
Ultimate		11,160,278	7,307,443	170,776					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	53,866	14,528	17,630	0	86,024	2,189	1,298	82,537
2013	70,876	20,363	25,954	0	117,193	2,852	1,856	112,485
2014	59,809	17,514	22,374	0	99,697	2,848	1,595	95,254
2015	71,866	21,746	27,419	0	121,031	4,293	2,148	114,590
2016	69,827	21,320	26,781	0	117,928	4,206	2,120	111,602
2017	63,355	19,349	24,298	0	107,002	3,784	1,928	101,290
2018	59,440	18,149	22,768	0	100,357	3,524	1,814	95,019
2019	51,039	15,487	19,454	0	85,980	2,906	1,530	81,544
2020	44,358	13,352	16,797	0	74,507	2,395	1,302	70,810
2021	38,657	11,524	14,516	0	64,697	1,989	1,106	61,602
2022	33,646	9,921	12,517	0	56,084	1,665	943	53,476
2023	27,845	8,113	10,250	0	46,208	1,342	768	44,098
2024	23,989	6,898	8,726	0	39,613	1,122	646	37,845
2025	20,698	5,865	7,432	0	33,995	936	547	32,512
2026	17,904	4,993	6,336	0	29,233	773	463	27,997
Sub-Total	707,175	209,122	263,252	0	1,179,549	36,824	20,064	1,122,661
Remainder	61,756	15,839	20,284	0	97,879	2,215	1,447	94,217
Total Future	768,931	224,961	283,536	0	1,277,428	39,039	21,511	1,216,878

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	14,948	0	131,928	14,007	160,883	-78,346	-78,346	-74,596
2013	15,067	0	82,702	18,769	116,538	-4,053	-82,399	-3,522
2014	13,862	0	17,858	15,928	47,648	47,606	-34,793	37,457
2015	8,982	0	21,986	19,330	50,298	64,292	29,499	45,488
2016	9,259	0	1,752	18,833	29,844	81,758	111,257	52,331
2017	8,665	0	10,561	17,089	36,315	64,975	176,232	37,443
2018	8,393	0	334	16,032	24,759	70,260	246,492	36,847
2019	7,627	0	274	13,739	21,640	59,904	306,396	28,442
2020	7,299	0	141	11,912	19,352	51,458	357,854	22,114
2021	7,054	0	146	10,350	17,550	44,052	401,906	17,136
2022	6,333	0	146	8,980	15,459	38,017	439,923	13,388
2023	5,896	0	144	7,404	13,444	30,654	470,577	9,770
2024	5,514	0	142	6,354	12,010	25,835	496,412	7,454
2025	5,296	0	146	5,459	10,901	21,611	518,023	5,645
2026	5,003	0	144	4,700	9,847	18,150	536,173	4,291
Sub-Total	129,198	0	268,404	188,886	586,488	536,173		239,688
Remainder	19,092	0	11,348	15,837	46,277	47,940	584,113	9,125
Total Future	148,290	0	279,752	204,723	632,765	584,113		248,813

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SOUTH TOURNAISIAN
TOTAL PROVED

TOTAL
PROVED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	82,154
12.00% -	74,802
15.00% -	65,840
20.00% -	54,792
25.00% -	46,926

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	2	316,328	147,622	3,315	297,403	138,790	2,472	80.00	2.41
2013	2	225,621	127,666	2,867	212,308	120,134	2,140	80.00	2.41
2014	2	182,629	113,165	2,541	162,293	100,563	1,790	80.00	2.41
2015	2	156,428	101,241	2,274	136,834	88,559	1,578	80.00	2.41
2016	2	138,405	91,016	2,043	116,530	76,631	1,365	80.00	2.41
2017	2	125,076	82,079	1,844	104,364	68,488	1,219	80.00	2.41
2018	2	114,726	74,186	1,665	96,456	62,372	1,112	80.00	2.41
2019	2	106,403	67,175	1,509	90,938	57,411	1,022	80.00	2.41
2020	2	99,494	60,903	1,368	87,057	53,290	949	80.00	2.41
2021	2	93,463	55,240	1,241	83,707	49,474	881	80.00	2.41
2022	2	87,855	50,118	1,125	80,145	45,719	814	80.00	2.41
2023	2	82,584	45,483	1,021	72,796	40,093	714	80.00	2.41
2024	2	77,629	41,291	927	68,589	36,482	650	80.00	2.41
2025	2	72,972	37,495	843	64,572	33,181	591	80.00	2.41
2026	2	68,592	34,060	764	60,720	30,150	537	80.00	2.41
Sub-Total		1,948,205	1,128,740	25,347	1,734,712	1,001,337	17,834	80.00	2.41
Remainder		333,274	148,361	3,332	296,850	132,092	2,353	80.00	2.41
Total Future		2,281,479	1,277,101	28,679	2,031,562	1,133,429	20,187	80.00	2.41
Cumulative		246,801	0	1,931					
Ultimate		2,528,280	1,277,101	30,610					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	23,792	4,858	5,950	0	34,600	1,256	444	32,900
2013	16,985	4,204	5,150	0	26,339	880	377	25,082
2014	12,983	3,520	4,311	0	20,814	648	313	19,853
2015	10,947	3,100	3,796	0	17,843	570	288	16,985
2016	9,322	2,682	3,286	0	15,290	473	246	14,571
2017	8,350	2,397	2,936	0	13,683	406	219	13,058
2018	7,716	2,183	2,673	0	12,572	365	198	12,009
2019	7,275	2,009	2,462	0	11,746	328	180	11,238
2020	6,965	1,865	2,284	0	11,114	293	166	10,655
2021	6,696	1,732	2,121	0	10,549	261	154	10,134
2022	6,412	1,600	1,960	0	9,972	234	142	9,596
2023	5,823	1,403	1,719	0	8,945	210	125	8,610
2024	5,488	1,277	1,564	0	8,329	196	114	8,019
2025	5,165	1,162	1,422	0	7,749	180	103	7,466
2026	4,858	1,055	1,293	0	7,206	166	94	6,946
Sub-Total	138,777	35,047	42,927	0	216,751	6,466	3,163	207,122
Remainder	23,748	4,623	5,662	0	34,033	744	412	32,877
Total Future	162,525	39,670	48,589	0	250,784	7,210	3,575	239,999

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	4,124	0	5,796	5,763	15,683	17,217	17,217	16,470
2013	2,930	0	7,276	4,314	14,520	10,562	27,779	9,151
2014	2,750	0	1,659	3,381	7,790	12,063	39,842	9,415
2015	1,318	0	453	2,887	4,658	12,327	52,169	8,714
2016	1,162	0	470	2,470	4,102	10,469	62,638	6,698
2017	1,094	0	101	2,210	3,405	9,653	72,291	5,589
2018	1,039	0	93	2,034	3,166	8,843	81,134	4,636
2019	1,028	0	76	1,905	3,009	8,229	89,363	3,904
2020	1,075	0	42	1,807	2,924	7,731	97,094	3,320
2021	1,135	0	46	1,721	2,902	7,232	104,326	2,811
2022	1,110	0	47	1,633	2,790	6,806	111,132	2,395
2023	1,124	0	50	1,469	2,643	5,967	117,099	1,901
2024	1,140	0	52	1,371	2,563	5,456	122,555	1,573
2025	1,187	0	60	1,280	2,527	4,939	127,494	1,289
2026	1,211	0	63	1,194	2,468	4,478	131,972	1,058
Sub-Total	23,427	0	16,284	35,439	75,150	131,972		78,924
Remainder	6,677	0	2,180	5,691	14,548	18,329	150,301	3,230
Total Future	30,104	0	18,464	41,130	89,698	150,301		82,154

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

TABLE 46

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SOUTH TOURNAISIAN
TOTAL PROVED PRODUCING

PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	82,154
12.00% -	74,802
15.00% -	65,840
20.00% -	54,792
25.00% -	46,926

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	2	316,328	147,622	3,315	297,403	138,790	2,472	80.00	2.41
2013	2	225,621	127,666	2,867	212,308	120,134	2,140	80.00	2.41
2014	2	182,629	113,165	2,541	162,293	100,563	1,790	80.00	2.41
2015	2	156,428	101,241	2,274	136,834	88,559	1,578	80.00	2.41
2016	2	138,405	91,016	2,043	116,530	76,631	1,365	80.00	2.41
2017	2	125,076	82,079	1,844	104,364	68,488	1,219	80.00	2.41
2018	2	114,726	74,186	1,665	96,456	62,372	1,112	80.00	2.41
2019	2	106,403	67,175	1,509	90,938	57,411	1,022	80.00	2.41
2020	2	99,494	60,903	1,368	87,057	53,290	949	80.00	2.41
2021	2	93,463	55,240	1,241	83,707	49,474	881	80.00	2.41
2022	2	87,855	50,118	1,125	80,145	45,719	814	80.00	2.41
2023	2	82,584	45,483	1,021	72,796	40,093	714	80.00	2.41
2024	2	77,629	41,291	927	68,589	36,482	650	80.00	2.41
2025	2	72,972	37,495	843	64,572	33,181	591	80.00	2.41
2026	2	68,592	34,060	764	60,720	30,150	537	80.00	2.41
Sub-Total		1,948,205	1,128,740	25,347	1,734,712	1,001,337	17,834	80.00	2.41
Remainder		333,274	148,361	3,332	296,850	132,092	2,353	80.00	2.41
Total Future		2,281,479	1,277,101	28,679	2,031,562	1,133,429	20,187	80.00	2.41
Cumulative		246,801	0	1,931					
Ultimate		2,528,280	1,277,101	30,610					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	23,792	4,858	5,950	0	34,600	1,256	444	32,900
2013	16,985	4,204	5,150	0	26,339	880	377	25,082
2014	12,983	3,520	4,311	0	20,814	648	313	19,853
2015	10,947	3,100	3,796	0	17,843	570	288	16,985
2016	9,322	2,682	3,286	0	15,290	473	246	14,571
2017	8,350	2,397	2,936	0	13,683	406	219	13,058
2018	7,716	2,183	2,673	0	12,572	365	198	12,009
2019	7,275	2,009	2,462	0	11,746	328	180	11,238
2020	6,965	1,865	2,284	0	11,114	293	166	10,655
2021	6,696	1,732	2,121	0	10,549	261	154	10,134
2022	6,412	1,600	1,960	0	9,972	234	142	9,596
2023	5,823	1,403	1,719	0	8,945	210	125	8,610
2024	5,488	1,277	1,564	0	8,329	196	114	8,019
2025	5,165	1,162	1,422	0	7,749	180	103	7,466
2026	4,858	1,055	1,293	0	7,206	166	94	6,946
Sub-Total	138,777	35,047	42,927	0	216,751	6,466	3,163	207,122
Remainder	23,748	4,623	5,662	0	34,033	744	412	32,877
Total Future	162,525	39,670	48,589	0	250,784	7,210	3,575	239,999

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	4,124	0	5,796	5,763	15,683	17,217	17,217	16,470
2013	2,930	0	7,276	4,314	14,520	10,562	27,779	9,151
2014	2,750	0	1,659	3,381	7,790	12,063	39,842	9,415
2015	1,318	0	453	2,887	4,658	12,327	52,169	8,714
2016	1,162	0	470	2,470	4,102	10,469	62,638	6,698
2017	1,094	0	101	2,210	3,405	9,653	72,291	5,589
2018	1,039	0	93	2,034	3,166	8,843	81,134	4,636
2019	1,028	0	76	1,905	3,009	8,229	89,363	3,904
2020	1,075	0	42	1,807	2,924	7,731	97,094	3,320
2021	1,135	0	46	1,721	2,902	7,232	104,326	2,811
2022	1,110	0	47	1,633	2,790	6,806	111,132	2,395
2023	1,124	0	50	1,469	2,643	5,967	117,099	1,901
2024	1,140	0	52	1,371	2,563	5,456	122,555	1,573
2025	1,187	0	60	1,280	2,527	4,939	127,494	1,289
2026	1,211	0	63	1,194	2,468	4,478	131,972	1,058
Sub-Total	23,427	0	16,284	35,439	75,150	131,972		78,924
Remainder	6,677	0	2,180	5,691	14,548	18,329	150,301	3,230
Total Future	30,104	0	18,464	41,130	89,698	150,301		82,154

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

TABLE 47

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SOUTH TOURNAISIAN
TOTAL PROBABLE

TOTAL
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	166,659
12.00% -	135,959
15.00% -	98,293
20.00% -	52,070
25.00% -	20,093

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	3	403,905	296,864	6,575	375,926	276,302	4,852	80.00	2.41
2013	4	706,936	484,493	11,436	673,640	461,671	8,643	80.00	2.41
2014	5	619,414	423,112	10,012	585,316	399,820	7,506	80.00	2.41
2015	7	861,195	602,506	13,995	761,491	532,753	9,813	80.00	2.41
2016	7	907,581	639,039	14,769	756,314	532,530	9,760	80.00	2.41
2017	8	823,875	580,347	13,410	687,571	484,333	8,878	80.00	2.41
2018	8	771,337	544,241	12,557	646,536	456,182	8,348	80.00	2.41
2019	8	644,738	453,817	10,491	547,056	385,061	7,059	80.00	2.41
2020	8	539,076	378,504	8,769	467,423	328,196	6,030	80.00	2.41
2021	8	450,920	315,784	7,328	399,494	279,770	5,149	80.00	2.41
2022	8	377,351	263,545	6,131	340,437	237,763	4,387	80.00	2.41
2023	8	315,930	220,022	5,128	275,260	191,697	3,541	80.00	2.41
2024	8	264,634	183,751	4,292	231,279	160,591	2,977	80.00	2.41
2025	8	221,764	153,510	3,597	194,152	134,398	2,497	80.00	2.41
2026	8	185,929	128,293	3,011	163,075	112,524	2,096	80.00	2.41
Sub-Total		8,094,585	5,667,828	131,501	7,104,970	4,973,591	91,536	80.00	2.41
Remainder		537,413	362,514	8,665	475,109	320,424	6,075	80.00	2.41
Total Future		8,631,998	6,030,342	140,166	7,580,079	5,294,015	97,611	80.00	2.41
Cumulative		0	0	0					
Ultimate		8,631,998	6,030,342	140,166					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	30,074	9,671	11,680	0	51,425	932	854	49,639
2013	53,891	16,158	20,804	0	90,853	1,973	1,479	87,401
2014	46,825	13,994	18,063	0	78,882	2,200	1,282	75,400
2015	60,920	18,646	23,623	0	103,189	3,723	1,860	97,606
2016	60,505	18,639	23,495	0	102,639	3,733	1,875	97,031
2017	55,006	16,951	21,362	0	93,319	3,377	1,708	88,234
2018	51,722	15,967	20,094	0	87,783	3,160	1,616	83,007
2019	43,765	13,477	16,994	0	74,236	2,578	1,350	70,308
2020	37,394	11,487	14,512	0	63,393	2,102	1,136	60,155
2021	31,959	9,792	12,395	0	54,146	1,729	952	51,465
2022	27,235	8,321	10,557	0	46,113	1,430	800	43,883
2023	22,021	6,710	8,531	0	37,262	1,131	643	35,488
2024	18,502	5,620	7,163	0	31,285	927	533	29,825
2025	15,533	4,704	6,009	0	26,246	757	444	25,045
2026	13,046	3,939	5,043	0	22,028	606	369	21,053
Sub-Total	568,398	174,076	220,325	0	962,799	30,358	16,901	915,540
Remainder	38,008	11,214	14,622	0	63,844	1,470	1,035	61,339
Total Future	606,406	185,290	234,947	0	1,026,643	31,828	17,936	976,879

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	10,824	0	126,132	8,244	145,200	-95,561	-95,561	-91,066
2013	12,137	0	75,426	14,455	102,018	-14,617	-110,178	-12,673
2014	11,112	0	16,198	12,547	39,857	35,543	-74,635	28,042
2015	7,664	0	21,534	16,443	45,641	51,965	-22,670	36,774
2016	8,097	0	1,282	16,363	25,742	71,289	48,619	45,633
2017	7,571	0	10,459	14,879	32,909	55,325	103,944	31,854
2018	7,354	0	242	13,997	21,593	61,414	165,358	32,212
2019	6,599	0	197	11,835	18,631	51,677	217,035	24,537
2020	6,224	0	100	10,105	16,429	43,726	260,761	18,795
2021	5,919	0	100	8,629	14,648	36,817	297,578	14,324
2022	5,223	0	99	7,347	12,669	31,214	328,792	10,993
2023	4,772	0	94	5,935	10,801	24,687	353,479	7,869
2024	4,373	0	90	4,983	9,446	20,379	373,858	5,882
2025	4,110	0	86	4,179	8,375	16,670	390,528	4,355
2026	3,791	0	82	3,506	7,379	13,674	404,202	3,233
Sub-Total	105,770	0	252,121	153,447	511,338	404,202		160,764
Remainder	12,416	0	9,167	10,145	31,728	29,611	433,813	5,895
Total Future	118,186	0	261,288	163,592	543,066	433,813		166,659

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

TABLE 48

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN — GAS LEASE
ZHAIKMUNIA - OPERATOR — PROVED
SOUTH WELL 23 (TOURNAISIAN) — PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	65,356
12.00% -	59,540
15.00% -	52,439
20.00% -	43,666
25.00% -	37,405

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	250,671	116,651	2,620	235,674	109,672	1,953	80.00	2.41
2013	1	177,538	104,986	2,357	167,063	98,792	1,760	80.00	2.41
2014	1	143,036	94,488	2,122	127,108	83,966	1,495	80.00	2.41
2015	1	122,080	85,039	1,910	106,788	74,387	1,325	80.00	2.41
2016	1	107,704	76,535	1,718	90,682	64,438	1,148	80.00	2.41
2017	1	97,097	68,881	1,547	81,018	57,475	1,023	80.00	2.41
2018	1	88,876	61,993	1,392	74,723	52,121	929	80.00	2.41
2019	1	82,277	55,794	1,253	70,318	47,685	849	80.00	2.41
2020	1	76,836	50,215	1,128	67,231	43,938	783	80.00	2.41
2021	1	72,163	45,193	1,015	64,631	40,475	720	80.00	2.41
2022	1	67,834	40,674	913	61,881	37,104	661	80.00	2.41
2023	1	63,764	36,606	822	56,206	32,268	575	80.00	2.41
2024	1	59,938	32,946	740	52,958	29,109	518	80.00	2.41
2025	1	56,342	29,651	666	49,857	26,239	468	80.00	2.41
2026	1	52,961	26,686	599	46,883	23,623	420	80.00	2.41
Sub-Total		1,519,117	926,338	20,802	1,353,021	821,292	14,627	80.00	2.41
Remainder		257,324	112,536	2,527	229,200	100,182	1,785	80.00	2.41
Total Future		1,776,441	1,038,874	23,329	1,582,221	921,474	16,412	80.00	2.41
Cumulative		202,391	0	1,496					
Ultimate		1,978,832	1,038,874	24,825					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	18,854	3,839	4,702	0	27,395	995	351	26,049
2013	13,365	3,457	4,235	0	21,057	693	310	20,054
2014	10,169	2,939	3,599	0	16,707	507	262	15,938
2015	8,543	2,604	3,189	0	14,336	445	241	13,650
2016	7,254	2,255	2,763	0	12,272	368	207	11,697
2017	6,482	2,012	2,463	0	10,957	316	184	10,457
2018	5,977	1,824	2,235	0	10,036	282	165	9,589
2019	5,626	1,669	2,044	0	9,339	254	150	8,935
2020	5,378	1,538	1,884	0	8,800	226	136	8,438
2021	5,171	1,416	1,735	0	8,322	201	127	7,994
2022	4,950	1,299	1,590	0	7,839	181	115	7,543
2023	4,497	1,129	1,384	0	7,010	163	101	6,746
2024	4,237	1,019	1,248	0	6,504	151	90	6,263
2025	3,988	918	1,124	0	6,030	138	82	5,810
2026	3,751	827	1,013	0	5,591	129	74	5,388
Sub-Total	108,242	28,745	35,208	0	172,195	5,049	2,595	164,551
Remainder	18,336	3,507	4,295	0	26,138	575	312	25,251
Total Future	126,578	32,252	39,503	0	198,333	5,624	2,907	189,802

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	3,264	0	4,596	4,564	12,424	13,625	13,625	13,032
2013	2,349	0	5,824	3,435	11,608	8,446	22,071	7,317
2014	2,218	0	1,333	2,698	6,249	9,689	31,760	7,563
2015	1,068	0	364	2,303	3,735	9,915	41,675	7,008
2016	941	0	378	1,967	3,286	8,411	50,086	5,381
2017	884	0	81	1,757	2,722	7,735	57,821	4,480
2018	836	0	74	1,612	2,522	7,067	64,888	3,704
2019	823	0	61	1,504	2,388	6,547	71,435	3,106
2020	856	0	33	1,423	2,312	6,126	77,561	2,631
2021	900	0	36	1,350	2,286	5,708	83,269	2,219
2022	875	0	37	1,278	2,190	5,353	88,622	1,884
2023	883	0	39	1,146	2,068	4,678	93,300	1,490
2024	893	0	41	1,068	2,002	4,261	97,561	1,228
2025	924	0	47	995	1,966	3,844	101,405	1,004
2026	941	0	48	925	1,914	3,474	104,879	821
Sub-Total	18,655	0	12,992	28,025	59,672	104,879		62,868
Remainder	5,147	0	1,601	4,377	11,125	14,126	119,005	2,488
Total Future	23,802	0	14,593	32,402	70,797	119,005		65,356

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 49

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
SOUTH WELL 31 (TOURNAISIAN)

GAS LEASE
PROVED
PRODUCING

		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
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41	10.00% -	16,799
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% -	15,263
REMARKS								15.00% -	13,401
								20.00% -	11,126
								25.00% -	9,521

		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
2012	1	65,657	30,971	695	61,729	29,118	519	80.00	2.41
2013	1	48,083	22,680	510	45,245	21,342	380	80.00	2.41
2014	1	39,593	18,677	419	35,185	16,597	295	80.00	2.41
2015	1	34,348	16,202	364	30,046	14,172	253	80.00	2.41
2016	1	30,701	14,481	325	25,848	12,193	217	80.00	2.41
2017	1	27,979	13,198	297	23,346	11,013	196	80.00	2.41
2018	1	25,850	12,193	273	21,733	10,251	183	80.00	2.41
2019	1	24,126	11,381	256	20,620	9,726	173	80.00	2.41
2020	1	22,658	10,688	240	19,826	9,352	166	80.00	2.41
2021	1	21,300	10,047	226	19,076	8,999	161	80.00	2.41
2022	1	20,021	9,444	212	18,264	8,615	153	80.00	2.41
2023	1	18,820	8,877	199	16,590	7,825	139	80.00	2.41
2024	1	17,691	8,345	187	15,631	7,373	132	80.00	2.41
2025	1	16,630	7,844	177	14,715	6,942	123	80.00	2.41
2026	1	15,631	7,374	165	13,837	6,527	117	80.00	2.41
Sub-Total		429,088	202,402	4,545	381,691	180,045	3,207	80.00	2.41
Remainder		75,950	35,825	805	67,650	31,910	568	80.00	2.41
Total Future		505,038	238,227	5,350	449,341	211,955	3,775	80.00	2.41
Cumulative		44,410	0	435					
Ultimate		549,448	238,227	5,785					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

	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. - $	
2012	4,938	1,019	1,248	0	7,205	261	93	6,851
2013	3,620	747	915	0	5,282	187	67	5,028
2014	2,815	581	712	0	4,108	141	52	3,915
2015	2,403	496	607	0	3,506	125	46	3,335
2016	2,068	427	523	0	3,018	105	39	2,874
2017	1,868	385	472	0	2,725	91	35	2,599
2018	1,739	359	440	0	2,538	82	33	2,423
2019	1,649	340	416	0	2,405	74	30	2,301
2020	1,586	328	401	0	2,315	67	29	2,219
2021	1,526	315	386	0	2,227	59	28	2,140
2022	1,461	301	369	0	2,131	54	27	2,050
2023	1,328	274	336	0	1,938	48	25	1,865
2024	1,250	258	316	0	1,824	44	23	1,757
2025	1,177	243	298	0	1,718	41	21	1,656
2026	1,107	229	279	0	1,615	38	21	1,556
Sub-Total	30,535	6,302	7,718	0	44,555	1,417	569	42,569
Remainder	5,412	1,116	1,368	0	7,896	170	99	7,627
Total Future	35,947	7,418	9,086	0	52,451	1,587	668	50,196

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	860	0	1,200	1,199	3,259	3,592	3,592	3,439
2013	580	0	1,452	879	2,911	2,117	5,709	1,833
2014	534	0	326	684	1,544	2,371	8,080	1,852
2015	250	0	89	583	922	2,413	10,493	1,706
2016	220	0	92	502	814	2,060	12,553	1,317
2017	211	0	20	454	685	1,914	14,467	1,109
2018	202	0	19	422	643	1,780	16,247	932
2019	205	0	16	401	622	1,679	17,926	798
2020	219	0	8	385	612	1,607	19,533	689
2021	236	0	10	370	616	1,524	21,057	592
2022	234	0	10	355	599	1,451	22,508	511
2023	241	0	11	322	574	1,291	23,799	411
2024	248	0	11	304	563	1,194	24,993	345
2025	262	0	14	286	562	1,094	26,087	285
2026	270	0	14	269	553	1,003	27,090	237
Sub-Total	4,772	0	3,292	7,415	15,479	27,090		16,056
Remainder	1,530	0	579	1,314	3,423	4,204	31,294	743
Total Future	6,302	0	3,871	8,729	18,902	31,294		16,799

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ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
SOUTH WELL 31 (TOURNAISIAN)

GAS LEASE
PROBABLE
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	17,237
12.00% -	13,339
15.00% -	8,602
20.00% -	2,841
25.00% -	-1,129

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		42,820	33,025	649	39,854	30,738	479	80.00	2.41
2013		130,404	63,227	1,976	124,262	60,248	1,493	80.00	2.41
2014		119,937	58,151	1,817	113,335	54,950	1,362	80.00	2.41
2015		108,843	52,772	1,649	96,241	46,663	1,157	80.00	2.41
2016		98,107	47,567	1,486	81,756	39,639	982	80.00	2.41
2017		88,052	42,692	1,335	73,485	35,629	883	80.00	2.41
2018		78,780	38,197	1,193	66,033	32,016	794	80.00	2.41
2019		70,300	34,084	1,065	59,649	28,921	716	80.00	2.41
2020		62,609	30,356	949	54,287	26,321	653	80.00	2.41
2021		55,715	27,013	844	49,360	23,932	593	80.00	2.41
2022		49,547	24,023	751	44,701	21,673	537	80.00	2.41
2023		44,032	21,349	667	38,364	18,601	461	80.00	2.41
2024		39,104	18,959	592	34,174	16,569	411	80.00	2.41
2025		34,698	16,824	526	30,378	14,729	365	80.00	2.41
2026		30,763	14,915	466	26,982	13,082	324	80.00	2.41
Sub-Total		1,053,711	523,154	15,965	932,861	463,711	11,210	80.00	2.41
Remainder		122,717	59,499	1,860	108,740	52,722	1,307	80.00	2.41
Total Future		1,176,428	582,653	17,825	1,041,601	516,433	12,517	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,176,428	582,653	17,825					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	3,188	1,076	1,153	0	5,417	99	89	5,229
2013	9,941	2,109	3,594	0	15,644	364	228	15,052
2014	9,067	1,923	3,278	0	14,268	426	208	13,634
2015	7,699	1,633	2,784	0	12,116	470	195	11,451
2016	6,541	1,387	2,364	0	10,292	404	167	9,721
2017	5,879	1,247	2,126	0	9,252	361	150	8,741
2018	5,282	1,121	1,910	0	8,313	323	136	7,854
2019	4,772	1,012	1,725	0	7,509	281	121	7,107
2020	4,343	921	1,570	0	6,834	244	109	6,481
2021	3,949	838	1,428	0	6,215	213	97	5,905
2022	3,576	759	1,293	0	5,628	188	87	5,353
2023	3,069	651	1,110	0	4,830	158	74	4,598
2024	2,734	580	988	0	4,302	137	66	4,099
2025	2,430	515	879	0	3,824	118	58	3,648
2026	2,159	458	780	0	3,397	100	50	3,247
Sub-Total	74,629	16,230	26,982	0	117,841	3,886	1,835	112,120
Remainder	8,699	1,845	3,145	0	13,689	331	200	13,158
Total Future	83,328	18,075	30,127	0	131,530	4,217	2,035	125,278

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,989	0	20,857	888	23,734	-18,505	-18,505	-17,696
2013	2,131	0	11,342	2,429	15,902	-850	-19,355	-685
2014	2,076	0	1,133	2,216	5,425	8,209	-11,146	6,406
2015	934	0	156	1,882	2,972	8,479	-2,667	5,992
2016	825	0	129	1,598	2,552	7,169	4,502	4,586
2017	762	0	28	1,437	2,227	6,514	11,016	3,772
2018	707	0	23	1,291	2,021	5,833	16,849	3,058
2019	678	0	20	1,166	1,864	5,243	22,092	2,488
2020	681	0	11	1,061	1,753	4,728	26,820	2,031
2021	688	0	12	965	1,665	4,240	31,060	1,648
2022	645	0	12	874	1,531	3,822	34,882	1,346
2023	626	0	12	750	1,388	3,210	38,092	1,022
2024	607	0	13	668	1,288	2,811	40,903	811
2025	605	0	12	594	1,211	2,437	43,340	637
2026	590	0	13	528	1,131	2,116	45,456	500
Sub-Total	14,544	0	33,773	18,347	66,664	45,456		15,916
Remainder	2,836	0	864	2,126	5,826	7,332	52,788	1,321
Total Future	17,380	0	34,637	20,473	72,490	52,788		17,237

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

TABLE 51

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_01 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	29,197
12.00% –	25,185
15.00% –	20,292
20.00% –	14,347
25.00% –	10,286

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	87,981	64,286	1,444	77,795	56,844	1,012	80.00	2.41
2016	1	153,178	111,926	2,513	127,648	93,271	1,662	80.00	2.41
2017	1	127,138	92,898	2,087	106,104	77,528	1,381	80.00	2.41
2018	1	105,524	77,105	1,731	88,450	64,630	1,151	80.00	2.41
2019	1	87,586	63,997	1,437	74,316	54,301	967	80.00	2.41
2020	1	72,695	53,118	1,193	63,033	46,058	820	80.00	2.41
2021	1	60,338	44,088	990	53,457	39,060	696	80.00	2.41
2022	1	50,080	36,593	822	45,181	33,013	588	80.00	2.41
2023	1	41,567	30,372	682	36,215	26,462	471	80.00	2.41
2024	1	34,500	25,209	566	30,152	22,032	393	80.00	2.41
2025	1	28,635	20,923	470	25,070	18,318	326	80.00	2.41
2026	1	23,767	17,367	390	20,846	15,232	271	80.00	2.41
Sub-Total		872,989	637,882	14,325	748,267	546,749	9,738	80.00	2.41
Remainder		70,798	51,731	1,162	62,457	45,637	813	80.00	2.41
Total Future		943,787	689,613	15,487	810,724	592,386	10,551	80.00	2.41
Cumulative		0	0	0					
Ultimate		943,787	689,613	15,487					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	6,224	1,990	2,437	0	10,651	380	195	10,076
2016	10,211	3,264	3,999	0	17,474	630	323	16,521
2017	8,489	2,714	3,323	0	14,526	522	269	13,735
2018	7,076	2,262	2,771	0	12,109	432	226	11,451
2019	5,945	1,900	2,328	0	10,173	350	187	9,636
2020	5,043	1,612	1,975	0	8,630	283	157	8,190
2021	4,276	1,367	1,674	0	7,317	232	130	6,955
2022	3,615	1,156	1,415	0	6,186	190	109	5,887
2023	2,897	926	1,135	0	4,958	148	87	4,723
2024	2,412	771	944	0	4,127	121	72	3,934
2025	2,006	641	786	0	3,433	98	59	3,276
2026	1,667	533	653	0	2,853	78	49	2,726
Sub-Total	59,861	19,136	23,440	0	102,437	3,464	1,863	97,110
Remainder	4,997	1,597	1,956	0	8,550	193	142	8,215
Total Future	64,858	20,733	25,396	0	110,987	3,657	2,005	105,325

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	719	0	10,210	1,703	12,632	–2,556	–2,556	–1,904
2016	1,376	0	218	2,794	4,388	12,133	9,577	7,767
2017	1,173	0	44	2,322	3,539	10,196	19,773	5,908
2018	1,013	0	33	1,936	2,982	8,469	28,242	4,442
2019	903	0	27	1,627	2,557	7,079	35,321	3,362
2020	846	0	14	1,380	2,240	5,950	41,271	2,558
2021	798	0	13	1,170	1,981	4,974	46,245	1,935
2022	700	0	13	989	1,702	4,185	50,430	1,474
2023	633	0	13	793	1,439	3,284	53,714	1,047
2024	576	0	12	660	1,248	2,686	56,400	775
2025	537	0	11	548	1,096	2,180	58,580	570
2026	490	0	11	457	958	1,768	60,348	418
Sub-Total	9,764	0	10,619	16,379	36,762	60,348		28,352
Remainder	1,710	0	836	1,367	3,913	4,302	64,650	845
Total Future	11,474	0	11,455	17,746	40,675	64,650		29,197

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 52

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
#402 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

		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
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41	10.00% –	8,474
FINAL	1.000000	0.881623	0.881623	0.881623	80.00	35.00	2.41	12.00% –	5,721
REMARKS								15.00% –	2,263
								20.00% –	–2,125
								25.00% –	–5,274

		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
2012	1	101,864	74,430	1,672	94,807	69,275	1,234	80.00	2.41
2013	1	150,818	110,201	2,474	143,715	105,010	1,870	80.00	2.41
2014	1	125,179	91,467	2,054	118,288	86,431	1,540	80.00	2.41
2015	1	103,898	75,917	1,705	91,870	67,129	1,195	80.00	2.41
2016	1	86,236	63,012	1,415	71,863	52,509	935	80.00	2.41
2017	1	71,576	52,299	1,175	59,734	43,647	778	80.00	2.41
2018	1	59,408	43,409	975	49,796	36,385	648	80.00	2.41
2019	1	49,308	36,029	809	41,838	30,570	544	80.00	2.41
2020	1	40,927	29,904	671	35,486	25,930	462	80.00	2.41
2021	1	33,968	24,820	558	30,095	21,989	392	80.00	2.41
2022	1	28,194	20,601	463	25,435	18,586	331	80.00	2.41
2023	1	23,401	17,099	384	20,389	14,898	265	80.00	2.41
2024	1	19,423	14,192	318	16,975	12,403	221	80.00	2.41
2025	1	16,121	11,780	265	14,113	10,313	184	80.00	2.41
2026	1	13,380	9,776	219	11,736	8,575	153	80.00	2.41
Sub-Total		923,701	674,936	15,157	826,140	603,650	10,752	80.00	2.41
Remainder		20,086	14,677	330	17,681	12,919	230	80.00	2.41
Total Future		943,787	689,613	15,487	843,821	616,569	10,982	80.00	2.41
Cumulative		0	0	0					
Ultimate		943,787	689,613	15,487					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

	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. - $	
2012	7,585	2,425	2,970	0	12,980	235	216	12,529
2013	11,497	3,675	4,502	0	19,674	421	327	18,926
2014	9,463	3,025	3,705	0	16,193	445	269	15,479
2015	7,349	2,350	2,878	0	12,577	449	230	11,898
2016	5,749	1,837	2,251	0	9,837	354	182	9,301
2017	4,779	1,528	1,871	0	8,178	294	152	7,732
2018	3,984	1,274	1,560	0	6,818	243	127	6,448
2019	3,347	1,069	1,311	0	5,727	197	105	5,425
2020	2,839	908	1,111	0	4,858	160	88	4,610
2021	2,407	770	943	0	4,120	130	74	3,916
2022	2,035	650	797	0	3,482	107	61	3,314
2023	1,631	522	639	0	2,792	84	49	2,659
2024	1,358	434	531	0	2,323	68	40	2,215
2025	1,129	361	442	0	1,932	55	34	1,843
2026	939	300	368	0	1,607	44	27	1,536
Sub-Total	66,091	21,128	25,879	0	113,098	3,286	1,981	107,831
Remainder	1,415	452	554	0	2,421	58	40	2,323
Total Future	67,506	21,580	26,433	0	115,519	3,344	2,021	110,154

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	3,169	0	29,774	2,075	35,018	–22,489	–22,489	–21,440
2013	2,650	0	14,096	3,146	19,892	–966	–23,455	–761
2014	2,340	0	1,273	2,589	6,202	9,277	–14,178	7,244
2015	953	0	161	2,011	3,125	8,773	–5,405	6,204
2016	774	0	123	1,573	2,470	6,831	1,426	4,373
2017	661	0	25	1,308	1,994	5,738	7,164	3,326
2018	570	0	18	1,090	1,678	4,770	11,934	2,501
2019	508	0	16	915	1,439	3,986	15,920	1,893
2020	477	0	7	777	1,261	3,349	19,269	1,439
2021	449	0	8	659	1,116	2,800	22,069	1,090
2022	394	0	7	557	958	2,356	24,425	830
2023	357	0	7	446	810	1,849	26,274	589
2024	324	0	7	371	702	1,513	27,787	437
2025	302	0	6	309	617	1,226	29,013	320
2026	276	0	6	257	539	997	30,010	236
Sub-Total	14,204	0	45,534	18,083	77,821	30,010		8,281
Remainder	452	0	897	387	1,736	587	30,597	193
Total Future	14,656	0	46,431	18,470	79,557	30,597		8,474

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 53

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
#401 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.884301	0.884301	0.884301	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	12,655
12.00% –	9,404
15.00% –	5,306
20.00% –	83
25.00% –	–3,685

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	179,273	130,992	2,942	166,855	121,918	2,171	80.00	2.41
2013	1	180,924	132,199	2,969	172,402	125,973	2,244	80.00	2.41
2014	1	149,707	109,389	2,456	141,466	103,367	1,841	80.00	2.41
2015	1	123,877	90,516	2,033	109,535	80,036	1,426	80.00	2.41
2016	1	102,504	74,898	1,682	85,419	62,415	1,111	80.00	2.41
2017	1	84,817	61,974	1,392	70,785	51,721	922	80.00	2.41
2018	1	70,183	51,282	1,151	58,828	42,985	765	80.00	2.41
2019	1	58,074	42,434	953	49,275	36,004	642	80.00	2.41
2020	1	48,053	35,112	789	41,667	30,446	542	80.00	2.41
2021	1	39,763	29,054	652	35,227	25,740	458	80.00	2.41
2022	1	32,902	24,041	540	29,684	21,689	387	80.00	2.41
2023	1	27,225	19,893	447	23,720	17,332	308	80.00	2.41
2024	1	22,528	16,461	370	19,688	14,386	256	80.00	2.41
2025	1	18,640	13,620	306	16,320	11,925	213	80.00	2.41
2026	1	15,425	11,271	253	13,528	9,885	176	80.00	2.41
Sub-Total		1,153,895	843,136	18,935	1,034,399	755,822	13,462	80.00	2.41
Remainder		35,360	25,837	580	31,167	22,773	406	80.00	2.41
Total Future		1,189,255	868,973	19,515	1,065,566	778,595	13,868	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,189,255	868,973	19,515					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	13,348	4,267	5,227	0	22,842	414	380	22,048
2013	13,793	4,409	5,400	0	23,602	505	392	22,705
2014	11,317	3,618	4,432	0	19,367	532	322	18,513
2015	8,763	2,801	3,431	0	14,995	535	274	14,186
2016	6,833	2,185	2,676	0	11,694	422	217	11,055
2017	5,663	1,810	2,217	0	9,690	347	179	9,164
2018	4,706	1,505	1,843	0	8,054	288	150	7,616
2019	3,942	1,260	1,543	0	6,745	232	124	6,389
2020	3,334	1,065	1,306	0	5,705	187	104	5,414
2021	2,818	901	1,103	0	4,822	153	86	4,583
2022	2,374	759	930	0	4,063	124	72	3,867
2023	1,898	607	743	0	3,248	98	57	3,093
2024	1,575	503	617	0	2,695	79	46	2,570
2025	1,306	418	511	0	2,235	63	39	2,133
2026	1,082	346	424	0	1,852	51	31	1,770
Sub-Total	82,752	26,454	32,403	0	141,609	4,030	2,473	135,106
Remainder	2,493	797	976	0	4,266	99	71	4,096
Total Future	85,245	27,251	33,379	0	145,875	4,129	2,544	139,202

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	4,520	0	37,821	3,652	45,993	–23,945	–23,945	–22,785
2013	3,180	0	16,907	3,774	23,861	–1,156	–25,101	–909
2014	2,799	0	1,522	3,096	7,417	11,096	–14,005	8,664
2015	1,135	0	192	2,398	3,725	10,461	–3,544	7,397
2016	921	0	146	1,870	2,937	8,118	4,574	5,198
2017	783	0	29	1,549	2,361	6,803	11,377	3,941
2018	674	0	22	1,288	1,984	5,632	17,009	2,955
2019	598	0	18	1,078	1,694	4,695	21,704	2,229
2020	559	0	9	912	1,480	3,934	25,638	1,691
2021	526	0	9	772	1,307	3,276	28,914	1,275
2022	460	0	9	649	1,118	2,749	31,663	968
2023	415	0	8	520	943	2,150	33,813	686
2024	376	0	8	430	814	1,756	35,569	506
2025	349	0	7	358	714	1,419	36,988	371
2026	319	0	7	296	622	1,148	38,136	272
Sub-Total	17,614	0	56,714	22,642	96,970	38,136		12,459
Remainder	477	0	2,648	682	3,807	289	38,425	196
Total Future	18,091	0	59,362	23,324	100,777	38,425		12,655

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 54

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
TS_04 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	23,302
12.00% -	19,923
15.00% -	15,837
20.00% -	10,939
25.00% -	7,653

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	38,586	28,194	633	34,119	24,930	444	80.00	2.41
2016	1	137,594	100,538	2,258	114,661	83,781	1,492	80.00	2.41
2017	1	114,245	83,478	1,875	95,344	69,667	1,241	80.00	2.41
2018	1	94,859	69,312	1,556	79,511	58,098	1,035	80.00	2.41
2019	1	78,762	57,550	1,293	66,829	48,831	870	80.00	2.41
2020	1	65,396	47,785	1,073	56,704	41,433	738	80.00	2.41
2021	1	54,300	39,675	891	48,107	35,151	626	80.00	2.41
2022	1	45,085	32,944	740	40,674	29,720	529	80.00	2.41
2023	1	37,434	27,352	614	32,616	23,832	424	80.00	2.41
2024	1	31,083	22,712	510	27,165	19,849	354	80.00	2.41
2025	1	25,807	18,857	423	22,594	16,509	294	80.00	2.41
2026	1	21,429	15,658	352	18,795	13,733	245	80.00	2.41
Sub-Total		744,580	544,055	12,218	637,119	465,534	8,292	80.00	2.41
Remainder		65,524	47,878	1,075	57,859	42,278	753	80.00	2.41
Total Future		810,104	591,933	13,293	694,978	507,812	9,045	80.00	2.41
Cumulative		0	0	0					
Ultimate		810,104	591,933	13,293					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	2,729	873	1,069	0	4,671	167	85	4,419
2016	9,173	2,932	3,592	0	15,697	566	291	14,840
2017	7,628	2,438	2,986	0	13,052	468	242	12,342
2018	6,361	2,034	2,491	0	10,886	389	202	10,295
2019	5,346	1,709	2,093	0	9,148	315	169	8,664
2020	4,536	1,450	1,777	0	7,763	255	141	7,367
2021	3,849	1,230	1,507	0	6,586	208	117	6,261
2022	3,254	1,040	1,274	0	5,568	171	98	5,299
2023	2,609	835	1,021	0	4,465	134	79	4,252
2024	2,173	694	851	0	3,718	109	64	3,545
2025	1,808	578	708	0	3,094	88	53	2,953
2026	1,503	481	589	0	2,573	70	44	2,459
Sub-Total	50,969	16,294	19,958	0	87,221	2,940	1,585	82,696
Remainder	4,629	1,479	1,812	0	7,920	178	132	7,610
Total Future	55,598	17,773	21,770	0	95,141	3,118	1,717	90,306

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	275	0	10,200	747	11,222	-6,803	-6,803	-4,682
2016	1,236	0	196	2,510	3,942	10,898	4,095	6,977
2017	1,055	0	39	2,087	3,181	9,161	13,256	5,308
2018	910	0	30	1,740	2,680	7,615	20,871	3,993
2019	812	0	24	1,463	2,299	6,365	27,236	3,024
2020	761	0	13	1,241	2,015	5,352	32,588	2,300
2021	718	0	12	1,053	1,783	4,478	37,066	1,742
2022	630	0	12	890	1,532	3,767	40,833	1,327
2023	571	0	11	714	1,296	2,956	43,789	943
2024	519	0	11	595	1,125	2,420	46,209	698
2025	483	0	10	494	987	1,966	48,175	513
2026	443	0	9	412	864	1,595	49,770	378
Sub-Total	8,413	0	10,567	13,946	32,926	49,770		22,521
Remainder	1,580	0	735	1,266	3,581	4,029	53,799	781
Total Future	9,993	0	11,302	15,212	36,507	53,799		23,302

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

TABLE 55

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
#406 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.881623	0.881623	0.881623	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	12,098
12.00% -	10,191
15.00% -	7,798
20.00% -	4,770
25.00% -	2,604

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013	1	105,608	77,167	1,733	100,634	73,532	1,310	80.00	2.41
2014	1	87,982	64,287	1,444	83,138	60,748	1,082	80.00	2.41
2015	1	73,297	53,557	1,202	64,812	47,357	843	80.00	2.41
2016	1	61,064	44,618	1,002	50,886	37,182	662	80.00	2.41
2017	1	50,871	37,171	835	42,455	31,021	553	80.00	2.41
2018	1	42,381	30,968	696	35,524	25,957	462	80.00	2.41
2019	1	35,307	25,798	579	29,958	21,890	390	80.00	2.41
2020	1	29,415	21,493	483	25,504	18,636	332	80.00	2.41
2021	1	24,505	17,905	402	21,711	15,863	283	80.00	2.41
2022	1	20,415	14,917	335	18,418	13,458	239	80.00	2.41
2023	1	17,007	12,428	279	14,818	10,827	193	80.00	2.41
2024	1	14,169	10,353	232	12,383	9,048	161	80.00	2.41
2025	1	11,804	8,625	194	10,334	7,552	135	80.00	2.41
2026	1	9,834	7,185	161	8,625	6,302	112	80.00	2.41
Sub-Total		583,659	426,472	9,577	519,200	379,373	6,757	80.00	2.41
Remainder		9,038	6,604	149	7,948	5,807	103	80.00	2.41
Total Future		592,697	433,076	9,726	527,148	385,180	6,860	80.00	2.41
Cumulative		0	0	0					
Ultimate		592,697	433,076	9,726					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	8,051	2,574	3,152	0	13,777	295	229	13,253
2014	6,651	2,126	2,605	0	11,382	312	189	10,881
2015	5,185	1,657	2,030	0	8,872	317	163	8,392
2016	4,071	1,302	1,594	0	6,967	251	128	6,588
2017	3,396	1,085	1,330	0	5,811	209	108	5,494
2018	2,842	909	1,113	0	4,864	173	91	4,600
2019	2,397	766	938	0	4,101	142	75	3,884
2020	2,040	652	799	0	3,491	114	64	3,313
2021	1,737	556	680	0	2,973	94	53	2,826
2022	1,473	471	577	0	2,521	78	44	2,399
2023	1,186	378	464	0	2,028	60	36	1,932
2024	990	317	388	0	1,695	50	29	1,616
2025	827	264	324	0	1,415	40	24	1,351
2026	690	221	270	0	1,181	32	20	1,129
Sub-Total	41,536	13,278	16,264	0	71,078	2,167	1,253	67,658
Remainder	636	203	249	0	1,088	28	19	1,041
Total Future	42,172	13,481	16,513	0	72,166	2,195	1,272	68,699

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	1,730	0	20,073	2,203	24,006	-10,753	-10,753	-9,616
2014	1,644	0	895	1,820	4,359	6,522	-4,231	5,092
2015	672	0	113	1,418	2,203	6,189	1,958	4,376
2016	549	0	87	1,114	1,750	4,838	6,796	3,097
2017	469	0	18	929	1,416	4,078	10,874	2,363
2018	407	0	13	778	1,198	3,402	14,276	1,784
2019	364	0	11	656	1,031	2,853	17,129	1,356
2020	342	0	5	558	905	2,408	19,537	1,034
2021	324	0	6	475	805	2,021	21,558	786
2022	286	0	5	403	694	1,705	23,263	601
2023	259	0	5	325	589	1,343	24,606	428
2024	236	0	5	271	512	1,104	25,710	319
2025	222	0	5	226	453	898	26,608	235
2026	203	0	4	189	396	733	27,341	173
Sub-Total	7,707	0	21,245	11,365	40,317	27,341		12,028
Remainder	178	0	551	174	903	138	27,479	70
Total Future	7,885	0	21,796	11,539	41,220	27,479		12,098

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

TABLE 56

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
#404 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.883304	0.883304	0.883304	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	–1,510
12.00% –	–3,962
15.00% –	–7,018
20.00% –	–10,840
25.00% –	–13,521

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	79,948	58,417	1,312	74,410	54,371	968	80.00	2.41
2013	1	139,182	101,699	2,284	132,627	96,908	1,726	80.00	2.41
2014	1	115,508	84,400	1,895	109,149	79,754	1,421	80.00	2.41
2015	1	95,861	70,044	1,573	84,762	61,935	1,103	80.00	2.41
2016	1	79,555	58,130	1,306	66,296	48,441	863	80.00	2.41
2017	1	66,023	48,242	1,083	55,100	40,261	717	80.00	2.41
2018	1	54,793	40,037	899	45,928	33,559	598	80.00	2.41
2019	1	45,473	33,226	746	38,583	28,192	502	80.00	2.41
2020	1	37,739	27,575	620	32,723	23,910	426	80.00	2.41
2021	1	31,319	22,885	514	27,747	20,275	361	80.00	2.41
2022	1	25,992	18,992	426	23,449	17,134	305	80.00	2.41
2023	1	21,571	15,761	354	18,794	13,732	244	80.00	2.41
2024	1	17,901	13,081	294	15,646	11,432	204	80.00	2.41
2025	1	14,857	10,855	244	13,007	9,504	169	80.00	2.41
2026	1	12,330	9,009	202	10,814	7,902	141	80.00	2.41
Sub-Total		838,052	612,353	13,752	749,035	547,310	9,748	80.00	2.41
Remainder		20,934	15,297	343	18,435	13,470	240	80.00	2.41
Total Future		858,986	627,650	14,095	767,470	560,780	9,988	80.00	2.41
Cumulative		0	0	0					
Ultimate		858,986	627,650	14,095					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	5,953	1,903	2,331	0	10,187	185	169	9,833
2013	10,610	3,392	4,154	0	18,156	388	302	17,466
2014	8,732	2,791	3,420	0	14,943	410	249	14,284
2015	6,781	2,168	2,655	0	11,604	415	212	10,977
2016	5,304	1,695	2,077	0	9,076	327	168	8,581
2017	4,408	1,409	1,726	0	7,543	270	140	7,133
2018	3,674	1,175	1,438	0	6,287	225	117	5,945
2019	3,086	987	1,209	0	5,282	182	97	5,003
2020	2,618	837	1,025	0	4,480	147	81	4,252
2021	2,220	709	869	0	3,798	120	68	3,610
2022	1,876	600	735	0	3,211	98	57	3,056
2023	1,503	481	588	0	2,572	78	45	2,449
2024	1,252	400	491	0	2,143	62	37	2,044
2025	1,041	332	407	0	1,780	51	30	1,699
2026	865	277	339	0	1,481	40	26	1,415
Sub-Total	59,923	19,156	23,464	0	102,543	2,998	1,798	97,747
Remainder	1,475	471	577	0	2,523	61	42	2,420
Total Future	61,398	19,627	24,041	0	105,066	3,059	1,840	100,167

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,146	0	37,680	1,629	40,455	–30,622	–30,622	–29,145
2013	2,446	0	13,008	2,903	18,357	–891	–31,513	–702
2014	2,160	0	1,175	2,389	5,724	8,560	–22,953	6,685
2015	878	0	149	1,855	2,882	8,095	–14,858	5,724
2016	715	0	113	1,451	2,279	6,302	–8,556	4,034
2017	609	0	23	1,207	1,839	5,294	–3,262	3,068
2018	526	0	17	1,005	1,548	4,397	1,135	2,306
2019	469	0	14	844	1,327	3,676	4,811	1,746
2020	439	0	7	717	1,163	3,089	7,900	1,328
2021	415	0	7	607	1,029	2,581	10,481	1,004
2022	363	0	7	513	883	2,173	12,654	765
2023	329	0	6	412	747	1,702	14,356	543
2024	298	0	6	342	646	1,398	15,754	403
2025	279	0	6	285	570	1,129	16,883	295
2026	254	0	6	236	496	919	17,802	217
Sub-Total	11,326	0	52,224	16,395	79,945	17,802		–1,729
Remainder	473	0	758	404	1,635	785	18,587	219
Total Future	11,799	0	52,982	16,799	81,580	18,587		–1,510

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

TABLE 57

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_07 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558	0.834558	0.834558	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	19,422
12.00% –	15,992
15.00% –	12,002
20.00% –	7,509
25.00% –	4,740

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	64,497	47,127	1,058	53,826	39,330	701	80.00	2.41
2018	1	135,798	99,226	2,229	113,826	83,171	1,481	80.00	2.41
2019	1	112,693	82,344	1,849	95,620	69,868	1,244	80.00	2.41
2020	1	93,520	68,333	1,535	81,089	59,251	1,056	80.00	2.41
2021	1	77,607	56,707	1,273	68,757	50,240	894	80.00	2.41
2022	1	64,403	47,058	1,057	58,103	42,455	757	80.00	2.41
2023	1	53,446	39,052	877	46,565	34,024	606	80.00	2.41
2024	1	44,352	32,407	728	38,762	28,323	504	80.00	2.41
2025	1	36,806	26,894	604	32,223	23,545	419	80.00	2.41
2026	1	30,543	22,318	501	26,789	19,575	349	80.00	2.41
Sub-Total		713,665	521,466	11,711	615,560	449,782	8,011	80.00	2.41
Remainder		100,318	73,301	1,646	88,812	64,894	1,156	80.00	2.41
Total Future		813,983	594,767	13,357	704,372	514,676	9,167	80.00	2.41
Cumulative		0	0	0					
Ultimate		813,983	594,767	13,357					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	4,306	1,377	1,686	0	7,369	264	137	6,968
2018	9,106	2,911	3,566	0	15,583	557	290	14,736
2019	7,650	2,445	2,995	0	13,090	450	241	12,399
2020	6,487	2,074	2,540	0	11,101	365	201	10,535
2021	5,500	1,758	2,154	0	9,412	297	168	8,947
2022	4,649	1,486	1,820	0	7,955	245	140	7,570
2023	3,725	1,191	1,459	0	6,375	191	112	6,072
2024	3,101	991	1,214	0	5,306	155	92	5,059
2025	2,578	824	1,009	0	4,411	126	76	4,209
2026	2,143	685	840	0	3,668	100	63	3,505
Sub-Total	49,245	15,742	19,283	0	84,270	2,750	1,520	80,000
Remainder	7,105	2,272	2,782	0	12,159	271	202	11,686
Total Future	56,350	18,014	22,065	0	96,429	3,021	1,722	91,686

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
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	613	0	10,200	1,178	11,991	–5,023	–5,023	–3,113
2018	1,303	0	43	2,492	3,838	10,898	5,875	5,716
2019	1,162	0	35	2,093	3,290	9,109	14,984	4,326
2020	1,088	0	17	1,775	2,880	7,655	22,639	3,290
2021	1,027	0	18	1,505	2,550	6,397	29,036	2,489
2022	900	0	16	1,271	2,187	5,383	34,419	1,896
2023	815	0	17	1,020	1,852	4,220	38,639	1,346
2024	740	0	15	848	1,603	3,456	42,095	997
2025	690	0	14	706	1,410	2,799	44,894	731
2026	630	0	14	586	1,230	2,275	47,169	538
Sub-Total	8,968	0	10,389	13,474	32,831	47,169		18,216
Remainder	2,449	0	759	1,944	5,152	6,534	53,703	1,206
Total Future	11,417	0	11,148	15,418	37,983	53,703		19,422

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

TABLE 58

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
TS_08 (TOURNAISIAN)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	45,784
12.00% –	40,165
15.00% –	33,211
20.00% –	24,546
25.00% –	18,418

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	21,101	15,418	346	19,940	14,570	260	80.00	2.41
2015	1	228,852	167,220	3,756	202,357	147,859	2,633	80.00	2.41
2016	1	189,343	138,350	3,107	157,785	115,292	2,053	80.00	2.41
2017	1	156,656	114,466	2,570	130,738	95,529	1,702	80.00	2.41
2018	1	129,611	94,705	2,127	108,640	79,381	1,414	80.00	2.41
2019	1	107,235	78,355	1,760	90,988	66,484	1,184	80.00	2.41
2020	1	88,722	64,828	1,456	76,930	56,211	1,001	80.00	2.41
2021	1	73,405	53,637	1,204	65,033	47,520	846	80.00	2.41
2022	1	60,733	44,376	997	54,792	40,035	714	80.00	2.41
2023	1	50,247	36,716	824	43,779	31,989	569	80.00	2.41
2024	1	41,574	30,377	682	36,334	26,549	473	80.00	2.41
2025	1	34,396	25,132	565	30,113	22,003	392	80.00	2.41
2026	1	28,458	20,794	467	24,960	18,238	325	80.00	2.41
Sub-Total		1,210,333	884,374	19,861	1,042,389	761,660	13,566	80.00	2.41
Remainder		92,638	67,690	1,520	82,010	59,924	1,067	80.00	2.41
Total Future		1,302,971	952,064	21,381	1,124,399	821,584	14,633	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,302,971	952,064	21,381					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 20.69 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,595	510	625	0	2,730	75	45	2,610
2015	16,189	5,175	6,339	0	27,703	989	507	26,207
2016	12,623	4,035	4,942	0	21,600	779	400	20,421
2017	10,459	3,344	4,096	0	17,899	642	331	16,926
2018	8,691	2,778	3,403	0	14,872	531	277	14,064
2019	7,279	2,327	2,850	0	12,456	429	230	11,797
2020	6,154	1,967	2,410	0	10,531	346	191	9,994
2021	5,203	1,664	2,037	0	8,904	281	159	8,464
2022	4,383	1,401	1,716	0	7,500	230	132	7,138
2023	3,503	1,119	1,372	0	5,994	180	105	5,709
2024	2,906	930	1,138	0	4,974	146	86	4,742
2025	2,409	770	943	0	4,122	117	71	3,934
2026	1,997	638	782	0	3,417	93	58	3,266
Sub-Total	83,391	26,658	32,653	0	142,702	4,838	2,592	135,272
Remainder	6,561	2,097	2,569	0	11,227	251	187	10,789
Total Future	89,952	28,755	35,222	0	153,929	5,089	2,779	146,061

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	93	0	10,200	436	10,729	–8,119	–8,119	–6,048
2015	2,098	0	354	4,430	6,882	19,325	11,206	13,666
2016	1,701	0	269	3,454	5,424	14,997	26,203	9,601
2017	1,446	0	54	2,861	4,361	12,565	38,768	7,280
2018	1,244	0	41	2,378	3,663	10,401	49,169	5,456
2019	1,105	0	33	1,992	3,130	8,667	57,836	4,116
2020	1,032	0	17	1,684	2,733	7,261	65,097	3,122
2021	972	0	16	1,423	2,411	6,053	71,150	2,354
2022	848	0	16	1,200	2,064	5,074	76,224	1,788
2023	766	0	15	958	1,739	3,970	80,194	1,265
2024	694	0	15	795	1,504	3,238	83,432	935
2025	645	0	13	659	1,317	2,617	86,049	684
2026	587	0	13	547	1,147	2,119	88,168	501
Sub-Total	13,231	0	11,056	22,817	47,104	88,168		44,720
Remainder	2,258	0	1,119	1,795	5,172	5,617	93,785	1,064
Total Future	15,489	0	12,175	24,612	52,276	93,785		45,784

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

TABLE 59

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
BASHKIRIAN
TOTAL PROBABLE

TOTAL
PROBABLE

	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
INITIAL								10.00% -	211,607
FINAL								12.00% -	180,890
REMARKS								15.00% -	143,456
								20.00% -	98,306
								25.00% -	68,028

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	5	548,766	0	0	457,303	0	0	80.00	0.00
2017	11	1,929,425	0	0	1,610,217	0	0	80.00	0.00
2018	11	1,988,862	0	0	1,667,060	0	0	80.00	0.00
2019	11	1,591,088	0	0	1,350,032	0	0	80.00	0.00
2020	11	1,272,868	0	0	1,103,684	0	0	80.00	0.00
2021	11	1,018,298	0	0	902,167	0	0	80.00	0.00
2022	11	814,641	0	0	734,944	0	0	80.00	0.00
2023	11	651,709	0	0	567,813	0	0	80.00	0.00
2024	11	514,457	0	0	449,614	0	0	80.00	0.00
2025	10	286,739	0	0	251,037	0	0	80.00	0.00
2026	3	31,004	0	0	27,192	0	0	80.00	0.00
Sub-Total		10,647,857	0	0	9,121,063	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		10,647,857	0	0	9,121,063	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		10,647,857	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	36,584	0	0	0	36,584	2,257	0	34,327
2017	128,818	0	0	0	128,818	7,910	0	120,908
2018	133,365	0	0	0	133,365	8,148	0	125,217
2019	108,002	0	0	0	108,002	6,362	0	101,640
2020	88,295	0	0	0	88,295	4,962	0	83,333
2021	72,173	0	0	0	72,173	3,904	0	68,269
2022	58,796	0	0	0	58,796	3,087	0	55,709
2023	45,425	0	0	0	45,425	2,335	0	43,090
2024	35,969	0	0	0	35,969	1,802	0	34,167
2025	20,083	0	0	0	20,083	978	0	19,105
2026	2,175	0	0	0	2,175	101	0	2,074
Sub-Total	729,685	0	0	0	729,685	41,846	0	687,839
Remainder	0	0	0	0	0	0	0	0
Total Future	729,685	0	0	0	729,685	41,846	0	687,839

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
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	871	0	30,000	6,832	37,703	-3,376	-3,376	-2,277
2017	3,062	0	25,000	24,057	52,119	68,789	65,413	39,387
2018	3,156	0	0	24,906	28,062	97,155	162,568	50,970
2019	2,525	0	0	20,169	22,694	78,946	241,514	37,492
2020	2,020	0	0	16,489	18,509	64,824	306,338	27,867
2021	1,616	0	0	13,478	15,094	53,175	359,513	20,692
2022	1,293	0	0	10,981	12,274	43,435	402,948	15,300
2023	1,034	0	0	8,483	9,517	33,573	436,521	10,705
2024	817	0	0	6,717	7,534	26,633	463,154	7,692
2025	455	0	800	3,750	5,005	14,100	477,254	3,715
2026	49	0	1,400	407	1,856	218	477,472	64
Sub-Total	16,898	0	57,200	136,269	210,367	477,472		211,607
Remainder	0	0	0	0	0	0	477,472	0
Total Future	16,898	0	57,200	136,269	210,367	477,472		211,607

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

TABLE 60

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
BK_01 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	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
INITIAL	1.000000	0.833330			80.00			10.00% -	20,826
FINAL	1.000000	0.873958			80.00			12.00% -	18,117
REMARKS								15.00% -	14,748
								20.00% -	10,551
								25.00% -	7,618

		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	Oil/Cond. $/bbl.	Gas $/MCF
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	208,906	0	0	174,088	0	0	80.00	0.00
2017	1	184,083	0	0	153,627	0	0	80.00	0.00
2018	1	147,266	0	0	123,438	0	0	80.00	0.00
2019	1	117,812	0	0	99,964	0	0	80.00	0.00
2020	1	94,250	0	0	81,722	0	0	80.00	0.00
2021	1	75,400	0	0	66,802	0	0	80.00	0.00
2022	1	60,321	0	0	54,419	0	0	80.00	0.00
2023	1	48,256	0	0	42,044	0	0	80.00	0.00
2024	1	31,693	0	0	27,698	0	0	80.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	823,802	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	823,802	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

	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. - $	
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	13,927	0	0	0	13,927	859	0	13,068
2017	12,290	0	0	0	12,290	755	0	11,535
2018	9,875	0	0	0	9,875	603	0	9,272
2019	7,997	0	0	0	7,997	471	0	7,526
2020	6,538	0	0	0	6,538	368	0	6,170
2021	5,344	0	0	0	5,344	289	0	5,055
2022	4,354	0	0	0	4,354	228	0	4,126
2023	3,363	0	0	0	3,363	173	0	3,190
2024	2,216	0	0	0	2,216	111	0	2,105
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	65,904	0	0	0	65,904	3,857	0	62,047
Remainder	0	0	0	0	0	0	0	0
Total Future	65,904	0	0	0	65,904	3,857	0	62,047

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
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	332	0	5,000	2,601	7,933	5,135	5,135	3,144
2017	292	0	0	2,295	2,587	8,948	14,083	5,186
2018	233	0	0	1,844	2,077	7,195	21,278	3,775
2019	187	0	0	1,494	1,681	5,845	27,123	2,776
2020	150	0	0	1,221	1,371	4,799	31,922	2,063
2021	120	0	0	998	1,118	3,937	35,859	1,532
2022	95	0	0	813	908	3,218	39,077	1,133
2023	77	0	0	628	705	2,485	41,562	793
2024	50	0	0	414	464	1,641	43,203	478
2025	0	0	200	0	200	-200	43,003	-54
2026	0	0	0	0	0	0	43,003	0
Sub-Total	1,536	0	5,200	12,308	19,044	43,003		20,826
Remainder	0	0	0	0	0	0	43,003	0
Total Future	1,536	0	5,200	12,308	19,044	43,003		20,826

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

TABLE 61

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
BK_02 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330			80.00		
FINAL	1.000000	0.875492			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	20,184
12.00% -	17,436
15.00% -	14,045
20.00% -	9,872
25.00% -	7,002

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	137,835	0	0	114,862	0	0	80.00	0.00
2017	1	198,296	0	0	165,490	0	0	80.00	0.00
2018	1	158,638	0	0	132,969	0	0	80.00	0.00
2019	1	126,909	0	0	107,683	0	0	80.00	0.00
2020	1	101,528	0	0	88,033	0	0	80.00	0.00
2021	1	81,223	0	0	71,959	0	0	80.00	0.00
2022	1	64,977	0	0	58,622	0	0	80.00	0.00
2023	1	51,983	0	0	45,290	0	0	80.00	0.00
2024	1	41,586	0	0	36,344	0	0	80.00	0.00
2025	1	5,012	0	0	4,388	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	825,640	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	825,640	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	9,189	0	0	0	9,189	567	0	8,622
2017	13,239	0	0	0	13,239	813	0	12,426
2018	10,638	0	0	0	10,638	650	0	9,988
2019	8,614	0	0	0	8,614	507	0	8,107
2020	7,043	0	0	0	7,043	396	0	6,647
2021	5,757	0	0	0	5,757	311	0	5,446
2022	4,689	0	0	0	4,689	247	0	4,442
2023	3,624	0	0	0	3,624	186	0	3,438
2024	2,907	0	0	0	2,907	146	0	2,761
2025	351	0	0	0	351	17	0	334
2026	0	0	0	0	0	0	0	0
Sub-Total	66,051	0	0	0	66,051	3,840	0	62,211
Remainder	0	0	0	0	0	0	0	0
Total Future	66,051	0	0	0	66,051	3,840	0	62,211

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	219	0	5,000	1,716	6,935	1,687	1,687	953
2017	314	0	0	2,472	2,786	9,640	11,327	5,587
2018	252	0	0	1,987	2,239	7,749	19,076	4,065
2019	202	0	0	1,609	1,811	6,296	25,372	2,991
2020	161	0	0	1,315	1,476	5,171	30,543	2,223
2021	129	0	0	1,075	1,204	4,242	34,785	1,650
2022	103	0	0	876	979	3,463	38,248	1,220
2023	82	0	0	677	759	2,679	40,927	854
2024	66	0	0	543	609	2,152	43,079	622
2025	8	0	200	65	273	61	43,140	19
2026	0	0	0	0	0	0	43,140	0
Sub-Total	1,536	0	5,200	12,335	19,071	43,140		20,184
Remainder	0	0	0	0	0	0	43,140	0
Total Future	1,536	0	5,200	12,335	19,071	43,140		20,184

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

TABLE 62

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
BK_03 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330			80.00		
FINAL	1.000000	0.875492			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	19,740
12.00% -	16,968
15.00% -	13,567
20.00% -	9,419
25.00% -	6,599

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	80,952	0	0	67,460	0	0	80.00	0.00
2017	1	209,673	0	0	174,984	0	0	80.00	0.00
2018	1	167,739	0	0	140,598	0	0	80.00	0.00
2019	1	134,191	0	0	113,861	0	0	80.00	0.00
2020	1	107,352	0	0	93,083	0	0	80.00	0.00
2021	1	85,882	0	0	76,088	0	0	80.00	0.00
2022	1	68,706	0	0	61,985	0	0	80.00	0.00
2023	1	54,965	0	0	47,888	0	0	80.00	0.00
2024	1	43,971	0	0	38,430	0	0	80.00	0.00
2025	1	14,556	0	0	12,743	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	827,120	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	827,120	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	5,397	0	0	0	5,397	333	0	5,064
2017	13,999	0	0	0	13,999	860	0	13,139
2018	11,247	0	0	0	11,247	687	0	10,560
2019	9,109	0	0	0	9,109	536	0	8,573
2020	7,447	0	0	0	7,447	419	0	7,028
2021	6,087	0	0	0	6,087	329	0	5,758
2022	4,959	0	0	0	4,959	260	0	4,699
2023	3,831	0	0	0	3,831	197	0	3,634
2024	3,074	0	0	0	3,074	154	0	2,920
2025	1,020	0	0	0	1,020	50	0	970
2026	0	0	0	0	0	0	0	0
Sub-Total	66,170	0	0	0	66,170	3,825	0	62,345
Remainder	0	0	0	0	0	0	0	0
Total Future	66,170	0	0	0	66,170	3,825	0	62,345

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	128	0	5,000	1,008	6,136	-1,072	-1,072	-727
2017	333	0	0	2,614	2,947	10,192	9,120	5,907
2018	266	0	0	2,101	2,367	8,193	17,313	4,299
2019	213	0	0	1,701	1,914	6,659	23,972	3,162
2020	171	0	0	1,390	1,561	5,467	29,439	2,350
2021	136	0	0	1,137	1,273	4,485	33,924	1,745
2022	109	0	0	926	1,035	3,664	37,588	1,291
2023	87	0	0	716	803	2,831	40,419	903
2024	70	0	0	574	644	2,276	42,695	657
2025	23	0	200	190	413	557	43,252	153
2026	0	0	0	0	0	0	43,252	0
Sub-Total	1,536	0	5,200	12,357	19,093	43,252		19,740
Remainder	0	0	0	0	0	0	43,252	0
Total Future	1,536	0	5,200	12,357	19,093	43,252		19,740

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

TABLE 63

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_04 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330			80.00		
FINAL	1.000000	0.875492			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	19,169
12.00% –	16,370
15.00% –	12,960
20.00% –	8,851
25.00% –	6,101

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	225,864	0	0	188,496	0	0	80.00	0.00
2018	1	180,690	0	0	151,455	0	0	80.00	0.00
2019	1	144,553	0	0	122,652	0	0	80.00	0.00
2020	1	115,642	0	0	100,272	0	0	80.00	0.00
2021	1	92,514	0	0	81,963	0	0	80.00	0.00
2022	1	74,011	0	0	66,770	0	0	80.00	0.00
2023	1	59,209	0	0	51,587	0	0	80.00	0.00
2024	1	47,367	0	0	41,397	0	0	80.00	0.00
2025	1	28,137	0	0	24,634	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	829,226	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	829,226	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	15,080	0	0	0	15,080	926	0	14,154
2018	12,116	0	0	0	12,116	740	0	11,376
2019	9,812	0	0	0	9,812	578	0	9,234
2020	8,022	0	0	0	8,022	451	0	7,571
2021	6,557	0	0	0	6,557	355	0	6,202
2022	5,342	0	0	0	5,342	280	0	5,062
2023	4,127	0	0	0	4,127	212	0	3,915
2024	3,311	0	0	0	3,311	166	0	3,145
2025	1,971	0	0	0	1,971	96	0	1,875
2026	0	0	0	0	0	0	0	0
Sub-Total	66,338	0	0	0	66,338	3,804	0	62,534
Remainder	0	0	0	0	0	0	0	0
Total Future	66,338	0	0	0	66,338	3,804	0	62,534

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	5,000	0	5,000	–5,000	–5,000	–3,052
2017	358	0	0	2,816	3,174	10,980	5,980	6,364
2018	287	0	0	2,263	2,550	8,826	14,806	4,630
2019	230	0	0	1,832	2,062	7,172	21,978	3,407
2020	183	0	0	1,498	1,681	5,890	27,868	2,531
2021	147	0	0	1,225	1,372	4,830	32,698	1,880
2022	117	0	0	997	1,114	3,948	36,646	1,390
2023	94	0	0	771	865	3,050	39,696	973
2024	76	0	0	619	695	2,450	42,146	708
2025	44	0	0	368	412	1,463	43,609	387
2026	0	0	200	0	200	–200	43,409	–49
Sub-Total	1,536	0	5,200	12,389	19,125	43,409		19,169
Remainder	0	0	0	0	0	0	43,409	0
Total Future	1,536	0	5,200	12,389	19,125	43,409		19,169

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

TABLE 64

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_05 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558			80.00		
FINAL	1.000000	0.875492			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	18,753
12.00% –	15,936
15.00% –	12,524
20.00% –	8,449
25.00% –	5,752

		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	Oil/Cond. $/bbl.	Gas $/MCF
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	174,031	0	0	145,239	0	0	80.00	0.00
2018	1	191,058	0	0	160,144	0	0	80.00	0.00
2019	1	152,845	0	0	129,689	0	0	80.00	0.00
2020	1	122,277	0	0	106,024	0	0	80.00	0.00
2021	1	97,821	0	0	86,665	0	0	80.00	0.00
2022	1	78,258	0	0	70,602	0	0	80.00	0.00
2023	1	62,605	0	0	54,546	0	0	80.00	0.00
2024	1	50,085	0	0	43,772	0	0	80.00	0.00
2025	1	39,007	0	0	34,150	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	830,831	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	830,831	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

	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. - $	
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	11,619	0	0	0	11,619	713	0	10,906
2018	12,812	0	0	0	12,812	783	0	12,029
2019	10,375	0	0	0	10,375	611	0	9,764
2020	8,482	0	0	0	8,482	477	0	8,005
2021	6,933	0	0	0	6,933	375	0	6,558
2022	5,648	0	0	0	5,648	297	0	5,351
2023	4,364	0	0	0	4,364	224	0	4,140
2024	3,501	0	0	0	3,501	175	0	3,326
2025	2,733	0	0	0	2,733	133	0	2,600
2026	0	0	0	0	0	0	0	0
Sub-Total	66,467	0	0	0	66,467	3,788	0	62,679
Remainder	0	0	0	0	0	0	0	0
Total Future	66,467	0	0	0	66,467	3,788	0	62,679

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
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	276	0	5,000	2,170	7,446	3,460	3,460	1,861
2018	303	0	0	2,392	2,695	9,334	12,794	4,896
2019	243	0	0	1,938	2,181	7,583	20,377	3,602
2020	194	0	0	1,584	1,778	6,227	26,604	2,677
2021	155	0	0	1,295	1,450	5,108	31,712	1,988
2022	124	0	0	1,055	1,179	4,172	35,884	1,470
2023	100	0	0	814	914	3,226	39,110	1,028
2024	79	0	0	654	733	2,593	41,703	748
2025	62	0	0	511	573	2,027	43,730	531
2026	0	0	200	0	200	–200	43,530	–48
Sub-Total	1,536	0	5,200	12,413	19,149	43,530		18,753
Remainder	0	0	0	0	0	0	43,530	0
Total Future	1,536	0	5,200	12,413	19,149	43,530		18,753

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

TABLE 65

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
BK_06 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558			80.00		
FINAL	1.000000	0.877080			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	18,351
12.00% -	15,518
15.00% -	12,106
20.00% -	8,068
25.00% -	5,426

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	119,225	0	0	99,500	0	0	80.00	0.00
2018	1	202,019	0	0	169,332	0	0	80.00	0.00
2019	1	161,615	0	0	137,129	0	0	80.00	0.00
2020	1	129,291	0	0	112,107	0	0	80.00	0.00
2021	1	103,434	0	0	91,638	0	0	80.00	0.00
2022	1	82,747	0	0	74,652	0	0	80.00	0.00
2023	1	66,197	0	0	57,675	0	0	80.00	0.00
2024	1	52,958	0	0	46,283	0	0	80.00	0.00
2025	1	42,366	0	0	37,092	0	0	80.00	0.00
2026	1	8,135	0	0	7,134	0	0	80.00	0.00
Sub-Total		967,987	0	0	832,542	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	832,542	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	7,960	0	0	0	7,960	489	0	7,471
2018	13,547	0	0	0	13,547	827	0	12,720
2019	10,970	0	0	0	10,970	647	0	10,323
2020	8,968	0	0	0	8,968	504	0	8,464
2021	7,331	0	0	0	7,331	396	0	6,935
2022	5,973	0	0	0	5,973	314	0	5,659
2023	4,614	0	0	0	4,614	237	0	4,377
2024	3,702	0	0	0	3,702	185	0	3,517
2025	2,968	0	0	0	2,968	145	0	2,823
2026	570	0	0	0	570	26	0	544
Sub-Total	66,603	0	0	0	66,603	3,770	0	62,833
Remainder	0	0	0	0	0	0	0	0
Total Future	66,603	0	0	0	66,603	3,770	0	62,833

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	189	0	5,000	1,487	6,676	795	795	367
2018	321	0	0	2,529	2,850	9,870	10,665	5,178
2019	256	0	0	2,049	2,305	8,018	18,683	3,808
2020	205	0	0	1,675	1,880	6,584	25,267	2,830
2021	165	0	0	1,369	1,534	5,401	30,668	2,102
2022	131	0	0	1,115	1,246	4,413	35,081	1,554
2023	105	0	0	862	967	3,410	38,491	1,088
2024	84	0	0	691	775	2,742	41,233	791
2025	67	0	0	555	622	2,201	43,434	575
2026	13	0	200	106	319	225	43,659	58
Sub-Total	1,536	0	5,200	12,438	19,174	43,659		18,351
Remainder	0	0	0	0	0	0	43,659	0
Total Future	1,536	0	5,200	12,438	19,174	43,659		18,351

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

TABLE 66

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_07 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330			80.00		
FINAL	1.000000	0.875492			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	19,913
12.00% –	17,151
15.00% –	13,755
20.00% –	9,600
25.00% –	6,763

		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	Oil/Cond. $/bbl.	Gas $/MCF
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	100,267	0	0	83,555	0	0	80.00	0.00
2017	1	205,810	0	0	171,761	0	0	80.00	0.00
2018	1	164,648	0	0	138,008	0	0	80.00	0.00
2019	1	131,719	0	0	111,762	0	0	80.00	0.00
2020	1	105,374	0	0	91,369	0	0	80.00	0.00
2021	1	84,300	0	0	74,686	0	0	80.00	0.00
2022	1	67,440	0	0	60,842	0	0	80.00	0.00
2023	1	53,952	0	0	47,007	0	0	80.00	0.00
2024	1	43,162	0	0	37,721	0	0	80.00	0.00
2025	1	11,315	0	0	9,907	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	826,618	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	826,618	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

	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
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	6,684	0	0	0	6,684	412	0	6,272
2017	13,741	0	0	0	13,741	844	0	12,897
2018	11,041	0	0	0	11,041	675	0	10,366
2019	8,941	0	0	0	8,941	526	0	8,415
2020	7,309	0	0	0	7,309	411	0	6,898
2021	5,975	0	0	0	5,975	323	0	5,652
2022	4,868	0	0	0	4,868	256	0	4,612
2023	3,760	0	0	0	3,760	193	0	3,567
2024	3,018	0	0	0	3,018	151	0	2,867
2025	792	0	0	0	792	39	0	753
2026	0	0	0	0	0	0	0	0
Sub-Total	66,129	0	0	0	66,129	3,830	0	62,299
Remainder	0	0	0	0	0	0	0	0
Total Future	66,129	0	0	0	66,129	3,830	0	62,299

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
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	159	0	5,000	1,248	6,407	–135	–135	–135
2017	327	0	0	2,566	2,893	10,004	9,869	5,798
2018	261	0	0	2,062	2,323	8,043	17,912	4,220
2019	209	0	0	1,670	1,879	6,536	24,448	3,104
2020	167	0	0	1,365	1,532	5,366	29,814	2,307
2021	134	0	0	1,116	1,250	4,402	34,216	1,713
2022	107	0	0	909	1,016	3,596	37,812	1,266
2023	86	0	0	702	788	2,779	40,591	887
2024	68	0	0	564	632	2,235	42,826	645
2025	18	0	200	148	366	387	43,213	108
2026	0	0	0	0	0	0	43,213	0
Sub-Total	1,536	0	5,200	12,350	19,086	43,213		19,913
Remainder	0	0	0	0	0	0	43,213	0
Total Future	1,536	0	5,200	12,350	19,086	43,213		19,913

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

TABLE 67

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_08 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	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
INITIAL	1.000000	0.833330			80.00			10.00% –	19,309
FINAL	1.000000	0.875492			80.00			12.00% –	16,517
REMARKS								15.00% –	13,108
								20.00% –	8,989
								25.00% –	6,221

		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	Oil/Cond. $/bbl.	Gas $/MCF
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	20,806	0	0	17,338	0	0	80.00	0.00
2017	1	221,702	0	0	185,024	0	0	80.00	0.00
2018	1	177,362	0	0	148,664	0	0	80.00	0.00
2019	1	141,890	0	0	120,393	0	0	80.00	0.00
2020	1	113,511	0	0	98,424	0	0	80.00	0.00
2021	1	90,810	0	0	80,453	0	0	80.00	0.00
2022	1	72,647	0	0	65,540	0	0	80.00	0.00
2023	1	58,118	0	0	50,637	0	0	80.00	0.00
2024	1	46,494	0	0	40,634	0	0	80.00	0.00
2025	1	24,647	0	0	21,577	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	828,684	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	828,684	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

	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. - $	
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	1,387	0	0	0	1,387	86	0	1,301
2017	14,802	0	0	0	14,802	908	0	13,894
2018	11,893	0	0	0	11,893	727	0	11,166
2019	9,632	0	0	0	9,632	567	0	9,065
2020	7,873	0	0	0	7,873	443	0	7,430
2021	6,437	0	0	0	6,437	348	0	6,089
2022	5,243	0	0	0	5,243	275	0	4,968
2023	4,051	0	0	0	4,051	209	0	3,842
2024	3,251	0	0	0	3,251	162	0	3,089
2025	1,726	0	0	0	1,726	85	0	1,641
2026	0	0	0	0	0	0	0	0
Sub-Total	66,295	0	0	0	66,295	3,810	0	62,485
Remainder	0	0	0	0	0	0	0	0
Total Future	66,295	0	0	0	66,295	3,810	0	62,485

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
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	33	0	5,000	259	5,292	–3,991	–3,991	–2,461
2017	352	0	0	2,764	3,116	10,778	6,787	6,246
2018	281	0	0	2,221	2,502	8,664	15,451	4,545
2019	226	0	0	1,799	2,025	7,040	22,491	3,344
2020	180	0	0	1,470	1,650	5,780	28,271	2,485
2021	144	0	0	1,202	1,346	4,743	33,014	1,845
2022	115	0	0	980	1,095	3,873	36,887	1,365
2023	92	0	0	756	848	2,994	39,881	954
2024	74	0	0	607	681	2,408	42,289	695
2025	39	0	0	323	362	1,279	43,568	340
2026	0	0	200	0	200	–200	43,368	–49
Sub-Total	1,536	0	5,200	12,381	19,117	43,368		19,309
Remainder	0	0	0	0	0	0	43,368	0
Total Future	1,536	0	5,200	12,381	19,117	43,368		19,309

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

TABLE 68

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_09 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558			80.00		
FINAL	1.000000	0.875492			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	18,890
12.00% –	16,079
15.00% –	12,667
20.00% –	8,581
25.00% –	5,866

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	191,631	0	0	159,927	0	0	80.00	0.00
2018	1	187,537	0	0	157,194	0	0	80.00	0.00
2019	1	150,030	0	0	127,299	0	0	80.00	0.00
2020	1	120,024	0	0	104,071	0	0	80.00	0.00
2021	1	96,019	0	0	85,069	0	0	80.00	0.00
2022	1	76,816	0	0	69,300	0	0	80.00	0.00
2023	1	61,452	0	0	53,542	0	0	80.00	0.00
2024	1	49,162	0	0	42,965	0	0	80.00	0.00
2025	1	35,316	0	0	30,919	0	0	80.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		967,987	0	0	830,286	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	830,286	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	12,794	0	0	0	12,794	786	0	12,008
2018	12,576	0	0	0	12,576	768	0	11,808
2019	10,184	0	0	0	10,184	600	0	9,584
2020	8,325	0	0	0	8,325	468	0	7,857
2021	6,806	0	0	0	6,806	368	0	6,438
2022	5,544	0	0	0	5,544	291	0	5,253
2023	4,283	0	0	0	4,283	220	0	4,063
2024	3,437	0	0	0	3,437	172	0	3,265
2025	2,474	0	0	0	2,474	121	0	2,353
2026	0	0	0	0	0	0	0	0
Sub-Total	66,423	0	0	0	66,423	3,794	0	62,629
Remainder	0	0	0	0	0	0	0	0
Total Future	66,423	0	0	0	66,423	3,794	0	62,629

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	304	0	5,000	2,389	7,693	4,315	4,315	2,349
2018	298	0	0	2,349	2,647	9,161	13,476	4,806
2019	238	0	0	1,902	2,140	7,444	20,920	3,536
2020	190	0	0	1,554	1,744	6,113	27,033	2,627
2021	153	0	0	1,271	1,424	5,014	32,047	1,951
2022	122	0	0	1,036	1,158	4,095	36,142	1,443
2023	97	0	0	800	897	3,166	39,308	1,010
2024	78	0	0	642	720	2,545	41,853	734
2025	56	0	0	461	517	1,836	43,689	482
2026	0	0	200	0	200	–200	43,489	–48
Sub-Total	1,536	0	5,200	12,404	19,140	43,489		18,890
Remainder	0	0	0	0	0	0	43,489	0
Total Future	1,536	0	5,200	12,404	19,140	43,489		18,890

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 69

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_10 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558			80.00		
FINAL	1.000000	0.877080			80.00		
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	18,508
12.00% –	15,682
15.00% –	12,271
20.00% –	8,221
25.00% –	5,560

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	137,835	0	0	115,031	0	0	80.00	0.00
2018	1	198,296	0	0	166,212	0	0	80.00	0.00
2019	1	158,638	0	0	134,603	0	0	80.00	0.00
2020	1	126,909	0	0	110,041	0	0	80.00	0.00
2021	1	101,528	0	0	89,949	0	0	80.00	0.00
2022	1	81,223	0	0	73,277	0	0	80.00	0.00
2023	1	64,977	0	0	56,613	0	0	80.00	0.00
2024	1	51,983	0	0	45,431	0	0	80.00	0.00
2025	1	41,586	0	0	36,408	0	0	80.00	0.00
2026	1	5,012	0	0	4,396	0	0	80.00	0.00
Sub-Total		967,987	0	0	831,961	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	831,961	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	9,202	0	0	0	9,202	565	0	8,637
2018	13,297	0	0	0	13,297	812	0	12,485
2019	10,769	0	0	0	10,769	635	0	10,134
2020	8,803	0	0	0	8,803	494	0	8,309
2021	7,196	0	0	0	7,196	390	0	6,806
2022	5,862	0	0	0	5,862	308	0	5,554
2023	4,529	0	0	0	4,529	232	0	4,297
2024	3,635	0	0	0	3,635	182	0	3,453
2025	2,912	0	0	0	2,912	142	0	2,770
2026	352	0	0	0	352	17	0	335
Sub-Total	66,557	0	0	0	66,557	3,777	0	62,780
Remainder	0	0	0	0	0	0	0	0
Total Future	66,557	0	0	0	66,557	3,777	0	62,780

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	219	0	5,000	1,719	6,938	1,699	1,699	894
2018	314	0	0	2,483	2,797	9,688	11,387	5,082
2019	252	0	0	2,011	2,263	7,871	19,258	3,738
2020	202	0	0	1,644	1,846	6,463	25,721	2,779
2021	161	0	0	1,344	1,505	5,301	31,022	2,063
2022	129	0	0	1,094	1,223	4,331	35,353	1,525
2023	103	0	0	846	949	3,348	38,701	1,068
2024	82	0	0	679	761	2,692	41,393	777
2025	66	0	0	544	610	2,160	43,553	564
2026	8	0	200	65	273	62	43,615	18
Sub-Total	1,536	0	5,200	12,429	19,165	43,615		18,508
Remainder	0	0	0	0	0	0	43,615	0
Total Future	1,536	0	5,200	12,429	19,165	43,615		18,508

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 70

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
BK_11 (BASHKIRIAN)

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED MONTHLY	
INITIAL	1.000000	0.834558			80.00			10.00% –	17,963
FINAL	1.000000	0.877080			80.00			12.00% –	15,115
REMARKS								15.00% –	11,706
								20.00% –	7,707
								25.00% –	5,121

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	61,275	0	0	51,138	0	0	80.00	0.00
2018	1	213,609	0	0	179,046	0	0	80.00	0.00
2019	1	170,886	0	0	144,997	0	0	80.00	0.00
2020	1	136,710	0	0	118,538	0	0	80.00	0.00
2021	1	109,367	0	0	96,895	0	0	80.00	0.00
2022	1	87,495	0	0	78,935	0	0	80.00	0.00
2023	1	69,995	0	0	60,984	0	0	80.00	0.00
2024	1	55,996	0	0	48,939	0	0	80.00	0.00
2025	1	44,797	0	0	39,219	0	0	80.00	0.00
2026	1	17,857	0	0	15,662	0	0	80.00	0.00
Sub-Total		967,987	0	0	834,353	0	0	80.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		967,987	0	0	834,353	0	0	80.00	0.00
Cumulative		0	0	0					
Ultimate		967,987	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	4,091	0	0	0	4,091	251	0	3,840
2018	14,324	0	0	0	14,324	875	0	13,449
2019	11,599	0	0	0	11,599	684	0	10,915
2020	9,484	0	0	0	9,484	533	0	8,951
2021	7,751	0	0	0	7,751	419	0	7,332
2022	6,315	0	0	0	6,315	331	0	5,984
2023	4,879	0	0	0	4,879	251	0	4,628
2024	3,915	0	0	0	3,915	196	0	3,719
2025	3,137	0	0	0	3,137	153	0	2,984
2026	1,253	0	0	0	1,253	58	0	1,195
Sub-Total	66,748	0	0	0	66,748	3,751	0	62,997
Remainder	0	0	0	0	0	0	0	0
Total Future	66,748	0	0	0	66,748	3,751	0	62,997

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	97	0	5,000	764	5,861	–2,021	–2,021	–1,172
2018	339	0	0	2,675	3,014	10,435	8,414	5,474
2019	271	0	0	2,166	2,437	8,478	16,892	4,027
2020	217	0	0	1,771	1,988	6,963	23,855	2,993
2021	174	0	0	1,448	1,622	5,710	29,565	2,222
2022	139	0	0	1,179	1,318	4,666	34,231	1,643
2023	111	0	0	911	1,022	3,606	37,837	1,150
2024	89	0	0	731	820	2,899	40,736	837
2025	71	0	0	586	657	2,327	43,063	608
2026	28	0	200	234	462	733	43,796	181
Sub-Total	1,536	0	5,200	12,465	19,201	43,796		17,963
Remainder	0	0	0	0	0	0	43,796	0
Total Future	1,536	0	5,200	12,465	19,201	43,796		17,963

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

TABLE 71

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NE ARDATOVSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	196,375
12.00% –	182,329
15.00% –	163,744
20.00% –	138,298
25.00% –	118,310

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	3	356,016	439,091	14,534	334,717	412,821	12,540	80.00	2.41
2013	3	223,518	296,223	9,806	210,328	278,744	8,469	80.00	2.41
2014	4	131,863	188,530	6,241	117,690	168,241	5,110	80.00	2.41
2015	5	452,167	670,445	22,192	397,857	589,761	17,915	80.00	2.41
2016	6	401,447	625,535	20,706	335,685	523,253	15,894	80.00	2.41
2017	5	369,481	601,754	19,921	308,342	502,177	15,255	80.00	2.41
2018	4	219,569	370,735	12,272	184,097	310,855	9,443	80.00	2.41
2019	3	118,820	210,528	6,968	100,819	178,632	5,427	80.00	2.41
2020	3	69,706	132,090	4,372	60,440	114,533	3,479	80.00	2.41
2021	1	14,230	27,637	915	12,608	24,485	744	80.00	2.41
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		2,356,817	3,562,568	117,927	2,062,583	3,103,502	94,276	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		2,356,817	3,562,568	117,927	2,062,583	3,103,502	94,276	80.00	2.41
Cumulative		774,225	0	15,636					
Ultimate		3,131,042	3,562,568	133,563					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	26,777	14,449	30,185	0	71,411	1,414	1,834	68,163
2013	16,827	9,756	20,381	0	46,964	871	1,215	44,878
2014	9,415	5,888	12,302	0	27,605	468	728	26,409
2015	31,828	20,642	43,122	0	95,592	1,815	2,735	91,042
2016	26,855	18,314	38,259	0	83,428	1,558	2,449	79,421
2017	24,668	17,576	36,718	0	78,962	1,446	2,374	75,142
2018	14,727	10,880	22,730	0	48,337	880	1,490	45,967
2019	8,066	6,252	13,061	0	27,379	475	856	26,048
2020	4,835	4,009	8,375	0	17,219	271	541	16,407
2021	1,009	857	1,790	0	3,656	55	114	3,487
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	165,007	108,623	226,923	0	500,553	9,253	14,336	476,964
Remainder	0	0	0	0	0	0	0	0
Total Future	165,007	108,623	226,923	0	500,553	9,253	14,336	476,964

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	9,621	0	12,704	8,927	31,252	36,911	36,911	35,272
2013	5,905	0	13,576	5,793	25,274	19,604	56,515	16,982
2014	3,878	0	13,874	3,358	21,110	5,299	61,814	4,499
2015	8,194	0	13,434	11,553	33,181	57,861	119,675	40,992
2016	7,545	0	13,350	9,991	30,886	48,535	168,210	31,414
2017	7,479	0	531	9,382	17,392	57,750	225,960	33,517
2018	4,735	0	361	5,707	10,803	35,164	261,124	18,489
2019	2,831	0	275	3,205	6,311	19,737	280,861	9,395
2020	1,953	0	27	1,992	3,972	12,435	293,296	5,357
2021	457	0	407	421	1,285	2,202	295,498	859
2022	0	0	200	0	200	−200	295,298	−70
2023	0	0	0	0	0	0	295,298	0
2024	0	0	0	0	0	0	295,298	0
2025	0	0	0	0	0	0	295,298	0
2026	0	0	0	0	0	0	295,298	0
Sub-Total	52,598	0	68,739	60,329	181,666	295,298		196,706
Remainder	0	0	2,668	0	2,668	−2,668	292,630	−331
Total Future	52,598	0	71,407	60,329	184,334	292,630		196,375

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

TABLE 72

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NE ARDATOVSKI
TOTAL PROVED

TOTAL
PROVED

	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
INITIAL								10.00% -	110,583
FINAL								12.00% -	105,552
REMARKS								15.00% -	98,647
								20.00% -	88,650
								25.00% -	80,248

		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	Oil/Cond. $/bbl.	Gas $/MCF
2012	3	356,016	439,091	14,534	334,717	412,821	12,540	80.00	2.41
2013	3	223,518	296,223	9,806	210,328	278,744	8,469	80.00	2.41
2014	3	122,797	176,032	5,827	109,123	156,431	4,751	80.00	2.41
2015	3	206,982	323,158	10,697	181,058	282,680	8,587	80.00	2.41
2016	3	133,276	229,252	7,589	112,211	193,019	5,863	80.00	2.41
2017	2	80,694	148,780	4,925	67,331	124,143	3,771	80.00	2.41
2018	1	21,723	41,567	1,376	18,263	34,948	1,062	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		1,145,006	1,654,103	54,754	1,033,031	1,482,786	45,043	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		1,145,006	1,654,103	54,754	1,033,031	1,482,786	45,043	80.00	2.41
Cumulative		774,225	0	15,636					
Ultimate		1,919,231	1,654,103	70,390					

	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
2012	26,777	14,449	30,185	0	71,411	1,414	1,834	68,163
2013	16,827	9,756	20,381	0	46,964	871	1,215	44,878
2014	8,729	5,475	11,438	0	25,642	436	676	24,530
2015	14,485	9,894	20,669	0	45,048	755	1,275	43,018
2016	8,977	6,755	14,113	0	29,845	455	860	28,530
2017	5,386	4,345	9,077	0	18,808	262	551	17,995
2018	1,461	1,223	2,556	0	5,240	69	154	5,017
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	82,642	51,897	108,419	0	242,958	4,262	6,565	232,131
Remainder	0	0	0	0	0	0	0	0
Total Future	82,642	51,897	108,419	0	242,958	4,262	6,565	232,131

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	9,621	0	12,704	8,927	31,252	36,911	36,911	35,272
2013	5,905	0	13,576	5,793	25,274	19,604	56,515	16,982
2014	3,792	0	2,134	3,118	9,044	15,486	72,001	12,086
2015	3,959	0	1,183	5,393	10,535	32,483	104,484	22,989
2016	2,722	0	952	3,512	7,186	21,344	125,828	13,670
2017	1,803	0	345	2,187	4,335	13,660	139,488	7,918
2018	519	0	239	605	1,363	3,654	143,142	1,921
2019	0	0	200	0	200	-200	142,942	-95
2020	0	0	0	0	0	0	142,942	0
2021	0	0	0	0	0	0	142,942	0
2022	0	0	0	0	0	0	142,942	0
2023	0	0	0	0	0	0	142,942	0
2024	0	0	0	0	0	0	142,942	0
2025	0	0	0	0	0	0	142,942	0
2026	0	0	0	0	0	0	142,942	0
Sub-Total	28,321	0	31,333	29,535	89,189	142,942		110,743
Remainder	0	0	1,285	0	1,285	-1,285	141,657	-160
Total Future	28,321	0	32,618	29,535	90,474	141,657		110,583

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

TABLE 73

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NE ARDATOVSKI
TOTAL PROBABLE

TOTAL
PROBABLE

	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
INITIAL								10.00% -	85,791
FINAL								12.00% -	76,777
REMARKS								15.00% -	65,097
								20.00% -	49,648
								25.00% -	38,061

		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	Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	9,066	12,498	414	8,567	11,810	359	80.00	2.41
2015	2	245,185	347,287	11,495	216,799	307,081	9,328	80.00	2.41
2016	3	268,171	396,283	13,117	223,474	330,234	10,031	80.00	2.41
2017	3	288,787	452,974	14,996	241,011	378,034	11,484	80.00	2.41
2018	3	197,846	329,168	10,896	165,834	275,907	8,381	80.00	2.41
2019	3	118,820	210,528	6,968	100,819	178,632	5,427	80.00	2.41
2020	3	69,706	132,090	4,372	60,440	114,533	3,479	80.00	2.41
2021	1	14,230	27,637	915	12,608	24,485	744	80.00	2.41
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		1,211,811	1,908,465	63,173	1,029,552	1,620,716	49,233	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		1,211,811	1,908,465	63,173	1,029,552	1,620,716	49,233	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,211,811	1,908,465	63,173					

	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. - $	
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	685	413	864	0	1,962	32	51	1,879
2015	17,344	10,748	22,453	0	50,545	1,060	1,461	48,024
2016	17,878	11,558	24,146	0	53,582	1,103	1,589	50,890
2017	19,281	13,232	27,641	0	60,154	1,184	1,823	57,147
2018	13,267	9,656	20,174	0	43,097	810	1,336	40,951
2019	8,065	6,252	13,061	0	27,378	475	856	26,047
2020	4,835	4,009	8,375	0	17,219	272	541	16,406
2021	1,009	857	1,790	0	3,656	55	113	3,488
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	82,364	56,725	118,504	0	257,593	4,991	7,770	244,832
Remainder	0	0	0	0	0	0	0	0
Total Future	82,364	56,725	118,504	0	257,593	4,991	7,770	244,832

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	86	0	11,740	240	12,066	-10,187	-10,187	-7,587
2015	4,235	0	12,251	6,160	22,646	25,378	15,191	18,004
2016	4,823	0	12,398	6,479	23,700	27,190	42,381	17,744
2017	5,675	0	187	7,196	13,058	44,089	86,470	25,598
2018	4,217	0	121	5,101	9,439	31,512	117,982	16,568
2019	2,831	0	75	3,205	6,111	19,936	137,918	9,490
2020	1,953	0	27	1,992	3,972	12,434	150,352	5,358
2021	457	0	407	422	1,286	2,202	152,554	859
2022	0	0	200	0	200	-200	152,354	-71
2023	0	0	0	0	0	0	152,354	0
2024	0	0	0	0	0	0	152,354	0
2025	0	0	0	0	0	0	152,354	0
2026	0	0	0	0	0	0	152,354	0
Sub-Total	24,277	0	37,406	30,795	92,478	152,354		85,963
Remainder	0	0	1,384	0	1,384	-1,384	150,970	-172
Total Future	24,277	0	38,790	30,795	93,862	150,970		85,791

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 74

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL #28 (ARDATOVSKI)

GAS LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.841948	0.841948	0.841948	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	23,836
12.00% -	22,867
15.00% -	21,520
20.00% -	19,535
25.00% -	17,830

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	80,066	99,546	3,295	75,276	93,590	2,843	80.00	2.41
2013	1	51,815	70,404	2,331	48,757	66,250	2,013	80.00	2.41
2014	1	28,766	43,093	1,426	25,563	38,295	1,163	80.00	2.41
2015	1	48,773	81,294	2,691	42,665	71,111	2,160	80.00	2.41
2016	1	31,434	59,124	1,957	26,465	49,780	1,512	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		240,854	353,461	11,700	218,726	319,026	9,691	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		240,854	353,461	11,700	218,726	319,026	9,691	80.00	2.41
Cumulative		608,476	0	12,237					
Ultimate		849,330	353,461	23,937					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 8.23 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	6,022	3,276	6,843	0	16,141	318	416	15,407
2013	3,901	2,318	4,844	0	11,063	202	289	10,572
2014	2,045	1,341	2,800	0	6,186	102	165	5,919
2015	3,413	2,489	5,200	0	11,102	178	321	10,603
2016	2,117	1,742	3,640	0	7,499	107	222	7,170
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	17,498	11,166	23,327	0	51,991	907	1,413	49,671
Remainder	0	0	0	0	0	0	0	0
Total Future	17,498	11,166	23,327	0	51,991	907	1,413	49,671

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	2,175	0	2,882	2,015	7,072	8,335	8,335	7,961
2013	1,392	0	3,207	1,358	5,957	4,615	12,950	3,996
2014	917	0	515	746	2,178	3,741	16,691	2,918
2015	982	0	293	1,314	2,589	8,014	24,705	5,671
2016	690	0	240	869	1,799	5,371	30,076	3,440
2017	0	0	200	0	200	-200	29,876	-116
2018	0	0	0	0	0	0	29,876	0
2019	0	0	0	0	0	0	29,876	0
2020	0	0	0	0	0	0	29,876	0
2021	0	0	0	0	0	0	29,876	0
2022	0	0	0	0	0	0	29,876	0
2023	0	0	0	0	0	0	29,876	0
2024	0	0	0	0	0	0	29,876	0
2025	0	0	0	0	0	0	29,876	0
2026	0	0	0	0	0	0	29,876	0
Sub-Total	6,156	0	7,337	6,302	19,795	29,876		23,870
Remainder	0	0	269	0	269	-269	29,607	-34
Total Future	6,156	0	7,606	6,302	20,064	29,607		23,836

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

TABLE 75

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN — GAS LEASE
ZHAIKMUNIA – OPERATOR — PROVED
NE WELL #115_AD (ARDATOVSKI) — PRODUCING

	Expense Interest	Revenue Interests: Oil/Condensate	Revenue Interests: Plant Products	Revenue Interests: Gas	Product Prices: Oil/Cond. $/bbl.	Product Prices: Plt. Prod. $/bbl.	Product Prices: Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.834406	0.834406	0.834406	80.00	35.00	2.41
REMARKS	WELL # 54 OFFSET						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	37,342
12.00% –	35,393
15.00% –	32,733
20.00% –	28,914
25.00% –	25,739

Period	Number of Wells	Estimated 8/8 ths Production: Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Company Net Sales: Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	Average Prices: Oil/Cond. $/bbl.	Gas $/MCF
2012	1	94,296	116,497	3,856	88,655	109,528	3,327	80.00	2.41
2013	1	67,248	89,362	2,958	63,279	84,088	2,555	80.00	2.41
2014	1	40,496	58,216	1,927	35,987	51,734	1,571	80.00	2.41
2015	1	75,716	118,483	3,922	66,232	103,642	3,148	80.00	2.41
2016	1	55,641	95,576	3,164	46,847	80,470	2,445	80.00	2.41
2017	1	49,100	93,459	3,094	40,969	77,983	2,369	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		382,497	571,593	18,921	341,969	507,445	15,415	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		382,497	571,593	18,921	341,969	507,445	15,415	80.00	2.41
Cumulative		158,953	0	3,244					
Ultimate		541,450	571,593	22,165					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 8.23 %

Period	Company Future Gross Revenue (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	Royalty: Oil/Cond. - $M	Gas/P.P. - $	FGR After Royalty $M
2012	7,092	3,833	8,008	0	18,933	374	487	18,072
2013	5,063	2,944	6,149	0	14,156	263	366	13,527
2014	2,879	1,810	3,783	0	8,472	143	224	8,105
2015	5,298	3,628	7,578	0	16,504	276	467	15,761
2016	3,748	2,816	5,884	0	12,448	190	359	11,899
2017	3,278	2,730	5,702	0	11,710	160	346	11,204
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	27,358	17,761	37,104	0	82,223	1,406	2,249	78,568
Remainder	0	0	0	0	0	0	0	0
Total Future	27,358	17,761	37,104	0	82,223	1,406	2,249	78,568

Period	Deductions - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	Future Net Income Before Income Taxes-$M: Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	2,547	0	3,397	2,366	8,310	9,762	9,762	9,315
2013	1,776	0	4,117	1,745	7,638	5,889	15,651	5,092
2014	1,249	0	708	1,030	2,987	5,118	20,769	3,992
2015	1,450	0	437	1,975	3,862	11,899	32,668	8,410
2016	1,135	0	400	1,465	3,000	8,899	41,567	5,695
2017	1,127	0	91	1,354	2,572	8,632	50,199	4,999
2018	0	0	200	0	200	–200	49,999	–105
2019	0	0	0	0	0	0	49,999	0
2020	0	0	0	0	0	0	49,999	0
2021	0	0	0	0	0	0	49,999	0
2022	0	0	0	0	0	0	49,999	0
2023	0	0	0	0	0	0	49,999	0
2024	0	0	0	0	0	0	49,999	0
2025	0	0	0	0	0	0	49,999	0
2026	0	0	0	0	0	0	49,999	0
Sub-Total	9,284	0	9,350	9,935	28,569	49,999		37,398
Remainder	0	0	449	0	449	–449	49,550	–56
Total Future	9,284	0	9,799	9,935	29,018	49,550		37,342

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 76

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL #213 (ARDATOVSKI)

GAS LEASE
PROVED
PRODUCING

	Revenue Interests: EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Product Prices: Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.840752	0.840752	0.840752	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	49,405
12.00% –	47,292
15.00% –	44,394
20.00% –	40,201
25.00% –	36,678

Period	Number of Wells	Estimated 8/8 ths Production: Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Company Net Sales: Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	Average Prices: Oil/Cond. $/bbl.	Gas $/MCF
2012	1	181,654	223,048	7,383	170,786	209,703	6,370	80.00	2.41
2013	1	104,455	136,457	4,517	98,292	128,406	3,901	80.00	2.41
2014	1	53,535	74,723	2,474	47,573	66,402	2,017	80.00	2.41
2015	1	82,493	123,381	4,084	72,161	107,927	3,279	80.00	2.41
2016	1	46,201	74,552	2,468	38,899	62,769	1,906	80.00	2.41
2017	1	31,594	55,321	1,831	26,362	46,160	1,402	80.00	2.41
2018	1	21,723	41,567	1,376	18,263	34,948	1,062	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		521,655	729,049	24,133	472,336	656,315	19,937	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		521,655	729,049	24,133	472,336	656,315	19,937	80.00	2.41
Cumulative		6,796	0	155					
Ultimate		528,451	729,049	24,288					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 8.23 %

Period	Company Future Gross Revenue (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	Royalty: Oil/Cond. - $M	Gas/P.P. - $	FGR After Royalty $M
2012	13,663	7,340	15,333	0	36,336	721	932	34,683
2013	7,863	4,494	9,389	0	21,746	408	559	20,779
2014	3,806	2,324	4,855	0	10,985	190	288	10,507
2015	5,773	3,777	7,892	0	17,442	300	486	16,656
2016	3,112	2,197	4,589	0	9,898	158	280	9,460
2017	2,109	1,616	3,375	0	7,100	103	205	6,792
2018	1,461	1,223	2,556	0	5,240	69	154	5,017
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	37,787	22,971	47,989	0	108,747	1,949	2,904	103,894
Remainder	0	0	0	0	0	0	0	0
Total Future	37,787	22,971	47,989	0	108,747	1,949	2,904	103,894

Period	Deductions - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	Future Net Income Before Income Taxes-$M: Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	4,900	0	6,425	4,546	15,871	18,812	18,812	17,995
2013	2,735	0	6,252	2,689	11,676	9,103	27,915	7,895
2014	1,627	0	911	1,343	3,881	6,626	34,541	5,176
2015	1,527	0	452	2,104	4,083	12,573	47,114	8,907
2016	897	0	313	1,178	2,388	7,072	54,186	4,537
2017	676	0	54	833	1,563	5,229	59,415	3,035
2018	519	0	39	605	1,163	3,854	63,269	2,026
2019	0	0	200	0	200	-200	63,069	-95
2020	0	0	0	0	0	0	63,069	0
2021	0	0	0	0	0	0	63,069	0
2022	0	0	0	0	0	0	63,069	0
2023	0	0	0	0	0	0	63,069	0
2024	0	0	0	0	0	0	63,069	0
2025	0	0	0	0	0	0	63,069	0
2026	0	0	0	0	0	0	63,069	0
Sub-Total	12,881	0	14,646	13,298	40,825	63,069		49,476
Remainder	0	0	567	0	567	-567	62,502	-71
Total Future	12,881	0	15,213	13,298	41,392	62,502		49,405

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 77

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE D2AD_2 (ARDATOVSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.867082	0.867082	0.867082	80.00	35.00	2.41

REMARKS WELL WILL PRODUCE FROM ARDATOVSKI THROUGH DEC 2016
THEN RECOMPLETE TO TOURNAISIAN JAN 2017

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	37,447
12.00% -	33,953
15.00% -	29,351
20.00% -	23,106
25.00% -	18,269

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas (A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	9,066	12,498	414	8,567	11,810	359	80.00	2.41
2015	1	189,343	268,126	8,875	167,422	237,085	7,202	80.00	2.41
2016	1	107,043	160,211	5,303	89,202	133,508	4,055	80.00	2.41
2017	1	74,143	117,627	3,894	61,877	98,167	2,982	80.00	2.41
2018	1	51,773	87,365	2,892	43,396	73,229	2,225	80.00	2.41
2019	1	31,753	57,242	1,895	26,943	48,569	1,475	80.00	2.41
2020	1	18,994	36,748	1,216	16,469	31,864	968	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		482,115	739,817	24,489	413,876	634,232	19,266	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		482,115	739,817	24,489	413,876	634,232	19,266	80.00	2.41
Cumulative		0	0	0					
Ultimate		482,115	739,817	24,489					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 8.23 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	685	413	864	0	1,962	32	51	1,879
2015	13,394	8,298	17,335	0	39,027	819	1,128	37,080
2016	7,136	4,673	9,762	0	21,571	440	642	20,489
2017	4,950	3,436	7,177	0	15,563	304	474	14,785
2018	3,472	2,563	5,355	0	11,390	212	354	10,824
2019	2,156	1,700	3,551	0	7,407	127	233	7,047
2020	1,317	1,115	2,330	0	4,762	74	151	4,537
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	33,110	22,198	46,374	0	101,682	2,008	3,033	96,641
Remainder	0	0	0	0	0	0	0	0
Total Future	33,110	22,198	46,374	0	101,682	2,008	3,033	96,641

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	86	0	11,740	240	12,066	-10,187	-10,187	-7,587
2015	3,429	0	511	4,756	8,696	28,384	18,197	20,111
2016	1,983	0	278	2,603	4,864	15,625	33,822	10,019
2017	1,470	0	48	1,858	3,376	11,409	45,231	6,624
2018	1,117	0	32	1,344	2,493	8,331	53,562	4,379
2019	767	0	20	865	1,652	5,395	58,957	2,567
2020	541	0	8	549	1,098	3,439	62,396	1,482
2021	0	0	200	0	200	-200	62,196	-78
2022	0	0	0	0	0	0	62,196	0
2023	0	0	0	0	0	0	62,196	0
2024	0	0	0	0	0	0	62,196	0
2025	0	0	0	0	0	0	62,196	0
2026	0	0	0	0	0	0	62,196	0
Sub-Total	9,393	0	12,837	12,215	34,445	62,196		37,517
Remainder	0	0	567	0	567	-567	61,629	-70
Total Future	9,393	0	13,404	12,215	35,012	61,629		37,447

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 78

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_4 (ARDATOVSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.885955	0.885955	0.885955	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	32,236
12.00% –	28,753
15.00% –	24,253
20.00% –	18,328
25.00% –	13,912

		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
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	55,842	79,161	2,620	49,377	69,996	2,126	80.00	2.41
2016	1	149,855	218,720	7,240	124,878	182,266	5,537	80.00	2.41
2017	1	101,759	156,282	5,174	84,924	130,427	3,962	80.00	2.41
2018	1	69,547	112,688	3,730	58,295	94,454	2,869	80.00	2.41
2019	1	41,654	71,436	2,364	35,343	60,614	1,842	80.00	2.41
2020	1	24,394	44,432	1,471	21,151	38,526	1,170	80.00	2.41
2021	1	14,230	27,637	915	12,608	24,485	744	80.00	2.41
2022		0	0	0	0	0	0	0.00	0.00
2023		0	0	0	0	0	0	0.00	0.00
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		457,281	710,356	23,514	386,576	600,768	18,250	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		457,281	710,356	23,514	386,576	600,768	18,250	80.00	2.41
Cumulative		0	0	0					
Ultimate		457,281	710,356	23,514					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 8.23 %

	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. - $	
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	3,950	2,450	5,118	0	11,518	241	333	10,944
2016	9,990	6,379	13,327	0	29,696	617	877	28,202
2017	6,794	4,565	9,537	0	20,896	417	629	19,850
2018	4,664	3,306	6,906	0	14,876	285	457	14,134
2019	2,827	2,121	4,432	0	9,380	166	291	8,923
2020	1,692	1,349	2,817	0	5,858	95	182	5,581
2021	1,009	857	1,790	0	3,656	55	113	3,488
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	30,926	21,027	43,927	0	95,880	1,876	2,882	91,122
Remainder	0	0	0	0	0	0	0	0
Total Future	30,926	21,027	43,927	0	95,880	1,876	2,882	91,122

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
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	806	0	11,740	1,403	13,949	–3,005	–3,005	–2,108
2016	2,723	0	381	3,599	6,703	21,499	18,494	13,789
2017	1,967	0	64	2,510	4,541	15,309	33,803	8,889
2018	1,452	0	42	1,769	3,263	10,871	44,674	5,715
2019	967	0	26	1,104	2,097	6,826	51,500	3,250
2020	662	0	9	683	1,354	4,227	55,727	1,822
2021	458	0	7	421	886	2,602	58,329	1,015
2022	0	0	200	0	200	–200	58,129	–71
2023	0	0	0	0	0	0	58,129	0
2024	0	0	0	0	0	0	58,129	0
2025	0	0	0	0	0	0	58,129	0
2026	0	0	0	0	0	0	58,129	0
Sub-Total	9,035	0	12,469	11,489	32,993	58,129		32,301
Remainder	0	0	527	0	527	–527	57,602	–65
Total Future	9,035	0	12,996	11,489	33,520	57,602		32,236

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

TABLE 79

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE D2AD_5 (ARDATOVSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330	0.833330	0.833330	80.00	35.00	2.41
FINAL	1.000000	0.867082	0.867082	0.867082	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	16,109
12.00% –	14,071
15.00% –	11,493
20.00% –	8,214
25.00% –	5,881

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	11,273	17,352	574	9,394	14,460	439	80.00	2.41
2017	1	112,885	179,065	5,928	94,210	149,440	4,540	80.00	2.41
2018	1	76,526	129,115	4,274	64,143	108,224	3,287	80.00	2.41
2019	1	45,413	81,850	2,709	38,533	69,449	2,110	80.00	2.41
2020	1	26,318	50,910	1,685	22,820	44,143	1,341	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		272,415	458,292	15,170	229,100	385,716	11,717	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		272,415	458,292	15,170	229,100	385,716	11,717	80.00	2.41
Cumulative		0	0	0					
Ultimate		272,415	458,292	15,170					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 8.23 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	752	506	1,057	0	2,315	46	70	2,199
2017	7,536	5,230	10,927	0	23,693	463	720	22,510
2018	5,132	3,788	7,913	0	16,833	314	524	15,995
2019	3,082	2,431	5,078	0	10,591	181	333	10,077
2020	1,826	1,545	3,228	0	6,599	103	209	6,287
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	18,328	13,500	28,203	0	60,031	1,107	1,856	57,068
Remainder	0	0	0	0	0	0	0	0
Total Future	18,328	13,500	28,203	0	60,031	1,107	1,856	57,068

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	117	0	11,740	278	12,135	–9,936	–9,936	–6,064
2017	2,238	0	73	2,829	5,140	17,370	7,434	10,087
2018	1,649	0	48	1,987	3,684	12,311	19,745	6,473
2019	1,096	0	29	1,236	2,361	7,716	27,461	3,673
2020	750	0	10	761	1,521	4,766	32,227	2,054
2021	0	0	200	0	200	–200	32,027	–78
2022	0	0	0	0	0	0	32,027	0
2023	0	0	0	0	0	0	32,027	0
2024	0	0	0	0	0	0	32,027	0
2025	0	0	0	0	0	0	32,027	0
2026	0	0	0	0	0	0	32,027	0
Sub-Total	5,850	0	12,100	7,091	25,041	32,027		16,145
Remainder	0	0	289	0	289	–289	31,738	–36
Total Future	5,850	0	12,389	7,091	25,330	31,738		16,109

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

TABLE 80

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SO ARDATOVSKI
TOTAL PROVED

TOTAL
PROVED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL								10.00% –	83,683
FINAL								12.00% –	78,155
REMARKS								15.00% –	71,055
								20.00% –	61,637
								25.00% –	54,388

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	454,547	285,375	4,587	427,353	268,302	3,515	80.00	2.41
2013	1	303,100	190,970	3,070	285,215	179,701	2,354	80.00	2.41
2014	1	157,037	99,330	1,597	139,550	88,269	1,157	80.00	2.41
2015	1	255,209	162,048	2,605	223,243	141,751	1,857	80.00	2.41
2016	1	159,543	101,702	1,634	134,327	85,628	1,121	80.00	2.41
2017	1	128,352	82,143	1,321	107,098	68,541	898	80.00	2.41
2018	1	109,600	70,418	1,132	92,146	59,204	776	80.00	2.41
2019	1	87,062	56,160	903	74,408	47,997	629	80.00	2.41
2020	1	69,267	44,859	721	60,609	39,252	514	80.00	2.41
2021	1	56,377	36,658	589	50,492	32,831	430	80.00	2.41
2022	1	46,745	30,516	490	42,642	27,838	365	80.00	2.41
2023	1	39,341	25,787	415	34,679	22,730	298	80.00	2.41
2024	1	33,301	21,915	352	29,423	19,364	253	80.00	2.41
2025	1	28,192	18,629	300	24,946	16,484	216	80.00	2.41
2026	1	23,865	15,834	254	21,127	14,017	184	80.00	2.41
Sub-Total		1,951,538	1,242,344	19,970	1,747,258	1,111,909	14,567	80.00	2.41
Remainder		83,192	55,886	899	74,007	49,719	651	80.00	2.41
Total Future		2,034,730	1,298,230	20,869	1,821,265	1,161,628	15,218	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,034,730	1,298,230	20,869					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	34,188	9,391	8,461	0	52,040	1,805	734	49,501
2013	22,817	6,289	5,666	0	34,772	1,182	482	33,108
2014	11,164	3,090	2,784	0	17,038	557	234	16,247
2015	17,860	4,961	4,469	0	27,290	931	394	25,965
2016	10,746	2,997	2,701	0	16,444	544	234	15,666
2017	8,568	2,399	2,161	0	13,128	418	188	12,522
2018	7,372	2,072	1,867	0	11,311	348	160	10,803
2019	5,952	1,680	1,513	0	9,145	268	129	8,748
2020	4,849	1,374	1,238	0	7,461	204	104	7,153
2021	4,039	1,149	1,035	0	6,223	157	88	5,978
2022	3,412	974	878	0	5,264	125	74	5,065
2023	2,774	796	717	0	4,287	100	60	4,127
2024	2,354	677	611	0	3,642	84	52	3,506
2025	1,996	577	519	0	3,092	70	44	2,978
2026	1,690	491	442	0	2,623	57	37	2,529
Sub-Total	139,781	38,917	35,062	0	213,760	6,850	3,014	203,896
Remainder	5,920	1,740	1,568	0	9,228	188	132	8,908
Total Future	145,701	40,657	36,630	0	222,988	7,038	3,146	212,804

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	5,844	0	10,849	8,936	25,629	23,872	23,872	22,587
2013	3,746	0	9,464	5,970	19,180	13,928	37,800	12,090
2014	2,175	0	1,345	2,925	6,445	9,802	47,602	7,654
2015	1,886	0	674	4,683	7,243	18,722	66,324	13,265
2016	1,166	0	496	2,821	4,483	11,183	77,507	7,165
2017	980	0	96	2,252	3,328	9,194	86,701	5,332
2018	877	0	82	1,940	2,899	7,904	94,605	4,149
2019	755	0	58	1,568	2,381	6,367	100,972	3,025
2020	688	0	28	1,279	1,995	5,158	106,130	2,217
2021	643	0	26	1,066	1,735	4,243	110,373	1,651
2022	566	0	25	902	1,493	3,572	113,945	1,258
2023	523	0	24	734	1,281	2,846	116,791	907
2024	486	0	22	624	1,132	2,374	119,165	685
2025	464	0	24	529	1,017	1,961	121,126	513
2026	433	0	22	449	904	1,625	122,751	384
Sub-Total	21,232	0	23,235	36,678	81,145	122,751		82,882
Remainder	1,772	0	1,462	1,579	4,813	4,095	126,846	801
Total Future	23,004	0	24,697	38,257	85,958	126,846		83,683

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

TABLE 81

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
SOUTH 32H (ARDATOVSKI)

GAS LEASE
PROVED
SHUT IN

		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
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41	10.00% –	83,683
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% –	78,155
REMARKS								15.00% –	71,055
								20.00% –	61,637
								25.00% –	54,388

		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
2012	1	454,547	285,375	4,587	427,353	268,302	3,515	80.00	2.41
2013	1	303,100	190,970	3,070	285,215	179,701	2,354	80.00	2.41
2014	1	157,037	99,330	1,597	139,550	88,269	1,157	80.00	2.41
2015	1	255,209	162,048	2,605	223,243	141,751	1,857	80.00	2.41
2016	1	159,543	101,702	1,634	134,327	85,628	1,121	80.00	2.41
2017	1	128,352	82,143	1,321	107,098	68,541	898	80.00	2.41
2018	1	109,600	70,418	1,132	92,146	59,204	776	80.00	2.41
2019	1	87,062	56,160	903	74,408	47,997	629	80.00	2.41
2020	1	69,267	44,859	721	60,609	39,252	514	80.00	2.41
2021	1	56,377	36,658	589	50,492	32,831	430	80.00	2.41
2022	1	46,745	30,516	490	42,642	27,838	365	80.00	2.41
2023	1	39,341	25,787	415	34,679	22,730	298	80.00	2.41
2024	1	33,301	21,915	352	29,423	19,364	253	80.00	2.41
2025	1	28,192	18,629	300	24,946	16,484	216	80.00	2.41
2026	1	23,865	15,834	254	21,127	14,017	184	80.00	2.41
Sub-Total		1,951,538	1,242,344	19,970	1,747,258	1,111,909	14,567	80.00	2.41
Remainder		83,192	55,886	899	74,007	49,719	651	80.00	2.41
Total Future		2,034,730	1,298,230	20,869	1,821,265	1,161,628	15,218	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,034,730	1,298,230	20,869					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 18.50 %

	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. - $	
2012	34,188	9,391	8,461	0	52,040	1,805	734	49,501
2013	22,817	6,289	5,666	0	34,772	1,182	482	33,108
2014	11,164	3,090	2,784	0	17,038	557	234	16,247
2015	17,860	4,961	4,469	0	27,290	931	394	25,965
2016	10,746	2,997	2,701	0	16,444	544	234	15,666
2017	8,568	2,399	2,161	0	13,128	418	188	12,522
2018	7,372	2,072	1,867	0	11,311	348	160	10,803
2019	5,952	1,680	1,513	0	9,145	268	129	8,748
2020	4,849	1,374	1,238	0	7,461	204	104	7,153
2021	4,039	1,149	1,035	0	6,223	157	88	5,978
2022	3,412	974	878	0	5,264	125	74	5,065
2023	2,774	796	717	0	4,287	100	60	4,127
2024	2,354	677	611	0	3,642	84	52	3,506
2025	1,996	577	519	0	3,092	70	44	2,978
2026	1,690	491	442	0	2,623	57	37	2,529
Sub-Total	139,781	38,917	35,062	0	213,760	6,850	3,014	203,896
Remainder	5,920	1,740	1,568	0	9,228	188	132	8,908
Total Future	145,701	40,657	36,630	0	222,988	7,038	3,146	212,804

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	5,844	0	10,849	8,936	25,629	23,872	23,872	22,587
2013	3,746	0	9,464	5,970	19,180	13,928	37,800	12,090
2014	2,175	0	1,345	2,925	6,445	9,802	47,602	7,654
2015	1,886	0	674	4,683	7,243	18,722	66,324	13,265
2016	1,166	0	496	2,821	4,483	11,183	77,507	7,165
2017	980	0	96	2,252	3,328	9,194	86,701	5,332
2018	877	0	82	1,940	2,899	7,904	94,605	4,149
2019	755	0	58	1,568	2,381	6,367	100,972	3,025
2020	688	0	28	1,279	1,995	5,158	106,130	2,217
2021	643	0	26	1,066	1,735	4,243	110,373	1,651
2022	566	0	25	902	1,493	3,572	113,945	1,258
2023	523	0	24	734	1,281	2,846	116,791	907
2024	486	0	22	624	1,132	2,374	119,165	685
2025	464	0	24	529	1,017	1,961	121,126	513
2026	433	0	22	449	904	1,625	122,751	384
Sub-Total	21,232	0	23,235	36,678	81,145	122,751		82,882
Remainder	1,772	0	1,462	1,579	4,813	4,095	126,846	801
Total Future	23,004	0	24,697	38,257	85,958	126,846		83,683

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 82

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NE MULINSKI
PROVED AND PROBABLE

PROVED AND PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	512,135
12.00% –	448,218
15.00% –	369,168
20.00% –	270,911
25.00% –	201,776

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	262,036	109,718	1,503	247,611	103,678	976	80.00	2.41
2015	5	2,053,184	859,694	11,778	1,813,710	759,423	7,147	80.00	2.41
2016	10	3,621,947	1,516,555	20,778	3,022,957	1,265,752	11,915	80.00	2.41
2017	10	2,952,822	1,236,386	16,939	2,464,196	1,031,789	9,710	80.00	2.41
2018	12	2,755,373	1,153,708	15,806	2,310,792	967,557	9,106	80.00	2.41
2019	12	2,070,117	866,786	11,876	1,758,545	736,325	6,933	80.00	2.41
2020	12	1,461,184	611,815	8,381	1,268,864	531,290	4,999	80.00	2.41
2021	12	1,091,705	457,111	6,264	968,946	405,711	3,820	80.00	2.41
2022	12	848,665	355,346	4,868	767,062	321,180	3,022	80.00	2.41
2023	12	679,564	284,544	3,899	593,237	248,395	2,339	80.00	2.41
2024	12	556,877	233,171	3,195	487,579	204,155	1,922	80.00	2.41
2025	12	464,639	194,547	2,665	407,518	170,633	1,604	80.00	2.41
2026	12	392,170	164,210	2,249	344,498	144,245	1,360	80.00	2.41
Sub-Total		19,210,283	8,043,591	110,201	16,455,515	6,890,133	64,853	80.00	2.41
Remainder		1,365,547	571,772	7,834	1,210,025	506,653	4,768	80.00	2.41
Total Future		20,575,830	8,615,363	118,035	17,665,540	7,396,786	69,621	80.00	2.41
Cumulative		63,709	0	262					
Ultimate		20,639,539	8,615,363	118,297					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	19,809	3,629	2,349	0	25,787	931	239	24,617
2015	145,097	26,580	17,205	0	188,882	8,748	1,918	178,216
2016	241,836	44,301	28,676	0	314,813	14,519	3,211	297,083
2017	197,136	36,112	23,375	0	256,623	11,517	2,604	242,502
2018	184,863	33,865	21,921	0	240,649	10,839	2,459	227,351
2019	140,684	25,771	16,681	0	183,136	7,972	1,853	173,311
2020	101,509	18,596	12,037	0	132,142	5,468	1,320	125,354
2021	77,516	14,199	9,191	0	100,906	3,997	992	95,917
2022	61,365	11,242	7,277	0	79,884	3,058	777	76,049
2023	47,459	8,694	5,627	0	61,780	2,317	599	58,864
2024	39,006	7,145	4,625	0	50,776	1,859	488	48,429
2025	32,601	5,972	3,866	0	42,439	1,511	405	40,523
2026	27,560	5,049	3,268	0	35,877	1,225	340	34,312
Sub-Total	1,316,441	241,155	156,098	0	1,713,694	73,961	17,205	1,622,528
Remainder	96,802	17,733	11,478	0	126,013	3,594	1,170	121,249
Total Future	1,413,243	258,888	167,576	0	1,839,707	77,555	18,375	1,743,777

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	2,534	0	14,610	4,685	21,829	2,788	2,788	1,875
2015	12,340	0	47,849	34,319	94,508	83,708	86,496	58,823
2016	21,626	0	77,597	57,200	156,423	140,660	227,156	89,095
2017	18,158	0	994	46,628	65,780	176,722	403,878	102,623
2018	17,760	0	30,040	43,725	91,525	135,826	539,704	70,925
2019	14,401	0	578	33,275	48,254	125,057	664,761	59,481
2020	11,631	0	248	24,009	35,888	89,466	754,227	38,496
2021	10,010	0	223	18,334	28,567	67,350	821,577	26,223
2022	8,247	0	200	14,515	22,962	53,087	874,664	18,704
2023	7,261	0	184	11,225	18,670	40,194	914,858	12,818
2024	6,552	0	171	9,226	15,949	32,480	947,338	9,374
2025	6,175	0	168	7,711	14,054	26,469	973,807	6,915
2026	5,768	0	160	6,519	12,447	21,865	995,672	5,171
Sub-Total	142,463	0	173,022	311,371	626,856	995,672		500,523
Remainder	23,858	0	12,854	22,896	59,608	61,641	1,057,313	11,612
Total Future	166,321	0	185,876	334,267	686,464	1,057,313		512,135

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 83

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
NE MULINSKI
TOTAL PROVED

TOTAL
PROVED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	70,380
12.00% -	60,661
15.00% -	48,792
20.00% -	34,362
25.00% -	24,521

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	186,908	78,261	1,072	163,497	68,458	644	80.00	2.41
2016	4	542,945	227,337	3,115	457,131	191,407	1,803	80.00	2.41
2017	4	692,348	289,896	3,972	577,700	241,890	2,275	80.00	2.41
2018	4	487,345	204,057	2,795	409,736	171,562	1,614	80.00	2.41
2019	4	333,850	139,788	1,915	285,328	119,469	1,126	80.00	2.41
2020	4	239,771	100,396	1,376	209,799	87,848	826	80.00	2.41
2021	4	180,647	75,638	1,037	161,789	67,742	639	80.00	2.41
2022	4	141,032	59,051	808	128,654	53,870	506	80.00	2.41
2023	4	113,183	47,393	650	99,769	41,774	394	80.00	2.41
2024	4	92,857	38,880	532	82,044	34,353	324	80.00	2.41
2025	4	77,544	32,467	446	68,619	28,730	269	80.00	2.41
2026	4	65,590	27,465	376	58,061	24,313	230	80.00	2.41
Sub-Total		3,154,020	1,320,629	18,094	2,702,127	1,131,416	10,650	80.00	2.41
Remainder		216,579	90,684	1,242	192,486	80,595	757	80.00	2.41
Total Future		3,370,599	1,411,313	19,336	2,894,613	1,212,011	11,407	80.00	2.41
Cumulative		63,709	0	262					
Ultimate		3,434,308	1,411,313	19,598					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	13,080	2,396	1,551	0	17,027	681	165	16,181
2016	36,570	6,699	4,336	0	47,605	1,855	454	45,296
2017	46,216	8,466	5,480	0	60,162	2,250	573	57,339
2018	32,779	6,005	3,887	0	42,671	1,547	403	40,721
2019	22,826	4,182	2,707	0	29,715	1,030	278	28,407
2020	16,784	3,074	1,990	0	21,848	707	202	20,939
2021	12,943	2,371	1,535	0	16,849	503	156	16,190
2022	10,293	1,886	1,220	0	13,399	377	125	12,897
2023	7,981	1,462	947	0	10,390	288	96	10,006
2024	6,564	1,202	778	0	8,544	234	79	8,231
2025	5,489	1,006	651	0	7,146	191	66	6,889
2026	4,645	851	551	0	6,047	158	57	5,832
Sub-Total	216,170	39,600	25,633	0	281,403	9,821	2,654	268,928
Remainder	15,399	2,820	1,825	0	20,044	490	185	19,369
Total Future	231,569	42,420	27,458	0	301,447	10,311	2,839	288,297

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
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	1,113	0	2,117	3,094	6,324	9,857	9,857	6,877
2016	3,233	0	44,897	8,650	56,780	-11,484	-1,627	-7,718
2017	4,263	0	426	10,931	15,620	41,719	40,092	24,238
2018	3,148	0	302	7,753	11,203	29,518	69,610	15,515
2019	2,340	0	185	5,399	7,924	20,483	90,093	9,740
2020	1,931	0	81	3,970	5,982	14,957	105,050	6,436
2021	1,679	0	70	3,061	4,810	11,380	116,430	4,430
2022	1,389	0	62	2,434	3,885	9,012	125,442	3,175
2023	1,226	0	57	1,888	3,171	6,835	132,277	2,180
2024	1,105	0	52	1,552	2,709	5,522	137,799	1,594
2025	1,042	0	55	1,299	2,396	4,493	142,292	1,174
2026	972	0	51	1,099	2,122	3,710	146,002	877
Sub-Total	23,441	0	48,355	51,130	122,926	146,002		68,518
Remainder	3,676	0	2,445	3,642	9,763	9,606	155,608	1,862
Total Future	27,117	0	50,800	54,772	132,689	155,608		70,380

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 84

GRAND SUMMARY
NE MULINSKI
TOTAL PROBABLE

TOTAL
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	441,755
12.00% -	387,557
15.00% -	320,376
20.00% -	236,549
25.00% -	177,255

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	262,036	109,718	1,503	247,611	103,678	976	80.00	2.41
2015	4	1,866,276	781,433	10,706	1,650,213	690,965	6,503	80.00	2.41
2016	6	3,079,002	1,289,218	17,663	2,565,826	1,074,345	10,112	80.00	2.41
2017	6	2,260,474	946,490	12,967	1,886,496	789,899	7,435	80.00	2.41
2018	8	2,268,028	949,651	13,011	1,901,056	795,995	7,492	80.00	2.41
2019	8	1,736,267	726,998	9,961	1,473,217	616,856	5,807	80.00	2.41
2020	8	1,221,413	511,419	7,005	1,059,065	443,442	4,173	80.00	2.41
2021	8	911,058	381,473	5,227	807,157	337,969	3,181	80.00	2.41
2022	8	707,633	296,295	4,060	638,408	267,310	2,516	80.00	2.41
2023	8	566,381	237,151	3,249	493,468	206,621	1,945	80.00	2.41
2024	8	464,020	194,291	2,663	405,535	169,802	1,598	80.00	2.41
2025	8	387,095	162,080	2,219	338,899	141,903	1,335	80.00	2.41
2026	8	326,580	136,745	1,873	286,437	119,932	1,130	80.00	2.41
Sub-Total		16,056,263	6,722,962	92,107	13,753,388	5,758,717	54,203	80.00	2.41
Remainder		1,148,968	481,088	6,592	1,017,539	426,058	4,011	80.00	2.41
Total Future		17,205,231	7,204,050	98,699	14,770,927	6,184,775	58,214	80.00	2.41
Cumulative		0	0	0					
Ultimate		17,205,231	7,204,050	98,699					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	19,809	3,629	2,349	0	25,787	931	239	24,617
2015	132,017	24,184	15,654	0	171,855	8,066	1,753	162,036
2016	205,266	37,602	24,339	0	267,207	12,665	2,756	251,786
2017	150,920	27,646	17,896	0	196,462	9,267	2,032	185,163
2018	152,084	27,860	18,033	0	197,977	9,292	2,056	186,629
2019	117,858	21,590	13,975	0	153,423	6,942	1,575	144,906
2020	84,725	15,520	10,047	0	110,292	4,761	1,117	104,414
2021	64,572	11,829	7,656	0	84,057	3,494	836	79,727
2022	51,073	9,356	6,056	0	66,485	2,681	654	63,150
2023	39,478	7,232	4,682	0	51,392	2,029	502	48,861
2024	32,442	5,943	3,846	0	42,231	1,626	409	40,196
2025	27,112	4,966	3,215	0	35,293	1,320	338	33,635
2026	22,915	4,198	2,717	0	29,830	1,065	285	28,480
Sub-Total	1,100,271	201,555	130,465	0	1,432,291	64,139	14,552	1,353,600
Remainder	81,403	14,912	9,653	0	105,968	3,106	983	101,879
Total Future	1,181,674	216,467	140,118	0	1,538,259	67,245	15,535	1,455,479

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	2,534	0	14,610	4,685	21,829	2,788	2,788	1,875
2015	11,228	0	45,733	31,226	88,187	73,849	76,637	51,945
2016	18,392	0	32,698	48,550	99,640	152,146	228,783	96,814
2017	13,895	0	569	35,696	50,160	135,003	363,786	78,386
2018	14,612	0	29,738	35,972	80,322	106,307	470,093	55,409
2019	12,061	0	394	27,876	40,331	104,575	574,668	49,740
2020	9,700	0	167	20,040	29,907	74,507	649,175	32,061
2021	8,331	0	152	15,273	23,756	55,971	705,146	21,793
2022	6,858	0	138	12,080	19,076	44,074	749,220	15,529
2023	6,035	0	127	9,337	15,499	33,362	782,582	10,638
2024	5,447	0	119	7,673	13,239	26,957	809,539	7,781
2025	5,133	0	113	6,413	11,659	21,976	831,515	5,740
2026	4,797	0	109	5,420	10,326	18,154	849,669	4,294
Sub-Total	119,023	0	124,667	260,241	503,931	849,669		432,005
Remainder	20,181	0	10,410	19,254	49,845	52,034	901,703	9,750
Total Future	139,204	0	135,077	279,495	553,776	901,703		441,755

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

TABLE 85

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 30 (MULINSKI)

OIL LEASE
PROVED
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	RECOMPLETED TO TOURNAISIAN DECEMBER 2007						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 86

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 54 (MULINSKI)

OIL LEASE
PROVED
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	RECOMPLETED TO TOURNAISIAN OCTOBER 2007						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 87

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM01H (MULINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED MONTHLY	
INITIAL	1.000000	0.841948	0.841948	0.841948	80.00	35.00	2.41	10.00% –	18,629
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% –	15,908
REMARKS								15.00% –	12,601
								20.00% –	8,619
								25.00% –	5,940

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	232,523	97,360	1,334	195,772	81,972	772	80.00	2.41
2017	1	186,887	78,252	1,072	155,940	65,294	614	80.00	2.41
2018	1	134,089	56,145	769	112,735	47,204	444	80.00	2.41
2019	1	92,936	38,914	533	79,429	33,258	313	80.00	2.41
2020	1	67,197	28,136	386	58,797	24,619	232	80.00	2.41
2021	1	50,851	21,292	292	45,543	19,069	180	80.00	2.41
2022	1	39,821	16,673	228	36,326	15,211	143	80.00	2.41
2023	1	32,030	13,412	184	28,234	11,821	111	80.00	2.41
2024	1	26,321	11,021	151	23,256	9,738	92	80.00	2.41
2025	1	22,014	9,217	126	19,480	8,156	76	80.00	2.41
2026	1	18,654	7,811	107	16,513	6,915	66	80.00	2.41
Sub-Total		903,323	378,233	5,182	772,025	323,257	3,043	80.00	2.41
Remainder		65,841	27,568	378	58,575	24,526	230	80.00	2.41
Total Future		969,164	405,801	5,560	830,600	347,783	3,273	80.00	2.41
Cumulative		0	0	0					
Ultimate		969,164	405,801	5,560					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	15,662	2,869	1,857	0	20,388	794	195	19,399
2017	12,475	2,285	1,479	0	16,239	608	154	15,477
2018	9,019	1,652	1,070	0	11,741	425	111	11,205
2019	6,354	1,164	753	0	8,271	287	77	7,907
2020	4,704	862	558	0	6,124	198	57	5,869
2021	3,643	668	432	0	4,743	142	44	4,557
2022	2,906	532	345	0	3,783	106	35	3,642
2023	2,259	414	267	0	2,940	82	28	2,830
2024	1,861	341	221	0	2,423	66	22	2,335
2025	1,558	285	185	0	2,028	54	19	1,955
2026	1,321	242	156	0	1,719	45	16	1,658
Sub-Total	61,762	11,314	7,323	0	80,399	2,807	758	76,834
Remainder	4,686	858	556	0	6,100	148	56	5,896
Total Future	66,448	12,172	7,879	0	86,499	2,955	814	82,730

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,363	0	15,360	3,704	20,427	–1,028	–1,028	–1,054
2017	1,151	0	115	2,951	4,217	11,260	10,232	6,541
2018	866	0	84	2,133	3,083	8,122	18,354	4,268
2019	651	0	51	1,503	2,205	5,702	24,056	2,712
2020	542	0	23	1,113	1,678	4,191	28,247	1,803
2021	472	0	20	862	1,354	3,203	31,450	1,247
2022	392	0	17	687	1,096	2,546	33,996	897
2023	347	0	16	534	897	1,933	35,929	616
2024	314	0	15	440	769	1,566	37,495	452
2025	295	0	16	369	680	1,275	38,770	333
2026	277	0	14	312	603	1,055	39,825	250
Sub-Total	6,670	0	15,731	14,608	37,009	39,825		18,065
Remainder	1,128	0	660	1,109	2,897	2,999	42,824	564
Total Future	7,798	0	16,391	15,717	39,906	42,824		18,629

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

TABLE 88

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE WELL 57_1ST (GM02H) (MULINSKI)

GAS LEASE
PROVED
BEHIND PIPE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.874746	0.874746	0.874746	80.00	35.00	2.41
FINAL	1.000000	0.887454	0.887454	0.887454	80.00	35.00	2.41
REMARKS	DEEPENING OF WELL 57						

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	21,779
12.00% –	19,461
15.00% –	16,519
20.00% –	12,714
25.00% –	9,903

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	186,908	78,261	1,072	163,497	68,458	644	80.00	2.41
2016	1	122,815	51,424	705	103,404	43,297	408	80.00	2.41
2017	1	87,649	36,700	503	73,135	30,622	288	80.00	2.41
2018	1	68,234	28,570	391	57,368	24,021	226	80.00	2.41
2019	1	50,287	21,056	288	42,978	17,995	170	80.00	2.41
2020	1	37,918	15,877	218	33,178	13,893	130	80.00	2.41
2021	1	29,613	12,399	170	26,522	11,105	105	80.00	2.41
2022	1	23,768	9,952	136	21,681	9,078	85	80.00	2.41
2023	1	19,496	8,163	112	17,186	7,196	68	80.00	2.41
2024	1	16,283	6,818	93	14,387	6,024	57	80.00	2.41
2025	1	13,787	5,773	80	12,200	5,108	48	80.00	2.41
2026	1	11,719	4,907	67	10,373	4,344	41	80.00	2.41
Sub-Total		668,477	279,900	3,835	575,909	241,141	2,270	80.00	2.41
Remainder		30,365	12,714	174	26,916	11,269	106	80.00	2.41
Total Future		698,842	292,614	4,009	602,825	252,410	2,376	80.00	2.41
Cumulative		0	0	0					
Ultimate		698,842	292,614	4,009					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	13,080	2,396	1,551	0	17,027	681	165	16,181
2016	8,272	1,515	981	0	10,768	420	102	10,246
2017	5,851	1,072	694	0	7,617	285	73	7,259
2018	4,589	841	544	0	5,974	216	56	5,702
2019	3,439	630	407	0	4,476	155	42	4,279
2020	2,654	486	315	0	3,455	112	32	3,311
2021	2,122	389	252	0	2,763	83	26	2,654
2022	1,734	317	205	0	2,256	63	21	2,172
2023	1,375	252	164	0	1,791	50	16	1,725
2024	1,151	211	136	0	1,498	41	14	1,443
2025	976	179	116	0	1,271	34	12	1,225
2026	830	152	98	0	1,080	28	10	1,042
Sub-Total	46,073	8,440	5,463	0	59,976	2,168	569	57,239
Remainder	2,153	394	255	0	2,802	70	26	2,706
Total Future	48,226	8,834	5,718	0	62,778	2,238	595	59,945

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,113	0	2,117	3,094	6,324	9,857	9,857	6,877
2016	724	0	317	1,956	2,997	7,249	17,106	4,650
2017	541	0	55	1,384	1,980	5,279	22,385	3,065
2018	441	0	42	1,086	1,569	4,133	26,518	2,170
2019	353	0	28	813	1,194	3,085	29,603	1,467
2020	305	0	13	628	946	2,365	31,968	1,017
2021	275	0	12	502	789	1,865	33,833	726
2022	235	0	10	410	655	1,517	35,350	535
2023	211	0	10	325	546	1,179	36,529	375
2024	194	0	9	272	475	968	37,497	280
2025	185	0	10	231	426	799	38,296	208
2026	173	0	9	196	378	664	38,960	157
Sub-Total	4,750	0	2,632	10,897	18,279	38,960		21,527
Remainder	495	0	594	510	1,599	1,107	40,067	252
Total Future	5,245	0	3,226	11,407	19,878	40,067		21,779

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

TABLE 89

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM03H (MULINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.841948	0.841948	0.841948	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	11,450
12.00% –	9,573
15.00% –	7,333
20.00% –	4,716
25.00% –	3,031

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	80,156	33,562	460	67,487	28,258	266	80.00	2.41
2017	1	178,512	74,746	1,024	148,952	62,368	587	80.00	2.41
2018	1	121,777	50,989	698	102,384	42,869	403	80.00	2.41
2019	1	81,447	34,103	468	69,609	29,146	275	80.00	2.41
2020	1	57,532	24,090	330	50,341	21,079	198	80.00	2.41
2021	1	42,804	17,922	245	38,335	16,051	151	80.00	2.41
2022	1	33,088	13,854	190	30,184	12,639	119	80.00	2.41
2023	1	26,343	11,031	151	23,221	9,723	92	80.00	2.41
2024	1	21,471	8,990	123	18,971	7,943	75	80.00	2.41
2025	1	17,835	7,467	103	15,782	6,608	62	80.00	2.41
2026	1	15,046	6,301	86	13,320	5,577	52	80.00	2.41
Sub-Total		676,011	283,055	3,878	578,586	242,261	2,280	80.00	2.41
Remainder		49,202	20,601	282	43,678	18,289	172	80.00	2.41
Total Future		725,213	303,656	4,160	622,264	260,550	2,452	80.00	2.41
Cumulative		0	0	0					
Ultimate		725,213	303,656	4,160					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	5,399	989	640	0	7,028	274	67	6,687
2017	11,916	2,183	1,413	0	15,512	580	148	14,784
2018	8,191	1,500	971	0	10,662	387	101	10,174
2019	5,569	1,020	661	0	7,250	251	67	6,932
2020	4,027	738	477	0	5,242	169	49	5,024
2021	3,067	562	364	0	3,993	120	37	3,836
2022	2,414	442	286	0	3,142	88	29	3,025
2023	1,858	341	220	0	2,419	67	22	2,330
2024	1,518	278	180	0	1,976	54	19	1,903
2025	1,262	231	150	0	1,643	44	15	1,584
2026	1,066	195	126	0	1,387	36	13	1,338
Sub-Total	46,287	8,479	5,488	0	60,254	2,070	567	57,617
Remainder	3,494	640	415	0	4,549	111	42	4,396
Total Future	49,781	9,119	5,903	0	64,803	2,181	609	62,013

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	490	0	14,610	1,277	16,377	–9,690	–9,690	–6,175
2017	1,098	0	109	2,818	4,025	10,759	1,069	6,251
2018	787	0	76	1,938	2,801	7,373	8,442	3,878
2019	571	0	45	1,317	1,933	4,999	13,441	2,377
2020	463	0	19	952	1,434	3,590	17,031	1,545
2021	398	0	17	726	1,141	2,695	19,726	1,050
2022	326	0	14	571	911	2,114	21,840	745
2023	285	0	13	439	737	1,593	23,433	507
2024	255	0	13	359	627	1,276	24,709	368
2025	240	0	12	299	551	1,033	25,742	270
2026	223	0	12	252	487	851	26,593	202
Sub-Total	5,136	0	14,940	10,948	31,024	26,593		11,018
Remainder	830	0	513	826	2,169	2,227	28,820	432
Total Future	5,966	0	15,453	11,774	33,193	28,820		11,450

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

TABLE 90

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM04H (MULINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.841948	0.841948	0.841948	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	18,522
12.00% –	15,719
15.00% –	12,338
20.00% –	8,313
25.00% –	5,648

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	107,451	44,991	616	90,468	37,880	357	80.00	2.41
2017	1	239,300	100,198	1,373	199,673	83,606	786	80.00	2.41
2018	1	163,245	68,353	937	137,249	57,468	541	80.00	2.41
2019	1	109,180	45,715	626	93,312	39,070	368	80.00	2.41
2020	1	77,124	32,293	442	67,483	28,257	266	80.00	2.41
2021	1	57,379	24,025	330	51,389	21,517	203	80.00	2.41
2022	1	44,355	18,572	254	40,463	16,942	159	80.00	2.41
2023	1	35,314	14,787	203	31,128	13,034	123	80.00	2.41
2024	1	28,782	12,051	165	25,430	10,648	100	80.00	2.41
2025	1	23,908	10,010	137	21,157	8,858	83	80.00	2.41
2026	1	20,171	8,446	116	17,855	7,477	71	80.00	2.41
Sub-Total		906,209	379,441	5,199	775,607	324,757	3,057	80.00	2.41
Remainder		71,171	29,801	408	63,317	26,511	249	80.00	2.41
Total Future		977,380	409,242	5,607	838,924	351,268	3,306	80.00	2.41
Cumulative		0	0	0					
Ultimate		977,380	409,242	5,607					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	7,237	1,326	858	0	9,421	367	90	8,964
2017	15,974	2,926	1,894	0	20,794	778	198	19,818
2018	10,980	2,011	1,302	0	14,293	518	135	13,640
2019	7,465	1,368	885	0	9,718	337	91	9,290
2020	5,399	989	641	0	7,029	227	65	6,737
2021	4,111	753	487	0	5,351	160	50	5,141
2022	3,237	593	384	0	4,214	118	39	4,057
2023	2,490	456	295	0	3,241	90	30	3,121
2024	2,035	373	241	0	2,649	73	24	2,552
2025	1,692	310	201	0	2,203	59	21	2,123
2026	1,429	261	169	0	1,859	49	17	1,793
Sub-Total	62,049	11,366	7,357	0	80,772	2,776	760	77,236
Remainder	5,065	928	601	0	6,594	160	61	6,373
Total Future	67,114	12,294	7,958	0	87,366	2,936	821	83,609

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	656	0	14,610	1,712	16,978	–8,014	–8,014	–5,139
2017	1,473	0	146	3,778	5,397	14,421	6,407	8,380
2018	1,054	0	101	2,597	3,752	9,888	16,295	5,199
2019	766	0	61	1,766	2,593	6,697	22,992	3,186
2020	621	0	26	1,277	1,924	4,813	27,805	2,070
2021	533	0	22	972	1,527	3,614	31,419	1,408
2022	437	0	20	766	1,223	2,834	34,253	998
2023	382	0	17	589	988	2,133	36,386	681
2024	343	0	17	481	841	1,711	38,097	493
2025	321	0	16	400	737	1,386	39,483	363
2026	299	0	16	338	653	1,140	40,623	269
Sub-Total	6,885	0	15,052	14,676	36,613	40,623		17,908
Remainder	1,223	0	676	1,198	3,097	3,276	43,899	614
Total Future	8,108	0	15,728	15,874	39,710	43,899		18,522

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 91

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM05H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41	10.00% –	27,974
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41	12.00% –	24,456
REMARKS								15.00% –	20,089
								20.00% –	14,634
								25.00% –	10,779

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	242,094	101,368	1,389	214,066	89,632	844	80.00	2.41
2016	1	240,419	100,666	1,379	200,349	83,889	789	80.00	2.41
2017	1	167,433	70,107	960	139,732	58,507	551	80.00	2.41
2018	1	128,050	53,616	735	107,331	44,941	423	80.00	2.41
2019	1	93,080	38,974	534	78,979	33,070	311	80.00	2.41
2020	1	69,514	29,106	399	60,274	25,237	238	80.00	2.41
2021	1	53,892	22,565	309	47,746	19,992	188	80.00	2.41
2022	1	43,004	18,007	247	38,797	16,245	153	80.00	2.41
2023	1	35,113	14,702	201	30,593	12,809	120	80.00	2.41
2024	1	29,211	12,231	168	25,529	10,690	101	80.00	2.41
2025	1	24,672	10,330	141	21,600	9,044	85	80.00	2.41
2026	1	20,968	8,780	120	18,390	7,700	73	80.00	2.41
Sub-Total		1,147,450	480,452	6,582	983,386	411,756	3,876	80.00	2.41
Remainder		74,005	30,987	425	65,540	27,443	258	80.00	2.41
Total Future		1,221,455	511,439	7,007	1,048,926	439,199	4,134	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,221,455	511,439	7,007					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	17,125	3,137	2,031	0	22,293	1,046	227	21,020
2016	16,028	2,936	1,900	0	20,864	989	216	19,659
2017	11,179	2,048	1,326	0	14,553	687	150	13,716
2018	8,586	1,573	1,018	0	11,177	524	116	10,537
2019	6,319	1,157	749	0	8,225	372	85	7,768
2020	4,821	884	572	0	6,277	271	63	5,943
2021	3,820	699	453	0	4,972	207	50	4,715
2022	3,104	569	368	0	4,041	163	39	3,839
2023	2,447	448	290	0	3,185	126	32	3,027
2024	2,043	374	242	0	2,659	102	25	2,532
2025	1,728	317	205	0	2,250	84	22	2,144
2026	1,471	269	174	0	1,914	69	18	1,827
Sub-Total	78,671	14,411	9,328	0	102,410	4,640	1,043	96,727
Remainder	5,243	961	622	0	6,826	200	63	6,563
Total Future	83,914	15,372	9,950	0	109,236	4,840	1,106	103,290

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,472	0	15,144	4,051	20,667	353	353	–83
2016	1,436	0	249	3,791	5,476	14,183	14,536	9,101
2017	1,030	0	42	2,644	3,716	10,000	24,536	5,804
2018	823	0	30	2,030	2,883	7,654	32,190	4,020
2019	647	0	21	1,495	2,163	5,605	37,795	2,665
2020	553	0	9	1,140	1,702	4,241	42,036	1,824
2021	493	0	10	904	1,407	3,308	45,344	1,288
2022	416	0	8	734	1,158	2,681	48,025	944
2023	375	0	8	579	962	2,065	50,090	659
2024	343	0	7	483	833	1,699	51,789	490
2025	327	0	8	409	744	1,400	53,189	366
2026	308	0	7	348	663	1,164	54,353	276
Sub-Total	8,223	0	15,543	18,608	42,374	54,353		27,354
Remainder	1,278	0	766	1,240	3,284	3,279	57,632	620
Total Future	9,501	0	16,309	19,848	45,658	57,632		27,974

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

TABLE 92

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM06H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.838199	0.838199	0.838199	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	31,489
12.00% –	26,376
15.00% –	20,310
20.00% –	13,276
25.00% –	8,773

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	449,272	188,116	2,577	376,579	157,678	1,484	80.00	2.41
2019	1	322,414	134,999	1,850	273,567	114,547	1,078	80.00	2.41
2020	1	205,061	85,861	1,176	177,804	74,448	701	80.00	2.41
2021	1	141,913	59,421	814	125,729	52,645	495	80.00	2.41
2022	1	104,043	43,564	597	93,865	39,302	370	80.00	2.41
2023	1	79,547	33,308	456	69,307	29,020	274	80.00	2.41
2024	1	62,791	26,291	361	54,877	22,977	216	80.00	2.41
2025	1	50,825	21,281	291	44,496	18,632	175	80.00	2.41
2026	1	41,981	17,578	241	36,822	15,417	145	80.00	2.41
Sub-Total		1,457,847	610,419	8,363	1,253,046	524,666	4,938	80.00	2.41
Remainder		146,275	61,247	839	129,542	54,241	511	80.00	2.41
Total Future		1,604,122	671,666	9,202	1,382,588	578,907	5,449	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,604,122	671,666	9,202					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	30,126	5,519	3,572	0	39,217	1,841	407	36,969
2019	21,886	4,009	2,595	0	28,490	1,289	293	26,908
2020	14,224	2,606	1,687	0	18,517	799	187	17,531
2021	10,058	1,842	1,193	0	13,093	544	131	12,418
2022	7,510	1,376	890	0	9,776	395	96	9,285
2023	5,544	1,015	658	0	7,217	285	70	6,862
2024	4,390	805	520	0	5,715	219	56	5,440
2025	3,560	652	422	0	4,634	174	44	4,416
2026	2,946	539	349	0	3,834	137	37	3,660
Sub-Total	100,244	18,363	11,886	0	130,493	5,683	1,321	123,489
Remainder	10,363	1,899	1,229	0	13,491	395	125	12,971
Total Future	110,607	20,262	13,115	0	143,984	6,078	1,446	136,460

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	2,901	0	14,739	7,126	24,766	12,203	12,203	6,038
2019	2,236	0	72	5,176	7,484	19,424	31,627	9,247
2020	1,626	0	28	3,364	5,018	12,513	44,140	5,388
2021	1,297	0	24	2,379	3,700	8,718	52,858	3,396
2022	1,008	0	20	1,777	2,805	6,480	59,338	2,285
2023	848	0	18	1,311	2,177	4,685	64,023	1,495
2024	736	0	16	1,038	1,790	3,650	67,673	1,053
2025	674	0	14	842	1,530	2,886	70,559	754
2026	617	0	14	697	1,328	2,332	72,891	552
Sub-Total	11,943	0	14,945	23,710	50,598	72,891		30,208
Remainder	2,570	0	1,003	2,451	6,024	6,947	79,838	1,281
Total Future	14,513	0	15,948	26,161	56,622	79,838		31,489

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

TABLE 93

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE GM07H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	55,279
12.00% -	48,386
15.00% -	39,826
20.00% -	29,129
25.00% -	21,563

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	140,407	58,790	805	124,152	51,984	489	80.00	2.41
2016	1	540,326	226,242	3,100	450,270	188,534	1,775	80.00	2.41
2017	1	358,533	150,122	2,057	299,216	125,285	1,179	80.00	2.41
2018	1	265,055	110,982	1,520	222,169	93,025	876	80.00	2.41
2019	1	187,790	78,630	1,078	159,339	66,717	628	80.00	2.41
2020	1	137,797	57,697	790	119,481	50,029	470	80.00	2.41
2021	1	105,422	44,142	605	93,400	39,107	369	80.00	2.41
2022	1	83,258	34,861	477	75,113	31,451	296	80.00	2.41
2023	1	67,419	28,229	387	58,739	24,595	231	80.00	2.41
2024	1	55,706	23,325	320	48,685	20,385	192	80.00	2.41
2025	1	46,802	19,596	268	40,975	17,157	161	80.00	2.41
2026	1	39,733	16,637	228	34,850	14,592	138	80.00	2.41
Sub-Total		2,028,248	849,253	11,635	1,726,389	722,861	6,804	80.00	2.41
Remainder		140,240	58,721	805	124,198	52,003	489	80.00	2.41
Total Future		2,168,488	907,974	12,440	1,850,587	774,864	7,293	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,168,488	907,974	12,440					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	9,932	1,819	1,178	0	12,929	607	132	12,190
2016	36,022	6,599	4,271	0	46,892	2,222	484	44,186
2017	23,937	4,385	2,838	0	31,160	1,470	322	29,368
2018	17,774	3,256	2,108	0	23,138	1,086	240	21,812
2019	12,747	2,335	1,511	0	16,593	751	170	15,672
2020	9,558	1,751	1,134	0	12,443	537	126	11,780
2021	7,472	1,369	886	0	9,727	404	97	9,226
2022	6,009	1,101	712	0	7,822	316	77	7,429
2023	4,699	860	558	0	6,117	241	60	5,816
2024	3,895	714	461	0	5,070	195	49	4,826
2025	3,278	600	389	0	4,267	160	41	4,066
2026	2,788	511	331	0	3,630	130	34	3,466
Sub-Total	138,111	25,300	16,377	0	179,788	8,119	1,832	169,837
Remainder	9,936	1,820	1,178	0	12,934	379	121	12,434
Total Future	148,047	27,120	17,555	0	192,722	8,498	1,953	182,271

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	791	0	14,610	2,349	17,750	-5,560	-5,560	-3,887
2016	3,228	0	556	8,520	12,304	31,882	26,322	20,465
2017	2,204	0	90	5,662	7,956	21,412	47,734	12,434
2018	1,703	0	62	4,204	5,969	15,843	63,577	8,324
2019	1,305	0	42	3,015	4,362	11,310	74,887	5,377
2020	1,095	0	19	2,261	3,375	8,405	83,292	3,616
2021	964	0	18	1,767	2,749	6,477	89,769	2,521
2022	807	0	16	1,421	2,244	5,185	94,954	1,827
2023	719	0	15	1,112	1,846	3,970	98,924	1,266
2024	654	0	14	921	1,589	3,237	102,161	934
2025	620	0	14	775	1,409	2,657	104,818	694
2026	584	0	13	660	1,257	2,209	107,027	522
Sub-Total	14,674	0	15,469	32,667	62,810	107,027		54,093
Remainder	2,462	0	1,304	2,350	6,116	6,318	113,345	1,186
Total Future	17,136	0	16,773	35,017	68,926	113,345		55,279

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

TABLE 94

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM08H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330	0.833330	0.833330	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	35,904
12.00% –	31,030
15.00% –	25,052
20.00% –	17,730
25.00% –	12,689

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	349,325	146,267	2,004	291,103	121,889	1,147	80.00	2.41
2017	1	317,123	132,783	1,819	264,657	110,815	1,043	80.00	2.41
2018	1	225,793	94,543	1,295	189,260	79,245	746	80.00	2.41
2019	1	155,634	65,166	893	132,055	55,293	521	80.00	2.41
2020	1	112,120	46,946	643	97,217	40,706	383	80.00	2.41
2021	1	84,616	35,429	486	74,966	31,390	295	80.00	2.41
2022	1	66,127	27,689	379	59,658	24,979	235	80.00	2.41
2023	1	53,101	22,234	305	46,265	19,372	183	80.00	2.41
2024	1	43,579	18,247	250	38,087	15,947	150	80.00	2.41
2025	1	36,408	15,244	209	31,874	13,347	125	80.00	2.41
2026	1	30,833	12,911	176	27,043	11,323	107	80.00	2.41
Sub-Total		1,474,659	617,459	8,459	1,252,185	524,306	4,935	80.00	2.41
Remainder		108,825	45,566	625	96,377	40,354	380	80.00	2.41
Total Future		1,583,484	663,025	9,084	1,348,562	564,660	5,315	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,583,484	663,025	9,084					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	23,288	4,266	2,761	0	30,315	1,437	313	28,565
2017	21,173	3,879	2,511	0	27,563	1,300	285	25,978
2018	15,141	2,773	1,795	0	19,709	925	204	18,580
2019	10,564	1,935	1,253	0	13,752	622	142	12,988
2020	7,777	1,425	922	0	10,124	437	102	9,585
2021	5,998	1,099	711	0	7,808	325	78	7,405
2022	4,772	874	566	0	6,212	250	61	5,901
2023	3,702	678	439	0	4,819	191	47	4,581
2024	3,046	558	361	0	3,965	152	38	3,775
2025	2,550	467	303	0	3,320	124	32	3,164
2026	2,164	397	256	0	2,817	101	27	2,689
Sub-Total	100,175	18,351	11,878	0	130,404	5,864	1,329	123,211
Remainder	7,710	1,412	915	0	10,037	294	93	9,650
Total Future	107,885	19,763	12,793	0	140,441	6,158	1,422	132,861

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	2,086	0	15,126	5,508	22,720	5,845	5,845	3,333
2017	1,948	0	80	5,008	7,036	18,942	24,787	11,002
2018	1,451	0	52	3,581	5,084	13,496	38,283	7,093
2019	1,081	0	35	2,499	3,615	9,373	47,656	4,457
2020	891	0	16	1,840	2,747	6,838	54,494	2,943
2021	774	0	14	1,418	2,206	5,199	59,693	2,024
2022	641	0	13	1,129	1,783	4,118	63,811	1,451
2023	565	0	12	875	1,452	3,129	66,940	997
2024	512	0	11	721	1,244	2,531	69,471	731
2025	483	0	10	603	1,096	2,068	71,539	540
2026	453	0	11	512	976	1,713	73,252	405
Sub-Total	10,885	0	15,380	23,694	49,959	73,252		34,976
Remainder	1,900	0	970	1,823	4,693	4,957	78,209	928
Total Future	12,785	0	16,350	25,517	54,652	78,209		35,904

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 95

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM09H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.838199	0.838199	0.838199	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	12,117
12.00% –	9,900
15.00% –	7,336
20.00% –	4,483
25.00% –	2,757

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	132,999	55,688	763	111,479	46,678	439	80.00	2.41
2019	1	209,800	87,846	1,203	178,015	74,537	702	80.00	2.41
2020	1	127,233	53,274	730	110,322	46,193	435	80.00	2.41
2021	1	85,394	35,756	490	75,655	31,678	298	80.00	2.41
2022	1	61,278	25,658	352	55,283	23,148	218	80.00	2.41
2023	1	46,114	19,308	264	40,178	16,822	158	80.00	2.41
2024	1	35,959	15,057	207	31,426	13,159	124	80.00	2.41
2025	1	28,825	12,069	165	25,237	10,567	99	80.00	2.41
2026	1	23,624	9,892	135	20,719	8,675	82	80.00	2.41
Sub-Total		751,226	314,548	4,309	648,314	271,457	2,555	80.00	2.41
Remainder		81,583	34,160	468	72,251	30,253	285	80.00	2.41
Total Future		832,809	348,708	4,777	720,565	301,710	2,840	80.00	2.41
Cumulative		0	0	0					
Ultimate		832,809	348,708	4,777					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	8,918	1,634	1,058	0	11,610	545	121	10,944
2019	14,241	2,609	1,688	0	18,538	839	190	17,509
2020	8,826	1,616	1,047	0	11,489	496	116	10,877
2021	6,053	1,109	717	0	7,879	327	79	7,473
2022	4,422	810	525	0	5,757	232	56	5,469
2023	3,215	589	381	0	4,185	166	41	3,978
2024	2,514	461	298	0	3,273	126	32	3,115
2025	2,019	369	239	0	2,627	98	25	2,504
2026	1,657	304	197	0	2,158	77	21	2,060
Sub-Total	51,865	9,501	6,150	0	67,516	2,906	681	63,929
Remainder	5,780	1,059	685	0	7,524	220	69	7,235
Total Future	57,645	10,560	6,835	0	75,040	3,126	750	71,164

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	877	0	14,610	2,109	17,596	–6,652	–6,652	–3,565
2019	1,453	0	47	3,369	4,869	12,640	5,988	6,021
2020	1,009	0	17	2,087	3,113	7,764	13,752	3,344
2021	780	0	14	1,432	2,226	5,247	18,999	2,044
2022	594	0	12	1,046	1,652	3,817	22,816	1,346
2023	491	0	10	760	1,261	2,717	25,533	866
2024	422	0	9	595	1,026	2,089	27,622	604
2025	382	0	9	477	868	1,636	29,258	427
2026	347	0	8	392	747	1,313	30,571	311
Sub-Total	6,355	0	14,736	12,267	33,358	30,571		11,398
Remainder	1,414	0	555	1,367	3,336	3,899	34,470	719
Total Future	7,769	0	15,291	13,634	36,694	34,470		12,117

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

TABLE 96

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE GM10H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	106,647
12.00% -	93,759
15.00% -	77,688
20.00% -	57,462
25.00% -	43,025

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	250,866	105,041	1,439	221,823	92,880	874	80.00	2.41
2016	1	965,405	404,227	5,538	804,501	336,855	3,171	80.00	2.41
2017	1	640,593	268,225	3,675	534,612	223,849	2,107	80.00	2.41
2018	1	473,577	198,292	2,717	396,951	166,208	1,564	80.00	2.41
2019	1	335,525	140,489	1,925	284,692	119,204	1,122	80.00	2.41
2020	1	246,203	103,088	1,412	213,478	89,386	841	80.00	2.41
2021	1	188,359	78,869	1,080	166,878	69,874	658	80.00	2.41
2022	1	148,758	62,286	854	134,205	56,194	529	80.00	2.41
2023	1	120,457	50,437	691	104,950	43,944	414	80.00	2.41
2024	1	99,531	41,675	571	86,986	36,422	342	80.00	2.41
2025	1	83,621	35,013	479	73,210	30,653	289	80.00	2.41
2026	1	70,992	29,726	408	62,266	26,072	245	80.00	2.41
Sub-Total		3,623,887	1,517,368	20,789	3,084,552	1,291,541	12,156	80.00	2.41
Remainder		250,568	104,916	1,437	221,906	92,915	875	80.00	2.41
Total Future		3,874,455	1,622,284	22,226	3,306,458	1,384,456	13,031	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,874,455	1,622,284	22,226					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	17,746	3,251	2,104	0	23,101	1,084	236	21,781
2016	64,360	11,790	7,632	0	83,782	3,971	864	78,947
2017	42,769	7,834	5,071	0	55,674	2,626	575	52,473
2018	31,756	5,818	3,766	0	41,340	1,941	430	38,969
2019	22,775	4,172	2,700	0	29,647	1,341	304	28,002
2020	17,079	3,128	2,025	0	22,232	960	225	21,047
2021	13,350	2,446	1,583	0	17,379	722	173	16,484
2022	10,736	1,967	1,273	0	13,976	564	138	13,274
2023	8,396	1,538	996	0	10,930	431	107	10,392
2024	6,959	1,275	825	0	9,059	349	87	8,623
2025	5,857	1,072	695	0	7,624	285	73	7,266
2026	4,981	913	590	0	6,484	232	62	6,190
Sub-Total	246,764	45,204	29,260	0	321,228	14,506	3,274	303,448
Remainder	17,753	3,252	2,105	0	23,110	677	215	22,218
Total Future	264,517	48,456	31,365	0	344,338	15,183	3,489	325,666

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,413	0	14,610	4,197	20,220	1,561	1,561	934
2016	5,767	0	994	15,223	21,984	56,963	58,524	36,566
2017	3,938	0	161	10,116	14,215	38,258	96,782	22,215
2018	3,043	0	109	7,511	10,663	28,306	125,088	14,873
2019	2,333	0	76	5,387	7,796	20,206	145,294	9,606
2020	1,956	0	34	4,039	6,029	15,018	160,312	6,461
2021	1,723	0	32	3,158	4,913	11,571	171,883	4,505
2022	1,442	0	29	2,539	4,010	9,264	181,147	3,264
2023	1,283	0	27	1,986	3,296	7,096	188,243	2,262
2024	1,169	0	25	1,646	2,840	5,783	194,026	1,669
2025	1,109	0	25	1,386	2,520	4,746	198,772	1,240
2026	1,042	0	24	1,178	2,244	3,946	202,718	933
Sub-Total	26,218	0	16,146	58,366	100,730	202,718		104,528
Remainder	4,434	0	2,276	4,199	10,909	11,309	214,027	2,119
Total Future	30,652	0	18,422	62,565	111,639	214,027		106,647

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

TABLE 97

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE GM11H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	140,491
12.00% -	126,167
15.00% -	107,946
20.00% -	84,247
25.00% -	66,568

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	262,036	109,718	1,503	247,611	103,678	976	80.00	2.41
2015	1	1,232,909	516,234	7,073	1,090,172	456,469	4,296	80.00	2.41
2016	1	665,288	278,565	3,816	554,405	232,136	2,185	80.00	2.41
2017	1	487,890	204,286	2,799	407,173	170,489	1,605	80.00	2.41
2018	1	387,582	162,285	2,224	324,870	136,027	1,280	80.00	2.41
2019	1	290,240	121,527	1,665	246,267	103,115	971	80.00	2.41
2020	1	221,343	92,679	1,269	191,923	80,360	756	80.00	2.41
2021	1	174,375	73,014	1,001	154,488	64,687	609	80.00	2.41
2022	1	140,923	59,006	808	127,138	53,234	501	80.00	2.41
2023	1	116,254	48,677	667	101,288	42,411	399	80.00	2.41
2024	1	97,542	40,842	559	85,248	35,694	336	80.00	2.41
2025	1	82,775	34,659	475	72,469	30,344	286	80.00	2.41
2026	1	70,359	29,460	404	61,710	25,838	243	80.00	2.41
Sub-Total		4,229,516	1,770,952	24,263	3,664,762	1,534,482	14,443	80.00	2.41
Remainder		248,331	103,979	1,425	219,924	92,086	867	80.00	2.41
Total Future		4,477,847	1,874,931	25,688	3,884,686	1,626,568	15,310	80.00	2.41
Cumulative		0	0	0					
Ultimate		4,477,847	1,874,931	25,688					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	19,809	3,629	2,349	0	25,787	931	239	24,617
2015	87,214	15,976	10,341	0	113,531	5,329	1,158	107,044
2016	44,352	8,125	5,259	0	57,736	2,736	596	54,404
2017	32,574	5,967	3,863	0	42,404	2,000	438	39,966
2018	25,990	4,761	3,082	0	33,833	1,588	351	31,894
2019	19,701	3,609	2,336	0	25,646	1,161	264	24,221
2020	15,354	2,813	1,820	0	19,987	863	202	18,922
2021	12,359	2,264	1,466	0	16,089	668	160	15,261
2022	10,171	1,863	1,206	0	13,240	534	130	12,576
2023	8,103	1,484	961	0	10,548	417	104	10,027
2024	6,820	1,249	808	0	8,877	341	85	8,451
2025	5,797	1,063	688	0	7,548	283	73	7,192
2026	4,937	904	585	0	6,426	229	61	6,136
Sub-Total	293,181	53,707	34,764	0	381,652	17,080	3,861	360,711
Remainder	17,594	3,223	2,086	0	22,903	671	213	22,019
Total Future	310,775	56,930	36,850	0	404,555	17,751	4,074	382,730

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	2,534	0	14,610	4,685	21,829	2,788	2,788	1,875
2015	7,552	0	1,369	20,628	29,549	77,495	80,283	54,981
2016	3,975	0	693	10,491	15,159	39,245	119,528	25,168
2017	3,001	0	123	7,704	10,828	29,138	148,666	16,907
2018	2,492	0	90	6,148	8,730	23,164	171,830	12,164
2019	2,019	0	66	4,659	6,744	17,477	189,307	8,307
2020	1,760	0	31	3,632	5,423	13,499	202,806	5,806
2021	1,595	0	29	2,923	4,547	10,714	213,520	4,169
2022	1,366	0	28	2,406	3,800	8,776	222,296	3,092
2023	1,239	0	26	1,916	3,181	6,846	229,142	2,183
2024	1,145	0	25	1,614	2,784	5,667	234,809	1,635
2025	1,098	0	24	1,371	2,493	4,699	239,508	1,227
2026	1,033	0	24	1,167	2,224	3,912	243,420	925
Sub-Total	30,809	0	17,138	69,344	117,291	243,420		138,439
Remainder	4,395	0	2,645	4,162	11,202	10,817	254,237	2,052
Total Future	35,204	0	19,783	73,506	128,493	254,237		140,491

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 98

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE GM12H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330	0.833330	0.833330	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	31,854
12.00% –	27,482
15.00% –	22,129
20.00% –	15,588
25.00% –	11,101

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	318,239	133,251	1,826	265,198	111,042	1,045	80.00	2.41
2017	1	288,902	120,967	1,657	241,106	100,954	950	80.00	2.41
2018	1	205,700	86,129	1,180	172,417	72,193	680	80.00	2.41
2019	1	141,784	59,367	813	120,303	50,373	474	80.00	2.41
2020	1	102,142	42,768	586	88,566	37,083	349	80.00	2.41
2021	1	77,087	32,277	442	68,295	28,596	269	80.00	2.41
2022	1	60,242	25,224	346	54,349	22,757	214	80.00	2.41
2023	1	48,376	20,256	278	42,148	17,648	166	80.00	2.41
2024	1	39,701	16,623	227	34,697	14,528	137	80.00	2.41
2025	1	33,167	13,888	191	29,038	12,159	115	80.00	2.41
2026	1	28,090	11,761	161	24,637	10,315	97	80.00	2.41
Sub-Total		1,343,430	562,511	7,707	1,140,754	477,648	4,496	80.00	2.41
Remainder		99,141	41,512	568	87,801	36,763	346	80.00	2.41
Total Future		1,442,571	604,023	8,275	1,228,555	514,411	4,842	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,442,571	604,023	8,275					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	21,216	3,886	2,516	0	27,618	1,309	285	26,024
2017	19,288	3,534	2,287	0	25,109	1,184	259	23,666
2018	13,794	2,527	1,635	0	17,956	843	187	16,926
2019	9,624	1,763	1,142	0	12,529	567	129	11,833
2020	7,085	1,298	840	0	9,223	398	93	8,732
2021	5,464	1,000	648	0	7,112	296	71	6,745
2022	4,348	797	515	0	5,660	228	55	5,377
2023	3,372	618	400	0	4,390	173	43	4,174
2024	2,775	508	329	0	3,612	139	35	3,438
2025	2,323	426	276	0	3,025	114	29	2,882
2026	1,971	361	233	0	2,565	91	25	2,449
Sub-Total	91,260	16,718	10,821	0	118,799	5,342	1,211	112,246
Remainder	7,024	1,286	833	0	9,143	268	85	8,790
Total Future	98,284	18,004	11,654	0	127,942	5,610	1,296	121,036

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,900	0	15,081	5,018	21,999	4,025	4,025	2,181
2017	1,775	0	72	4,562	6,409	17,257	21,282	10,024
2018	1,322	0	47	3,263	4,632	12,294	33,576	6,461
2019	985	0	32	2,276	3,293	8,540	42,116	4,061
2020	811	0	14	1,676	2,501	6,231	48,347	2,681
2021	705	0	13	1,292	2,010	4,735	53,082	1,843
2022	584	0	12	1,029	1,625	3,752	56,834	1,322
2023	516	0	11	797	1,324	2,850	59,684	909
2024	466	0	10	657	1,133	2,305	61,989	666
2025	439	0	10	549	998	1,884	63,873	491
2026	413	0	9	466	888	1,561	65,434	370
Sub-Total	9,916	0	15,311	21,585	46,812	65,434		31,009
Remainder	1,728	0	889	1,662	4,279	4,511	69,945	845
Total Future	11,644	0	16,200	23,247	51,091	69,945		31,854

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

TABLE 99

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SO MULINSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	59,310
12.00% –	50,299
15.00% –	39,474
20.00% –	26,656
25.00% –	18,215

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	294,011	123,106	1,687	245,369	102,739	967	80.00	2.41
2018	1	681,382	285,303	3,908	571,134	239,141	2,251	80.00	2.41
2019	1	424,375	177,692	2,435	360,080	150,770	1,419	80.00	2.41
2020	1	286,781	120,079	1,645	248,663	104,119	980	80.00	2.41
2021	1	206,770	86,577	1,186	183,189	76,703	722	80.00	2.41
2022	1	156,144	65,379	896	140,869	58,984	555	80.00	2.41
2023	1	122,083	51,118	700	106,366	44,537	419	80.00	2.41
2024	1	98,071	41,063	563	85,710	35,888	338	80.00	2.41
2025	1	80,509	33,710	462	70,485	29,513	278	80.00	2.41
2026	1	67,276	28,170	386	59,007	24,707	232	80.00	2.41
Sub-Total		2,417,402	1,012,197	13,868	2,070,872	867,101	8,161	80.00	2.41
Remainder		236,618	99,075	1,357	209,552	87,741	826	80.00	2.41
Total Future		2,654,020	1,111,272	15,225	2,280,424	954,842	8,987	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,654,020	1,111,272	15,225					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	19,630	3,596	2,328	0	25,554	1,205	264	24,085
2018	45,690	8,370	5,417	0	59,477	2,792	618	56,067
2019	28,807	5,277	3,416	0	37,500	1,697	385	35,418
2020	19,893	3,644	2,359	0	25,896	1,118	262	24,516
2021	14,655	2,685	1,738	0	19,078	792	190	18,096
2022	11,269	2,064	1,336	0	14,669	592	144	13,933
2023	8,510	1,559	1,009	0	11,078	438	109	10,531
2024	6,856	1,256	813	0	8,925	343	86	8,496
2025	5,639	1,033	669	0	7,341	275	70	6,996
2026	4,721	865	559	0	6,145	219	59	5,867
Sub-Total	165,670	30,349	19,644	0	215,663	9,471	2,187	204,005
Remainder	16,764	3,070	1,988	0	21,822	640	202	20,980
Total Future	182,434	33,419	21,632	0	237,485	10,111	2,389	224,985

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,572	0	14,610	4,643	20,825	3,260	3,260	1,728
2018	4,374	0	155	10,807	15,336	40,731	43,991	21,429
2019	2,946	0	96	6,813	9,855	25,563	69,554	12,163
2020	2,277	0	39	4,705	7,021	17,495	87,049	7,530
2021	1,890	0	34	3,467	5,391	12,705	99,754	4,948
2022	1,513	0	31	2,665	4,209	9,724	109,478	3,427
2023	1,301	0	27	2,013	3,341	7,190	116,668	2,293
2024	1,150	0	25	1,622	2,797	5,699	122,367	1,645
2025	1,068	0	24	1,333	2,425	4,571	126,938	1,194
2026	988	0	22	1,117	2,127	3,740	130,678	885
Sub-Total	19,079	0	15,063	39,185	73,327	130,678		57,242
Remainder	4,185	0	1,612	3,965	9,762	11,218	141,896	2,068
Total Future	23,264	0	16,675	43,150	83,089	141,896		59,310

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

TABLE 100

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SO MULINSKI
TOTAL PROVED

TOTAL
PROVED

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 101

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
SO MULINSKI
TOTAL PROBABLE

TOTAL
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	59,310
12.00% -	50,299
15.00% -	39,474
20.00% -	26,656
25.00% -	18,215

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	294,011	123,106	1,687	245,369	102,739	967	80.00	2.41
2018	1	681,382	285,303	3,908	571,134	239,141	2,251	80.00	2.41
2019	1	424,375	177,692	2,435	360,080	150,770	1,419	80.00	2.41
2020	1	286,781	120,079	1,645	248,663	104,119	980	80.00	2.41
2021	1	206,770	86,577	1,186	183,189	76,703	722	80.00	2.41
2022	1	156,144	65,379	896	140,869	58,984	555	80.00	2.41
2023	1	122,083	51,118	700	106,366	44,537	419	80.00	2.41
2024	1	98,071	41,063	563	85,710	35,888	338	80.00	2.41
2025	1	80,509	33,710	462	70,485	29,513	278	80.00	2.41
2026	1	67,276	28,170	386	59,007	24,707	232	80.00	2.41
Sub-Total		2,417,402	1,012,197	13,868	2,070,872	867,101	8,161	80.00	2.41
Remainder		236,618	99,075	1,357	209,552	87,741	826	80.00	2.41
Total Future		2,654,020	1,111,272	15,225	2,280,424	954,842	8,987	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,654,020	1,111,272	15,225					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	19,630	3,596	2,328	0	25,554	1,205	264	24,085
2018	45,690	8,370	5,417	0	59,477	2,792	618	56,067
2019	28,807	5,277	3,416	0	37,500	1,697	385	35,418
2020	19,893	3,644	2,359	0	25,896	1,118	262	24,516
2021	14,655	2,685	1,738	0	19,078	792	190	18,096
2022	11,269	2,064	1,336	0	14,669	592	144	13,933
2023	8,510	1,559	1,009	0	11,078	438	109	10,531
2024	6,856	1,256	813	0	8,925	343	86	8,496
2025	5,639	1,033	669	0	7,341	275	70	6,996
2026	4,721	865	559	0	6,145	219	59	5,867
Sub-Total	165,670	30,349	19,644	0	215,663	9,471	2,187	204,005
Remainder	16,764	3,070	1,988	0	21,822	640	202	20,980
Total Future	182,434	33,419	21,632	0	237,485	10,111	2,389	224,985

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,572	0	14,610	4,643	20,825	3,260	3,260	1,728
2018	4,374	0	155	10,807	15,336	40,731	43,991	21,429
2019	2,946	0	96	6,813	9,855	25,563	69,554	12,163
2020	2,277	0	39	4,705	7,021	17,495	87,049	7,530
2021	1,890	0	34	3,467	5,391	12,705	99,754	4,948
2022	1,513	0	31	2,665	4,209	9,724	109,478	3,427
2023	1,301	0	27	2,013	3,341	7,190	116,668	2,293
2024	1,150	0	25	1,622	2,797	5,699	122,367	1,645
2025	1,068	0	24	1,333	2,425	4,571	126,938	1,194
2026	988	0	22	1,117	2,127	3,740	130,678	885
Sub-Total	19,079	0	15,063	39,185	73,327	130,678		57,242
Remainder	4,185	0	1,612	3,965	9,762	11,218	141,896	2,068
Total Future	23,264	0	16,675	43,150	83,089	141,896		59,310

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 102

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
SOUTH GM13H (MULINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558	0.834558	0.834558	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	59,310
12.00% -	50,299
15.00% -	39,474
20.00% -	26,656
25.00% -	18,215

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	294,011	123,106	1,687	245,369	102,739	967	80.00	2.41
2018	1	681,382	285,303	3,908	571,134	239,141	2,251	80.00	2.41
2019	1	424,375	177,692	2,435	360,080	150,770	1,419	80.00	2.41
2020	1	286,781	120,079	1,645	248,663	104,119	980	80.00	2.41
2021	1	206,770	86,577	1,186	183,189	76,703	722	80.00	2.41
2022	1	156,144	65,379	896	140,869	58,984	555	80.00	2.41
2023	1	122,083	51,118	700	106,366	44,537	419	80.00	2.41
2024	1	98,071	41,063	563	85,710	35,888	338	80.00	2.41
2025	1	80,509	33,710	462	70,485	29,513	278	80.00	2.41
2026	1	67,276	28,170	386	59,007	24,707	232	80.00	2.41
Sub-Total		2,417,402	1,012,197	13,868	2,070,872	867,101	8,161	80.00	2.41
Remainder		236,618	99,075	1,357	209,552	87,741	826	80.00	2.41
Total Future		2,654,020	1,111,272	15,225	2,280,424	954,842	8,987	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,654,020	1,111,272	15,225					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 31.30 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	19,630	3,596	2,328	0	25,554	1,205	264	24,085
2018	45,690	8,370	5,417	0	59,477	2,792	618	56,067
2019	28,807	5,277	3,416	0	37,500	1,697	385	35,418
2020	19,893	3,644	2,359	0	25,896	1,118	262	24,516
2021	14,655	2,685	1,738	0	19,078	792	190	18,096
2022	11,269	2,064	1,336	0	14,669	592	144	13,933
2023	8,510	1,559	1,009	0	11,078	438	109	10,531
2024	6,856	1,256	813	0	8,925	343	86	8,496
2025	5,639	1,033	669	0	7,341	275	70	6,996
2026	4,721	865	559	0	6,145	219	59	5,867
Sub-Total	165,670	30,349	19,644	0	215,663	9,471	2,187	204,005
Remainder	16,764	3,070	1,988	0	21,822	640	202	20,980
Total Future	182,434	33,419	21,632	0	237,485	10,111	2,389	224,985

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,572	0	14,610	4,643	20,825	3,260	3,260	1,728
2018	4,374	0	155	10,807	15,336	40,731	43,991	21,429
2019	2,946	0	96	6,813	9,855	25,563	69,554	12,163
2020	2,277	0	39	4,705	7,021	17,495	87,049	7,530
2021	1,890	0	34	3,467	5,391	12,705	99,754	4,948
2022	1,513	0	31	2,665	4,209	9,724	109,478	3,427
2023	1,301	0	27	2,013	3,341	7,190	116,668	2,293
2024	1,150	0	25	1,622	2,797	5,699	122,367	1,645
2025	1,068	0	24	1,333	2,425	4,571	126,938	1,194
2026	988	0	22	1,117	2,127	3,740	130,678	885
Sub-Total	19,079	0	15,063	39,185	73,327	130,678		57,242
Remainder	4,185	0	1,612	3,965	9,762	11,218	141,896	2,068
Total Future	23,264	0	16,675	43,150	83,089	141,896		59,310

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

TABLE 103

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARYT
BISKI & AFONINSKI
TOTAL PROVED & PROBABLE RESERVES

PROVED AND PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% −	3,301,691
12.00% −	2,899,540
15.00% −	2,410,183
20.00% −	1,813,285
25.00% −	1,399,120

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	4	4,175,244	748,120	17,080	3,923,226	702,984	12,151	80.00	2.41
2013	8	4,819,663	913,480	20,862	4,549,581	862,390	14,917	80.00	2.41
2014	25	5,755,571	1,145,942	26,208	5,275,935	1,050,200	18,209	80.00	2.41
2015	27	15,099,646	3,599,380	82,381	13,309,922	3,169,031	55,027	80.00	2.41
2016	29	13,243,351	3,277,907	75,026	11,066,493	2,742,308	47,618	80.00	2.41
2017	29	11,112,229	3,494,955	80,005	9,273,401	2,916,542	50,654	80.00	2.41
2018	29	10,157,256	3,812,332	87,267	8,520,078	3,198,974	55,558	80.00	2.41
2019	29	8,406,353	3,796,114	86,890	7,146,375	3,229,077	56,082	80.00	2.41
2020	30	6,796,238	3,526,655	80,734	5,907,331	3,066,519	53,256	80.00	2.41
2021	28	5,935,392	3,210,325	73,496	5,273,190	2,852,699	49,549	80.00	2.41
2022	28	5,202,207	2,979,949	68,210	4,706,622	2,696,534	46,839	80.00	2.41
2023	28	4,537,322	2,767,409	63,349	3,964,931	2,418,669	42,010	80.00	2.41
2024	28	3,834,045	2,350,216	53,814	3,360,289	2,060,438	35,799	80.00	2.41
2025	28	3,350,540	2,100,879	48,109	2,940,909	1,844,015	32,043	80.00	2.41
2026	27	2,920,380	1,941,706	44,456	2,567,090	1,706,689	29,654	80.00	2.41
Sub-Total		105,345,437	39,665,369	907,887	91,785,373	34,517,069	599,366	80.00	2.41
Remainder		10,421,458	7,512,453	172,105	9,242,357	6,667,765	115,971	80.00	2.41
Total Future		115,766,895	47,177,822	1,079,992	101,027,730	41,184,834	715,337	80.00	2.41
Cumulative		1,582,438	0	11,708					
Ultimate		117,349,333	47,177,822	1,091,700					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	313,858	24,604	29,250	0	367,712	16,190	2,210	349,312
2013	363,967	30,184	35,903	0	430,054	17,460	2,658	409,936
2014	422,075	36,757	43,837	0	502,669	20,434	3,224	479,011
2015	1,064,793	110,916	132,438	0	1,308,147	62,295	10,486	1,235,366
2016	885,320	95,981	114,630	0	1,095,931	52,009	9,107	1,034,815
2017	741,872	102,079	121,916	0	965,867	43,327	9,703	912,837
2018	681,606	111,964	133,725	0	927,295	39,348	10,647	877,300
2019	571,710	113,018	134,988	0	819,716	31,588	10,643	777,485
2020	472,587	107,328	128,196	0	708,111	24,759	10,022	673,330
2021	421,855	99,844	119,267	0	640,966	21,164	9,225	610,577
2022	376,530	94,379	112,732	0	583,641	18,233	8,647	556,761
2023	317,194	84,653	101,112	0	502,959	15,066	7,730	480,163
2024	268,823	72,116	86,169	0	427,108	12,453	6,523	408,132
2025	235,273	64,540	77,130	0	376,943	10,670	5,817	360,456
2026	205,367	59,734	71,385	0	336,486	8,941	5,356	322,189
Sub-Total	7,342,830	1,208,097	1,442,678	0	9,993,605	393,937	111,998	9,487,670
Remainder	739,389	233,372	279,138	0	1,251,899	26,905	20,516	1,204,478
Total Future	8,082,219	1,441,469	1,721,816	0	11,245,504	420,842	132,514	10,692,148

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	36,217	0	77,253	65,298	178,768	170,544	170,544	162,788
2013	40,884	0	329,600	76,172	446,656	−36,720	133,824	−30,686
2014	54,086	0	195,911	88,810	338,807	140,204	274,028	105,938
2015	81,113	0	50,790	228,988	360,891	874,475	1,148,503	617,501
2016	70,801	0	38,027	191,413	300,241	734,574	1,883,077	469,522
2017	65,756	0	3,815	166,281	235,852	676,985	2,560,062	392,456
2018	65,872	0	3,565	157,712	227,149	650,151	3,210,213	340,833
2019	62,098	0	2,897	137,475	202,470	575,015	3,785,228	273,112
2020	57,802	0	1,410	117,418	176,630	496,700	4,281,928	213,395
2021	56,291	0	1,851	105,911	164,053	446,524	4,728,452	173,610
2022	52,953	0	1,482	95,961	150,396	406,365	5,134,817	143,030
2023	51,318	0	1,499	82,238	135,055	345,108	5,479,925	109,959
2024	48,746	0	1,510	69,797	120,053	288,079	5,768,004	83,153
2025	46,738	0	1,691	61,474	109,903	250,553	6,018,557	65,415
2026	45,535	0	1,497	54,583	101,615	220,574	6,239,131	52,133
Sub-Total	836,210	0	712,798	1,699,531	3,248,539	6,239,131		3,172,159
Remainder	213,571	0	65,124	201,491	480,186	724,292	6,963,423	129,532
Total Future	1,049,781	0	777,922	1,901,022	3,728,725	6,963,423		3,301,691

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

TABLE 104

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
BISKI & AFONINSKI
TOTAL PROVED RESERVES

TOTAL
PROVED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL								10.00% –	1,224,663
FINAL								12.00% –	1,102,298
REMARKS								15.00% –	951,574
								20.00% –	763,782
								25.00% –	629,498

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	4	3,939,797	707,906	16,162	3,704,090	665,555	11,504	80.00	2.41
2013	5	3,617,777	677,224	15,462	3,404,304	637,263	11,017	80.00	2.41
2014	7	2,891,241	580,055	13,243	2,569,286	515,464	8,912	80.00	2.41
2015	7	4,388,535	1,437,853	32,829	3,838,855	1,257,754	21,741	80.00	2.41
2016	7	3,529,410	1,244,420	28,410	2,971,578	1,047,738	18,111	80.00	2.41
2017	7	2,623,131	1,286,490	29,372	2,188,756	1,073,453	18,556	80.00	2.41
2018	7	2,458,741	1,360,964	31,074	2,067,191	1,144,236	19,781	80.00	2.41
2019	7	2,210,634	1,313,502	29,987	1,889,336	1,122,593	19,404	80.00	2.41
2020	7	1,823,874	1,089,343	24,871	1,595,885	953,172	16,477	80.00	2.41
2021	6	1,522,348	879,849	20,088	1,363,432	788,003	13,621	80.00	2.41
2022	6	1,323,192	804,380	18,364	1,207,070	733,788	12,685	80.00	2.41
2023	6	1,146,616	735,404	16,790	1,010,719	648,245	11,204	80.00	2.41
2024	6	990,241	672,369	15,352	874,924	594,069	10,271	80.00	2.41
2025	6	801,039	501,551	11,450	708,840	443,823	7,673	80.00	2.41
2026	5	699,087	448,882	10,249	618,843	397,358	6,868	80.00	2.41
Sub-Total		33,965,663	13,740,192	313,703	30,013,109	12,022,514	207,825	80.00	2.41
Remainder		2,691,098	1,982,389	45,260	2,394,754	1,765,090	30,510	80.00	2.41
Total Future		36,656,761	15,722,581	358,963	32,407,863	13,787,604	238,335	80.00	2.41
Cumulative		1,582,438	0	11,708					
Ultimate		38,239,199	15,722,581	370,671					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	296,327	23,294	27,692	0	347,313	15,646	2,096	329,571
2013	272,344	22,305	26,516	0	321,165	14,108	1,967	305,090
2014	205,543	18,041	21,447	0	245,031	10,256	1,580	233,195
2015	307,109	44,021	52,333	0	403,463	16,000	4,018	383,445
2016	237,726	36,671	43,594	0	317,991	12,053	3,306	302,632
2017	175,101	37,571	44,665	0	257,337	8,528	3,380	245,429
2018	165,375	40,048	47,609	0	253,032	7,805	3,568	241,659
2019	151,147	39,291	46,709	0	237,147	6,817	3,466	226,864
2020	127,671	33,361	39,660	0	200,692	5,375	2,921	192,396
2021	109,074	27,580	32,787	0	169,441	4,243	2,414	162,784
2022	96,566	25,683	30,532	0	152,781	3,534	2,249	146,998
2023	80,857	22,688	26,972	0	130,517	2,919	1,986	125,612
2024	69,994	20,793	24,718	0	115,505	2,492	1,821	111,192
2025	56,707	15,533	18,467	0	90,707	1,973	1,360	87,374
2026	49,508	13,908	16,533	0	79,949	1,694	1,217	77,038
Sub-Total	2,401,049	420,788	500,234	0	3,322,071	113,443	37,349	3,171,279
Remainder	191,580	61,778	73,442	0	326,800	6,045	5,409	315,346
Total Future	2,592,629	482,566	573,676	0	3,648,871	119,488	42,758	3,486,625

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	35,685	0	77,253	61,669	174,607	154,964	154,964	147,967
2013	29,234	0	124,172	56,920	210,326	94,764	249,728	81,358
2014	24,381	0	36,782	43,287	104,450	128,745	378,473	99,676
2015	21,274	0	10,180	69,314	100,768	282,677	661,150	199,686
2016	17,464	0	9,962	54,360	81,786	220,846	881,996	141,372
2017	15,804	0	1,834	42,908	60,546	184,883	1,066,879	107,172
2018	15,854	0	1,863	41,766	59,483	182,176	1,249,055	95,492
2019	15,369	0	1,528	38,902	55,799	171,065	1,420,120	81,183
2020	13,451	0	721	32,907	47,079	145,317	1,565,437	62,524
2021	11,739	0	924	27,864	40,527	122,257	1,687,694	47,536
2022	10,811	0	726	25,012	36,549	110,449	1,798,143	38,877
2023	10,191	0	725	21,265	32,181	93,431	1,891,574	29,770
2024	9,598	0	722	18,721	29,041	82,151	1,973,725	23,696
2025	7,296	0	893	14,811	23,000	64,374	2,038,099	16,815
2026	6,806	0	688	13,024	20,518	56,520	2,094,619	13,357
Sub-Total	244,957	0	268,973	562,730	1,076,660	2,094,619		1,186,481
Remainder	31,291	0	16,614	52,564	100,469	214,877	2,309,496	38,182
Total Future	276,248	0	285,587	615,294	1,177,129	2,309,496		1,224,663

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TABLE 105

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

GRAND SUMMARY
BISKI & AFONINSKI
TOTAL PROBABLE RESERVES

TOTAL
PROBABLE

		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
INITIAL								10.00% –	2,077,028
FINAL								12.00% –	1,797,242
REMARKS								15.00% –	1,458,609
								20.00% –	1,049,503
								25.00% –	769,621

		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	Oil/Cond. $/bbl.	Gas $/MCF
2012		235,447	40,214	918	219,136	37,429	647	80.00	2.41
2013	3	1,201,886	236,256	5,400	1,145,277	225,127	3,900	80.00	2.41
2014	18	2,864,330	565,887	12,965	2,706,649	534,736	9,297	80.00	2.41
2015	20	10,711,111	2,161,527	49,552	9,471,067	1,911,277	33,286	80.00	2.41
2016	22	9,713,941	2,033,487	46,616	8,094,915	1,694,570	29,507	80.00	2.41
2017	22	8,489,098	2,208,465	50,633	7,084,645	1,843,089	32,098	80.00	2.41
2018	22	7,698,515	2,451,368	56,193	6,452,887	2,054,738	35,777	80.00	2.41
2019	22	6,195,719	2,482,612	56,903	5,257,039	2,106,484	36,678	80.00	2.41
2020	23	4,972,364	2,437,312	55,863	4,311,446	2,113,347	36,779	80.00	2.41
2021	22	4,413,044	2,330,476	53,408	3,909,758	2,064,696	35,928	80.00	2.41
2022	22	3,879,015	2,175,569	49,846	3,499,552	1,962,746	34,154	80.00	2.41
2023	22	3,390,706	2,032,005	46,559	2,954,212	1,770,424	30,806	80.00	2.41
2024	22	2,843,804	1,677,847	38,462	2,485,365	1,466,369	25,528	80.00	2.41
2025	22	2,549,501	1,599,328	36,659	2,232,069	1,400,192	24,370	80.00	2.41
2026	22	2,221,293	1,492,824	34,207	1,948,247	1,309,331	22,786	80.00	2.41
Sub-Total		71,379,774	25,925,177	594,184	61,772,264	22,494,555	391,541	80.00	2.41
Remainder		7,730,360	5,530,064	126,845	6,847,603	4,902,675	85,461	80.00	2.41
Total Future		79,110,134	31,455,241	721,029	68,619,867	27,397,230	477,002	80.00	2.41
Cumulative		0	0	0					
Ultimate		79,110,134	31,455,241	721,029					

	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. - $	
2012	17,531	1,310	1,557	0	20,398	543	115	19,740
2013	91,622	7,879	9,388	0	108,889	3,354	690	104,845
2014	216,532	18,716	22,389	0	257,637	10,177	1,645	245,815
2015	757,685	66,895	80,106	0	904,686	46,294	6,468	851,924
2016	647,593	59,310	71,035	0	777,938	39,957	5,800	732,181
2017	566,772	64,508	77,252	0	708,532	34,800	6,322	667,410
2018	516,231	71,916	86,116	0	674,263	31,541	7,080	635,642
2019	420,563	73,727	88,279	0	582,569	24,772	7,177	550,620
2020	344,916	73,967	88,536	0	507,419	19,384	7,102	480,933
2021	312,781	72,264	86,479	0	471,524	16,921	6,810	447,793
2022	279,964	68,696	82,201	0	430,861	14,698	6,398	409,765
2023	236,337	61,965	74,139	0	372,441	12,148	5,743	354,550
2024	198,829	51,323	61,452	0	311,604	9,961	4,703	296,940
2025	178,566	49,007	58,663	0	286,236	8,697	4,457	273,082
2026	155,860	45,826	54,851	0	256,537	7,247	4,138	245,152
Sub-Total	4,941,782	787,309	942,443	0	6,671,534	280,494	74,648	6,316,392
Remainder	547,808	171,594	205,696	0	925,098	20,860	15,108	889,130
Total Future	5,489,590	958,903	1,148,139	0	7,596,632	301,354	89,756	7,205,522

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	532	0	0	3,630	4,162	15,578	15,578	14,820
2013	11,650	0	205,427	19,251	236,328	–131,483	–115,905	–112,042
2014	29,705	0	159,129	45,523	234,357	11,458	–104,447	6,260
2015	59,839	0	40,612	159,674	260,125	591,799	487,352	417,816
2016	53,337	0	28,064	137,053	218,454	513,727	1,001,079	328,150
2017	49,952	0	1,981	123,373	175,306	492,104	1,493,183	285,284
2018	50,018	0	1,702	115,946	167,666	467,976	1,961,159	245,341
2019	46,729	0	1,369	98,573	146,671	403,949	2,365,108	191,929
2020	44,351	0	689	84,511	129,551	351,382	2,716,490	150,871
2021	44,552	0	927	78,047	123,526	324,267	3,040,757	126,075
2022	42,143	0	756	70,949	113,848	295,917	3,336,674	104,152
2023	41,126	0	773	60,973	102,872	251,678	3,588,352	80,188
2024	39,148	0	788	51,076	91,012	205,928	3,794,280	59,458
2025	39,442	0	799	46,663	86,904	186,178	3,980,458	48,600
2026	38,728	0	809	41,559	81,096	164,056	4,144,514	38,776
Sub-Total	591,252	0	443,825	1,136,801	2,171,878	4,144,514		1,985,678
Remainder	182,280	0	48,509	148,928	379,717	509,413	4,653,927	91,350
Total Future	773,532	0	492,334	1,285,729	2,551,595	4,653,927		2,077,028

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
WEST AREA
TOTAL PROVED & PROBABLE RESERVES

PROVED AND
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	1,138,995
12.00% –	984,522
15.00% –	797,046
20.00% –	569,695
25.00% –	413,596

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013	1	210,109	35,264	812	200,213	33,603	590	80.00	2.41
2014	12	1,420,536	238,859	5,499	1,342,335	225,712	3,957	80.00	2.41
2015	13	6,238,802	1,060,508	24,412	5,516,526	937,726	16,455	80.00	2.41
2016	14	5,914,844	1,020,421	23,488	4,929,015	850,349	14,914	80.00	2.41
2017	14	5,713,021	1,091,500	25,132	4,767,845	910,917	15,981	80.00	2.41
2018	14	5,244,641	1,197,313	27,561	4,396,054	1,003,591	17,610	80.00	2.41
2019	14	3,918,438	1,202,333	27,676	3,324,775	1,020,174	17,897	80.00	2.41
2020	14	2,785,329	1,124,689	25,891	2,415,110	975,196	17,106	80.00	2.41
2021	14	2,388,353	1,039,629	23,935	2,115,972	921,063	16,158	80.00	2.41
2022	14	2,099,509	956,613	22,019	1,894,126	863,035	15,145	80.00	2.41
2023	14	1,841,242	880,087	20,259	1,604,215	766,790	13,455	80.00	2.41
2024	14	1,610,863	809,676	18,640	1,407,825	707,628	12,414	80.00	2.41
2025	14	1,405,556	744,910	17,152	1,230,553	652,156	11,438	80.00	2.41
2026	14	1,222,790	685,310	15,771	1,072,483	601,077	10,544	80.00	2.41
Sub-Total		42,014,033	12,087,112	278,247	36,217,047	10,469,017	183,664	80.00	2.41
Remainder		4,498,389	3,102,355	71,416	3,984,104	2,750,820	48,262	80.00	2.41
Total Future		46,512,422	15,189,467	349,663	40,201,151	13,219,837	231,926	80.00	2.41
Cumulative		0	0	0					
Ultimate		46,512,422	15,189,467	349,663					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	16,017	1,176	1,419	0	18,612	586	104	17,922
2014	107,387	7,900	9,531	0	124,818	5,047	697	119,074
2015	441,322	32,820	39,598	0	513,740	26,965	3,186	483,589
2016	394,321	29,763	35,909	0	459,993	24,330	2,923	432,740
2017	381,428	31,882	38,466	0	451,776	23,419	3,137	425,220
2018	351,684	35,125	42,379	0	429,188	21,488	3,473	404,227
2019	265,982	35,706	43,080	0	344,768	15,667	3,490	325,611
2020	193,209	34,132	41,180	0	268,521	10,858	3,291	254,372
2021	169,278	32,238	38,895	0	240,411	9,158	3,051	228,202
2022	151,530	30,206	36,444	0	218,180	7,955	2,826	207,399
2023	128,337	26,838	32,380	0	187,555	6,597	2,499	178,459
2024	112,626	24,766	29,881	0	167,273	5,642	2,279	159,352
2025	98,444	22,826	27,539	0	148,809	4,795	2,085	141,929
2026	85,799	21,038	25,382	0	132,219	3,989	1,908	126,322
Sub-Total	2,897,364	366,416	442,083	0	3,705,863	166,496	34,949	3,504,418
Remainder	318,728	96,278	116,161	0	531,167	12,145	8,506	510,516
Total Future	3,216,092	462,694	558,244	0	4,237,030	178,641	43,455	4,014,934

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	2,420	0	95,959	3,311	101,690	–83,768	–83,768	–70,998
2014	14,398	0	115,824	22,201	152,423	–33,349	–117,117	–27,272
2015	33,872	0	21,045	91,334	146,251	337,338	220,221	238,439
2016	31,560	0	20,403	81,727	133,690	299,050	519,271	190,775
2017	32,125	0	1,311	79,894	113,330	311,890	831,161	180,766
2018	32,186	0	1,150	75,221	108,557	295,670	1,126,831	155,030
2019	28,184	0	846	59,374	88,404	237,207	1,364,038	112,837
2020	25,071	0	409	45,356	70,836	183,536	1,547,574	78,896
2021	25,282	0	446	40,372	66,100	162,102	1,709,676	63,032
2022	23,893	0	462	36,506	60,861	146,538	1,856,214	51,581
2023	23,355	0	473	31,259	55,087	123,372	1,979,586	39,311
2024	22,853	0	480	27,762	51,095	108,257	2,087,843	31,227
2025	22,887	0	486	24,587	47,960	93,969	2,181,812	24,537
2026	22,454	0	491	21,739	44,684	81,638	2,263,450	19,297
Sub-Total	340,540	0	259,785	640,643	1,240,968	2,263,450		1,087,458
Remainder	108,252	0	29,529	85,683	223,464	287,052	2,550,502	51,537
Total Future	448,792	0	289,314	726,326	1,464,432	2,550,502		1,138,995

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

TABLE 107

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
WEST AREA
TOTAL PROBABLE RESERVES

TOTAL
PROBABLE

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	1,138,995
12.00% -	984,522
15.00% -	797,046
20.00% -	569,695
25.00% -	413,596

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013	1	210,109	35,264	812	200,213	33,603	590	80.00	2.41
2014	12	1,420,536	238,859	5,499	1,342,335	225,712	3,957	80.00	2.41
2015	13	6,238,802	1,060,508	24,412	5,516,526	937,726	16,455	80.00	2.41
2016	14	5,914,844	1,020,421	23,488	4,929,015	850,349	14,914	80.00	2.41
2017	14	5,713,021	1,091,500	25,132	4,767,845	910,917	15,981	80.00	2.41
2018	14	5,244,641	1,197,313	27,561	4,396,054	1,003,591	17,610	80.00	2.41
2019	14	3,918,438	1,202,333	27,676	3,324,775	1,020,174	17,897	80.00	2.41
2020	14	2,785,329	1,124,689	25,891	2,415,110	975,196	17,106	80.00	2.41
2021	14	2,388,353	1,039,629	23,935	2,115,972	921,063	16,158	80.00	2.41
2022	14	2,099,509	956,613	22,019	1,894,126	863,035	15,145	80.00	2.41
2023	14	1,841,242	880,087	20,259	1,604,215	766,790	13,455	80.00	2.41
2024	14	1,610,863	809,676	18,640	1,407,825	707,628	12,414	80.00	2.41
2025	14	1,405,556	744,910	17,152	1,230,553	652,156	11,438	80.00	2.41
2026	14	1,222,790	685,310	15,771	1,072,483	601,077	10,544	80.00	2.41
Sub-Total		42,014,033	12,087,112	278,247	36,217,047	10,469,017	183,664	80.00	2.41
Remainder		4,498,389	3,102,355	71,416	3,984,104	2,750,820	48,262	80.00	2.41
Total Future		46,512,422	15,189,467	349,663	40,201,151	13,219,837	231,926	80.00	2.41
Cumulative		0	0	0					
Ultimate		46,512,422	15,189,467	349,663					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	16,017	1,176	1,419	0	18,612	586	104	17,922
2014	107,387	7,900	9,531	0	124,818	5,047	697	119,074
2015	441,322	32,820	39,598	0	513,740	26,965	3,186	483,589
2016	394,321	29,763	35,909	0	459,993	24,330	2,923	432,740
2017	381,428	31,882	38,466	0	451,776	23,419	3,137	425,220
2018	351,684	35,125	42,379	0	429,188	21,488	3,473	404,227
2019	265,982	35,706	43,080	0	344,768	15,667	3,490	325,611
2020	193,209	34,132	41,180	0	268,521	10,858	3,291	254,372
2021	169,278	32,238	38,895	0	240,411	9,158	3,051	228,202
2022	151,530	30,206	36,444	0	218,180	7,955	2,826	207,399
2023	128,337	26,838	32,380	0	187,555	6,597	2,499	178,459
2024	112,626	24,766	29,881	0	167,273	5,642	2,279	159,352
2025	98,444	22,826	27,539	0	148,809	4,795	2,085	141,929
2026	85,799	21,038	25,382	0	132,219	3,989	1,908	126,322
Sub-Total	2,897,364	366,416	442,083	0	3,705,863	166,496	34,949	3,504,418
Remainder	318,728	96,278	116,161	0	531,167	12,145	8,506	510,516
Total Future	3,216,092	462,694	558,244	0	4,237,030	178,641	43,455	4,014,934

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	2,420	0	95,959	3,311	101,690	-83,768	-83,768	-70,998
2014	14,398	0	115,824	22,201	152,423	-33,349	-117,117	-27,272
2015	33,872	0	21,045	91,334	146,251	337,338	220,221	238,439
2016	31,560	0	20,403	81,727	133,690	299,050	519,271	190,775
2017	32,125	0	1,311	79,894	113,330	311,890	831,161	180,766
2018	32,186	0	1,150	75,221	108,557	295,670	1,126,831	155,030
2019	28,184	0	846	59,374	88,404	237,207	1,364,038	112,837
2020	25,071	0	409	45,356	70,836	183,536	1,547,574	78,896
2021	25,282	0	446	40,372	66,100	162,102	1,709,676	63,032
2022	23,893	0	462	36,506	60,861	146,538	1,856,214	51,581
2023	23,355	0	473	31,259	55,087	123,372	1,979,586	39,311
2024	22,853	0	480	27,762	51,095	108,257	2,087,843	31,227
2025	22,887	0	486	24,587	47,960	93,969	2,181,812	24,537
2026	22,454	0	491	21,739	44,684	81,638	2,263,450	19,297
Sub-Total	340,540	0	259,785	640,643	1,240,968	2,263,450		1,087,458
Remainder	108,252	0	29,529	85,683	223,464	287,052	2,550,502	51,537
Total Future	448,792	0	289,314	726,326	1,464,432	2,550,502		1,138,995

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED & PROBABLE RESERVES

PROVED AND PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	2,162,696
12.00% -	1,915,018
15.00% -	1,613,137
20.00% -	1,243,591
25.00% -	985,523

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	4	4,175,244	748,120	17,080	3,923,226	702,984	12,151	80.00	2.41
2013	7	4,609,554	878,216	20,050	4,349,368	828,787	14,327	80.00	2.41
2014	13	4,335,035	907,083	20,709	3,933,600	824,488	14,252	80.00	2.41
2015	14	8,860,844	2,538,872	57,969	7,793,396	2,231,305	38,572	80.00	2.41
2016	15	7,328,507	2,257,486	51,538	6,137,478	1,891,959	32,704	80.00	2.41
2017	15	5,399,208	2,403,455	54,873	4,505,556	2,005,625	34,673	80.00	2.41
2018	15	4,912,615	2,615,019	59,706	4,124,024	2,195,383	37,948	80.00	2.41
2019	15	4,487,915	2,593,781	59,214	3,821,600	2,208,903	38,185	80.00	2.41
2020	16	4,010,909	2,401,966	54,843	3,492,221	2,091,323	36,150	80.00	2.41
2021	14	3,547,039	2,170,696	49,561	3,157,218	1,931,636	33,391	80.00	2.41
2022	14	3,102,698	2,023,336	46,191	2,812,496	1,833,499	31,694	80.00	2.41
2023	14	2,696,080	1,887,322	43,090	2,360,716	1,651,879	28,555	80.00	2.41
2024	14	2,223,182	1,540,540	35,174	1,952,464	1,352,810	23,385	80.00	2.41
2025	14	1,944,984	1,355,969	30,957	1,710,356	1,191,859	20,605	80.00	2.41
2026	13	1,697,590	1,256,396	28,685	1,494,607	1,105,612	19,110	80.00	2.41
Sub-Total		63,331,404	27,578,257	629,640	55,568,326	24,048,052	415,702	80.00	2.41
Remainder		5,923,069	4,410,098	100,689	5,258,253	3,916,945	67,709	80.00	2.41
Total Future		69,254,473	31,988,355	730,329	60,826,579	27,964,997	483,411	80.00	2.41
Cumulative		1,582,438	0	11,708					
Ultimate		70,836,911	31,988,355	742,037					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	313,858	24,604	29,250	0	367,712	16,190	2,210	349,312
2013	347,949	29,008	34,484	0	411,441	16,874	2,555	392,012
2014	314,689	28,857	34,306	0	377,852	15,387	2,526	359,939
2015	623,471	78,096	92,840	0	794,407	35,330	7,300	751,777
2016	490,999	66,218	78,721	0	635,938	27,679	6,185	602,074
2017	360,444	70,197	83,450	0	514,091	19,908	6,564	487,619
2018	329,922	76,839	91,346	0	498,107	17,859	7,176	473,072
2019	305,728	77,311	91,908	0	474,947	15,922	7,152	451,873
2020	279,378	73,197	87,016	0	439,591	13,901	6,731	418,959
2021	252,577	67,607	80,372	0	400,556	12,006	6,173	382,377
2022	225,000	64,172	76,289	0	365,461	10,277	5,821	349,363
2023	188,857	57,816	68,731	0	315,404	8,470	5,231	301,703
2024	156,197	47,348	56,288	0	259,833	6,811	4,244	248,778
2025	136,829	41,715	49,591	0	228,135	5,875	3,733	218,527
2026	119,568	38,697	46,002	0	204,267	4,951	3,447	195,869
Sub-Total	4,445,466	841,682	1,000,594	0	6,287,742	227,440	77,048	5,983,254
Remainder	420,661	137,093	162,977	0	720,731	14,761	12,011	693,959
Total Future	4,866,127	978,775	1,163,571	0	7,008,473	242,201	89,059	6,677,213

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	36,217	0	77,253	65,298	178,768	170,544	170,544	162,788
2013	38,464	0	233,641	72,862	344,967	47,045	217,589	40,312
2014	39,688	0	80,087	66,609	186,384	173,555	391,144	133,210
2015	47,241	0	29,745	137,653	214,639	537,138	928,282	379,062
2016	39,241	0	17,624	109,686	166,551	435,523	1,363,805	278,747
2017	33,632	0	2,504	86,387	122,523	365,096	1,728,901	211,690
2018	33,685	0	2,414	82,491	118,590	354,482	2,083,383	185,803
2019	33,914	0	2,051	78,101	114,066	337,807	2,421,190	160,275
2020	32,731	0	1,002	72,062	105,795	313,164	2,734,354	134,498
2021	31,009	0	1,406	65,539	97,954	284,423	3,018,777	110,579
2022	29,060	0	1,019	59,455	89,534	259,829	3,278,606	91,449
2023	27,962	0	1,026	50,979	79,967	221,736	3,500,342	70,647
2024	25,893	0	1,030	42,035	68,958	179,820	3,680,162	51,927
2025	23,852	0	1,205	36,887	61,944	156,583	3,836,745	40,878
2026	23,081	0	1,006	32,844	56,931	138,938	3,975,683	32,836
Sub-Total	495,670	0	453,013	1,058,888	2,007,571	3,975,683		2,084,701
Remainder	105,318	0	35,595	115,808	256,721	437,238	4,412,921	77,995
Total Future	600,988	0	488,608	1,174,696	2,264,292	4,412,921		2,162,696

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 109

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED

TOTAL
PROVED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	1,224,663
12.00% -	1,102,298
15.00% -	951,574
20.00% -	763,782
25.00% -	629,498

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	4	3,939,797	707,906	16,162	3,704,090	665,555	11,504	80.00	2.41
2013	5	3,617,777	677,224	15,462	3,404,304	637,263	11,017	80.00	2.41
2014	7	2,891,241	580,055	13,243	2,569,286	515,464	8,912	80.00	2.41
2015	7	4,388,535	1,437,853	32,829	3,838,855	1,257,754	21,741	80.00	2.41
2016	7	3,529,410	1,244,420	28,410	2,971,578	1,047,738	18,111	80.00	2.41
2017	7	2,623,131	1,286,490	29,372	2,188,756	1,073,453	18,556	80.00	2.41
2018	7	2,458,741	1,360,964	31,074	2,067,191	1,144,236	19,781	80.00	2.41
2019	7	2,210,634	1,313,502	29,987	1,889,336	1,122,593	19,404	80.00	2.41
2020	7	1,823,874	1,089,343	24,871	1,595,885	953,172	16,477	80.00	2.41
2021	6	1,522,348	879,849	20,088	1,363,432	788,003	13,621	80.00	2.41
2022	6	1,323,192	804,380	18,364	1,207,070	733,788	12,685	80.00	2.41
2023	6	1,146,616	735,404	16,790	1,010,719	648,245	11,204	80.00	2.41
2024	6	990,241	672,369	15,352	874,924	594,069	10,271	80.00	2.41
2025	6	801,039	501,551	11,450	708,840	443,823	7,673	80.00	2.41
2026	5	699,087	448,882	10,249	618,843	397,358	6,868	80.00	2.41
Sub-Total		33,965,663	13,740,192	313,703	30,013,109	12,022,514	207,825	80.00	2.41
Remainder		2,691,098	1,982,389	45,260	2,394,754	1,765,090	30,510	80.00	2.41
Total Future		36,656,761	15,722,581	358,963	32,407,863	13,787,604	238,335	80.00	2.41
Cumulative		1,582,438	0	11,708					
Ultimate		38,239,199	15,722,581	370,671					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	296,327	23,294	27,692	0	347,313	15,646	2,096	329,571
2013	272,344	22,305	26,516	0	321,165	14,108	1,967	305,090
2014	205,543	18,041	21,447	0	245,031	10,256	1,580	233,195
2015	307,109	44,021	52,333	0	403,463	16,000	4,018	383,445
2016	237,726	36,671	43,594	0	317,991	12,053	3,306	302,632
2017	175,101	37,571	44,665	0	257,337	8,528	3,380	245,429
2018	165,375	40,048	47,609	0	253,032	7,805	3,568	241,659
2019	151,147	39,291	46,709	0	237,147	6,817	3,466	226,864
2020	127,671	33,361	39,660	0	200,692	5,375	2,921	192,396
2021	109,074	27,580	32,787	0	169,441	4,243	2,414	162,784
2022	96,566	25,683	30,532	0	152,781	3,534	2,249	146,998
2023	80,857	22,688	26,972	0	130,517	2,919	1,986	125,612
2024	69,994	20,793	24,718	0	115,505	2,492	1,821	111,192
2025	56,707	15,533	18,467	0	90,707	1,973	1,360	87,374
2026	49,508	13,908	16,533	0	79,949	1,694	1,217	77,038
Sub-Total	2,401,049	420,788	500,234	0	3,322,071	113,443	37,349	3,171,279
Remainder	191,580	61,778	73,442	0	326,800	6,045	5,409	315,346
Total Future	2,592,629	482,566	573,676	0	3,648,871	119,488	42,758	3,486,625

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	35,685	0	77,253	61,669	174,607	154,964	154,964	147,967
2013	29,234	0	124,172	56,920	210,326	94,764	249,728	81,358
2014	24,381	0	36,782	43,287	104,450	128,745	378,473	99,676
2015	21,274	0	10,180	69,314	100,768	282,677	661,150	199,686
2016	17,464	0	9,962	54,360	81,786	220,846	881,996	141,372
2017	15,804	0	1,834	42,908	60,546	184,883	1,066,879	107,172
2018	15,854	0	1,863	41,766	59,483	182,176	1,249,055	95,492
2019	15,369	0	1,528	38,902	55,799	171,065	1,420,120	81,183
2020	13,451	0	721	32,907	47,079	145,317	1,565,437	62,524
2021	11,739	0	924	27,864	40,527	122,257	1,687,694	47,536
2022	10,811	0	726	25,012	36,549	110,449	1,798,143	38,877
2023	10,191	0	725	21,265	32,181	93,431	1,891,574	29,770
2024	9,598	0	722	18,721	29,041	82,151	1,973,725	23,696
2025	7,296	0	893	14,811	23,000	64,374	2,038,099	16,815
2026	6,806	0	688	13,024	20,518	56,520	2,094,619	13,357
Sub-Total	244,957	0	268,973	562,730	1,076,660	2,094,619		1,186,481
Remainder	31,291	0	16,614	52,564	100,469	214,877	2,309,496	38,182
Total Future	276,248	0	285,587	615,294	1,177,129	2,309,496		1,224,663

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

TABLE 110

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED NON-PRODUCING

PROVED
NON PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	0
12.00% -	0
15.00% -	0
20.00% -	0
25.00% -	0

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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

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

TABLE 111

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROVED UNDEVELOPED

PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL							
FINAL							
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	611,378
12.00% –	533,197
15.00% –	438,947
20.00% –	325,289
25.00% –	247,191

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	427,897	105,642	2,412	402,297	99,322	1,717	80.00	2.41
2013	2	882,493	190,617	4,352	830,420	179,370	3,101	80.00	2.41
2014	4	1,105,743	250,127	5,710	982,614	222,274	3,843	80.00	2.41
2015	4	2,811,701	732,567	16,727	2,459,524	640,809	11,077	80.00	2.41
2016	4	2,295,833	636,453	14,530	1,932,971	535,861	9,262	80.00	2.41
2017	4	1,492,530	666,206	15,210	1,245,376	555,885	9,609	80.00	2.41
2018	4	1,421,207	718,289	16,400	1,194,882	603,905	10,440	80.00	2.41
2019	4	1,351,853	702,694	16,042	1,155,372	600,562	10,381	80.00	2.41
2020	4	1,205,047	643,801	14,699	1,054,414	563,323	9,738	80.00	2.41
2021	4	1,067,760	586,701	13,396	956,297	525,457	9,083	80.00	2.41
2022	4	945,236	534,682	12,206	862,283	487,758	8,432	80.00	2.41
2023	4	835,941	487,283	11,125	736,866	429,531	7,424	80.00	2.41
2024	4	738,501	444,098	10,140	652,500	392,381	6,783	80.00	2.41
2025	4	651,678	404,750	9,240	576,669	358,164	6,193	80.00	2.41
2026	4	574,359	368,900	8,423	508,432	326,556	5,645	80.00	2.41
Sub-Total		17,807,779	7,472,810	170,612	15,550,917	6,521,158	112,728	80.00	2.41
Remainder		2,241,115	1,620,314	36,994	1,994,449	1,442,674	24,936	80.00	2.41
Total Future		20,048,894	9,093,124	207,606	17,545,366	7,963,832	137,664	80.00	2.41
Cumulative		0	0	0					
Ultimate		20,048,894	9,093,124	207,606					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	32,184	3,476	4,133	0	39,793	1,699	313	37,781
2013	66,433	6,278	7,463	0	80,174	3,442	553	76,179
2014	78,609	7,780	9,248	0	95,637	3,922	682	91,033
2015	196,762	22,428	26,663	0	245,853	10,251	2,047	233,555
2016	154,638	18,755	22,296	0	195,689	7,841	1,691	186,157
2017	99,630	19,456	23,130	0	142,216	4,852	1,750	135,614
2018	95,591	21,137	25,127	0	141,855	4,511	1,883	135,461
2019	92,430	21,020	24,988	0	138,438	4,169	1,854	132,415
2020	84,353	19,716	23,439	0	127,508	3,551	1,727	122,230
2021	76,503	18,391	21,863	0	116,757	2,976	1,610	112,171
2022	68,983	17,071	20,295	0	106,349	2,525	1,494	102,330
2023	58,949	15,034	17,872	0	91,855	2,128	1,317	88,410
2024	52,200	13,733	16,326	0	82,259	1,858	1,202	79,199
2025	46,134	12,536	14,903	0	73,573	1,606	1,098	70,869
2026	40,674	11,430	13,587	0	65,691	1,391	1,000	63,300
Sub-Total	1,244,073	228,241	271,333	0	1,743,647	56,722	20,221	1,666,704
Remainder	159,556	50,493	60,027	0	270,076	5,033	4,421	260,622
Total Future	1,403,629	278,734	331,360	0	2,013,723	61,755	24,642	1,927,326

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,094	0	24,858	6,955	32,907	4,874	4,874	4,839
2013	4,295	0	57,727	14,112	76,134	45	4,919	–528
2014	6,033	0	24,946	16,794	47,773	43,260	48,179	33,017
2015	10,048	0	6,197	42,840	59,085	174,470	222,649	123,224
2016	8,415	0	6,215	33,974	48,604	137,553	360,202	88,089
2017	6,732	0	984	23,893	31,609	104,005	464,207	60,319
2018	6,660	0	1,047	23,594	31,301	104,160	568,367	54,577
2019	6,586	0	893	22,973	30,452	101,963	670,330	48,373
2020	6,287	0	484	21,110	27,881	94,349	764,679	40,525
2021	6,012	0	499	19,284	25,795	86,376	851,055	33,584
2022	5,538	0	505	17,521	23,564	78,766	929,821	27,722
2023	5,193	0	510	15,094	20,797	67,613	997,434	21,541
2024	4,874	0	515	13,480	18,869	60,330	1,057,764	17,399
2025	4,643	0	568	12,021	17,232	53,637	1,111,401	14,003
2026	4,375	0	565	10,702	15,642	47,658	1,159,059	11,263
Sub-Total	86,785	0	126,513	294,347	507,645	1,159,059		577,947
Remainder	19,748	0	7,004	43,517	70,269	190,353	1,349,412	33,431
Total Future	106,533	0	133,517	337,864	577,914	1,349,412		611,378

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 112

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

BISKI & AFONINSKI SUMMARY
NORTHEAST AREA
TOTAL PROBABLE RESERVES

TOTAL
PROBABLE

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL								10.00% -	938,033
FINAL								12.00% -	812,720
REMARKS								15.00% -	661,563
								20.00% -	479,809
								25.00% -	356,025

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		235,447	40,214	918	219,136	37,429	647	80.00	2.41
2013	2	991,777	200,992	4,588	945,064	191,524	3,310	80.00	2.41
2014	6	1,443,794	327,028	7,466	1,364,314	309,024	5,340	80.00	2.41
2015	7	4,472,309	1,101,019	25,140	3,954,541	973,551	16,831	80.00	2.41
2016	8	3,799,097	1,013,066	23,128	3,165,900	844,221	14,593	80.00	2.41
2017	8	2,776,077	1,116,965	25,501	2,316,800	932,172	16,117	80.00	2.41
2018	8	2,453,874	1,254,055	28,632	2,056,833	1,051,147	18,167	80.00	2.41
2019	8	2,277,281	1,280,279	29,227	1,932,264	1,086,310	18,781	80.00	2.41
2020	9	2,187,035	1,312,623	29,972	1,896,336	1,138,151	19,673	80.00	2.41
2021	8	2,024,691	1,290,847	29,473	1,793,786	1,143,633	19,770	80.00	2.41
2022	8	1,779,506	1,218,956	27,827	1,605,426	1,099,711	19,009	80.00	2.41
2023	8	1,549,464	1,151,918	26,300	1,349,997	1,003,634	17,351	80.00	2.41
2024	8	1,232,941	868,171	19,822	1,077,540	758,741	13,114	80.00	2.41
2025	8	1,143,945	854,418	19,507	1,001,516	748,036	12,932	80.00	2.41
2026	8	998,503	807,514	18,436	875,764	708,254	12,242	80.00	2.41
Sub-Total		29,365,741	13,838,065	315,937	25,555,217	12,025,538	207,877	80.00	2.41
Remainder		3,231,971	2,427,709	55,429	2,863,499	2,151,855	37,199	80.00	2.41
Total Future		32,597,712	16,265,774	371,366	28,418,716	14,177,393	245,076	80.00	2.41
Cumulative		0	0	0					
Ultimate		32,597,712	16,265,774	371,366					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	17,531	1,310	1,557	0	20,398	543	115	19,740
2013	75,605	6,703	7,969	0	90,277	2,768	587	86,922
2014	109,145	10,816	12,858	0	132,819	5,129	947	126,743
2015	316,363	34,075	40,508	0	390,946	19,330	3,281	368,335
2016	253,273	29,547	35,126	0	317,946	15,627	2,878	299,441
2017	185,343	32,626	38,786	0	256,755	11,380	3,185	242,190
2018	164,547	36,790	43,737	0	245,074	10,054	3,608	231,412
2019	154,581	38,021	45,199	0	237,801	9,105	3,686	225,010
2020	151,707	39,836	47,356	0	238,899	8,526	3,811	226,562
2021	143,503	40,027	47,585	0	231,115	7,763	3,758	219,594
2022	128,434	38,490	45,757	0	212,681	6,743	3,572	202,366
2023	108,000	35,127	41,759	0	184,886	5,551	3,245	176,090
2024	86,203	26,556	31,570	0	144,329	4,319	2,424	137,586
2025	80,121	26,181	31,124	0	137,426	3,902	2,372	131,152
2026	70,061	24,789	29,469	0	124,319	3,258	2,230	118,831
Sub-Total	2,044,417	420,894	500,360	0	2,965,671	113,998	39,699	2,811,974
Remainder	229,080	75,315	89,535	0	393,930	8,715	6,602	378,613
Total Future	2,273,497	496,209	589,895	0	3,359,601	122,713	46,301	3,190,587

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	532	0	0	3,630	4,162	15,578	15,578	14,820
2013	9,230	0	109,469	15,941	134,640	-47,718	-32,140	-41,045
2014	15,307	0	43,305	23,321	81,933	44,810	12,670	33,533
2015	25,967	0	19,565	68,340	113,872	254,463	267,133	179,378
2016	21,777	0	7,662	55,327	84,766	214,675	481,808	137,374
2017	17,827	0	670	43,477	61,974	180,216	662,024	104,518
2018	17,832	0	551	40,726	59,109	172,303	834,327	90,312
2019	18,545	0	523	39,199	58,267	166,743	1,001,070	79,091
2020	19,279	0	281	39,155	58,715	167,847	1,168,917	71,975
2021	19,271	0	482	37,675	57,428	162,166	1,331,083	63,042
2022	18,249	0	293	34,443	52,985	149,381	1,480,464	52,572
2023	17,772	0	301	29,714	47,787	128,303	1,608,767	40,877
2024	16,295	0	307	23,314	39,916	97,670	1,706,437	28,231
2025	16,556	0	313	22,076	38,945	92,207	1,798,644	24,062
2026	16,274	0	318	19,820	36,412	82,419	1,881,063	19,479
Sub-Total	250,713	0	184,040	496,158	930,911	1,881,063		898,219
Remainder	74,027	0	18,980	63,245	156,252	222,361	2,103,424	39,814
Total Future	324,740	0	203,020	559,403	1,087,163	2,103,424		938,033

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

TABLE 113

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST #33_1 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	88,870
12.00% -	77,015
15.00% -	62,595
20.00% -	45,065
25.00% -	33,009

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	19,587	3,275	75	18,509	3,095	54	80.00	2.41
2015	1	502,586	84,835	1,953	444,401	75,013	1,316	80.00	2.41
2016	1	428,922	73,704	1,697	357,433	61,420	1,078	80.00	2.41
2017	1	442,313	77,398	1,782	369,135	64,593	1,133	80.00	2.41
2018	1	476,608	84,958	1,955	399,493	71,211	1,249	80.00	2.41
2019	1	431,606	86,129	1,983	366,215	73,080	1,282	80.00	2.41
2020	1	196,018	81,392	1,874	169,965	70,574	1,239	80.00	2.41
2021	1	172,491	74,880	1,724	152,819	66,341	1,163	80.00	2.41
2022	1	151,474	68,890	1,585	136,656	62,151	1,091	80.00	2.41
2023	1	132,715	63,379	1,459	115,630	55,220	969	80.00	2.41
2024	1	115,987	58,309	1,343	101,368	50,959	894	80.00	2.41
2025	1	101,088	53,644	1,235	88,502	46,965	824	80.00	2.41
2026	1	87,830	49,352	1,136	77,033	43,286	759	80.00	2.41
Sub-Total		3,259,225	860,145	19,801	2,797,159	743,908	13,051	80.00	2.41
Remainder		321,333	223,415	5,143	284,587	198,099	3,475	80.00	2.41
Total Future		3,580,558	1,083,560	24,944	3,081,746	942,007	16,526	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,580,558	1,083,560	24,944					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,481	108	131	0	1,720	70	10	1,640
2015	35,552	2,626	3,167	0	41,345	2,172	254	38,919
2016	28,594	2,149	2,594	0	33,337	1,764	212	31,361
2017	29,531	2,261	2,728	0	34,520	1,813	222	32,485
2018	31,960	2,493	3,007	0	37,460	1,953	246	35,261
2019	29,297	2,557	3,086	0	34,940	1,726	250	32,964
2020	13,597	2,471	2,980	0	19,048	764	239	18,045
2021	12,226	2,321	2,801	0	17,348	661	219	16,468
2022	10,932	2,176	2,625	0	15,733	574	204	14,955
2023	9,250	1,932	2,332	0	13,514	476	180	12,858
2024	8,110	1,784	2,151	0	12,045	406	164	11,475
2025	7,080	1,644	1,984	0	10,708	345	150	10,213
2026	6,163	1,515	1,828	0	9,506	286	138	9,082
Sub-Total	223,773	26,037	31,414	0	281,224	13,010	2,488	265,726
Remainder	22,767	6,933	8,365	0	38,065	868	612	36,585
Total Future	246,540	32,970	39,779	0	319,289	13,878	3,100	302,311

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	168	0	14,610	306	15,084	-13,444	-13,444	-10,103
2015	2,726	0	523	7,353	10,602	28,317	14,873	19,997
2016	2,287	0	412	5,924	8,623	22,738	37,611	14,538
2017	2,444	0	103	6,129	8,676	23,809	61,420	13,778
2018	2,761	0	102	6,646	9,509	25,752	87,172	13,491
2019	2,761	0	100	6,166	9,027	23,937	111,109	11,391
2020	1,785	0	29	3,210	5,024	13,021	124,130	5,593
2021	1,824	0	32	2,914	4,770	11,698	135,828	4,549
2022	1,723	0	34	2,633	4,390	10,565	146,393	3,719
2023	1,682	0	34	2,253	3,969	8,889	155,282	2,833
2024	1,646	0	34	1,999	3,679	7,796	163,078	2,248
2025	1,647	0	35	1,769	3,451	6,762	169,840	1,766
2026	1,614	0	36	1,562	3,212	5,870	175,710	1,387
Sub-Total	25,068	0	16,084	48,864	90,016	175,710		85,187
Remainder	7,761	0	2,214	6,136	16,111	20,474	196,184	3,683
Total Future	32,829	0	18,298	55,000	106,127	196,184		88,870

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

TABLE 114

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_01 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	75,570
12.00% -	65,468
15.00% -	53,249
20.00% -	38,487
25.00% -	28,374

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	78,099	13,086	301	73,799	12,366	217	80.00	2.41
2015	1	499,455	84,655	1,949	441,633	74,854	1,313	80.00	2.41
2016	1	426,378	73,548	1,693	355,313	61,289	1,075	80.00	2.41
2017	1	286,184	77,234	1,778	238,837	64,457	1,131	80.00	2.41
2018	1	220,372	84,777	1,952	184,716	71,060	1,247	80.00	2.41
2019	1	213,908	85,668	1,972	181,500	72,689	1,275	80.00	2.41
2020	1	191,451	79,947	1,840	166,004	69,320	1,216	80.00	2.41
2021	1	168,588	73,551	1,693	149,361	65,163	1,143	80.00	2.41
2022	1	148,156	67,667	1,558	133,663	61,047	1,071	80.00	2.41
2023	1	129,916	62,253	1,433	113,191	54,240	952	80.00	2.41
2024	1	113,645	57,273	1,319	99,321	50,054	878	80.00	2.41
2025	1	99,146	52,692	1,213	86,802	46,131	809	80.00	2.41
2026	1	86,240	48,476	1,115	75,639	42,518	746	80.00	2.41
Sub-Total		2,661,538	860,827	19,816	2,299,779	745,188	13,073	80.00	2.41
Remainder		317,038	219,447	5,052	280,791	194,581	3,414	80.00	2.41
Total Future		2,978,576	1,080,274	24,868	2,580,570	939,769	16,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,978,576	1,080,274	24,868					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	5,904	433	522	0	6,859	277	38	6,544
2015	35,331	2,620	3,161	0	41,112	2,159	255	38,698
2016	28,425	2,145	2,588	0	33,158	1,754	210	31,194
2017	19,107	2,256	2,722	0	24,085	1,173	222	22,690
2018	14,777	2,487	3,001	0	20,265	903	246	19,116
2019	14,520	2,544	3,069	0	20,133	855	249	19,029
2020	13,280	2,426	2,928	0	18,634	747	234	17,653
2021	11,949	2,281	2,751	0	16,981	646	216	16,119
2022	10,693	2,137	2,578	0	15,408	561	199	14,648
2023	9,055	1,898	2,291	0	13,244	466	177	12,601
2024	7,946	1,752	2,113	0	11,811	398	161	11,252
2025	6,944	1,614	1,948	0	10,506	338	148	10,020
2026	6,051	1,489	1,796	0	9,336	282	135	8,919
Sub-Total	183,982	26,082	31,468	0	241,532	10,559	2,490	228,483
Remainder	22,464	6,810	8,216	0	37,490	856	602	36,032
Total Future	206,446	32,892	39,684	0	279,022	11,415	3,092	264,515

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	673	0	14,610	1,220	16,503	-9,959	-9,959	-7,742
2015	2,712	0	520	7,310	10,542	28,156	18,197	19,885
2016	2,275	0	410	5,891	8,576	22,618	40,815	14,460
2017	1,747	0	56	4,181	5,984	16,706	57,521	9,736
2018	1,594	0	56	3,436	5,086	14,030	71,551	7,352
2019	1,694	0	54	3,403	5,151	13,878	85,429	6,583
2020	1,747	0	29	3,139	4,915	12,738	98,167	5,473
2021	1,786	0	31	2,851	4,668	11,451	109,618	4,452
2022	1,688	0	33	2,578	4,299	10,349	119,967	3,643
2023	1,649	0	33	2,207	3,889	8,712	128,679	2,776
2024	1,614	0	34	1,960	3,608	7,644	136,323	2,205
2025	1,617	0	34	1,735	3,386	6,634	142,957	1,732
2026	1,585	0	35	1,534	3,154	5,765	148,722	1,363
Sub-Total	22,381	0	15,935	41,445	79,761	148,722		71,918
Remainder	7,641	0	1,966	6,046	15,653	20,379	169,101	3,652
Total Future	30,022	0	17,901	47,491	95,414	169,101		75,570

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 115

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_02 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	75,046
12.00% -	64,996
15.00% -	52,845
20.00% -	38,176
25.00% -	28,134

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	78,099	13,086	301	73,799	12,366	217	80.00	2.41
2015	1	499,455	84,655	1,949	441,633	74,854	1,313	80.00	2.41
2016	1	426,378	73,548	1,693	355,313	61,289	1,075	80.00	2.41
2017	1	266,852	77,234	1,778	222,704	64,457	1,131	80.00	2.41
2018	1	220,373	84,777	1,952	184,716	71,060	1,247	80.00	2.41
2019	1	213,908	85,668	1,972	181,500	72,689	1,275	80.00	2.41
2020	1	191,451	79,947	1,840	166,004	69,320	1,216	80.00	2.41
2021	1	168,587	73,551	1,693	149,361	65,163	1,143	80.00	2.41
2022	1	148,157	67,667	1,558	133,663	61,047	1,071	80.00	2.41
2023	1	129,915	62,253	1,433	113,191	54,240	952	80.00	2.41
2024	1	113,646	57,273	1,319	99,321	50,054	878	80.00	2.41
2025	1	99,146	52,692	1,213	86,802	46,131	809	80.00	2.41
2026	1	86,240	48,476	1,115	75,639	42,518	746	80.00	2.41
Sub-Total		2,642,207	860,827	19,816	2,283,646	745,188	13,073	80.00	2.41
Remainder		317,038	219,447	5,052	280,791	194,581	3,414	80.00	2.41
Total Future		2,959,245	1,080,274	24,868	2,564,437	939,769	16,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,959,245	1,080,274	24,868					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	5,904	433	522	0	6,859	277	38	6,544
2015	35,331	2,620	3,161	0	41,112	2,159	255	38,698
2016	28,425	2,145	2,588	0	33,158	1,754	210	31,194
2017	17,816	2,256	2,722	0	22,794	1,094	222	21,478
2018	14,777	2,487	3,001	0	20,265	903	246	19,116
2019	14,520	2,544	3,069	0	20,133	855	249	19,029
2020	13,281	2,426	2,928	0	18,635	746	234	17,655
2021	11,948	2,281	2,751	0	16,980	647	216	16,117
2022	10,693	2,137	2,578	0	15,408	561	199	14,648
2023	9,056	1,898	2,291	0	13,245	466	177	12,602
2024	7,945	1,752	2,113	0	11,810	398	161	11,251
2025	6,945	1,614	1,948	0	10,507	338	148	10,021
2026	6,051	1,489	1,796	0	9,336	281	135	8,920
Sub-Total	182,692	26,082	31,468	0	240,242	10,479	2,490	227,273
Remainder	22,463	6,810	8,216	0	37,489	856	602	36,031
Total Future	205,155	32,892	39,684	0	277,731	11,335	3,092	263,304

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	673	0	14,610	1,220	16,503	-9,959	-9,959	-7,742
2015	2,712	0	520	7,310	10,542	28,156	18,197	19,885
2016	2,275	0	410	5,891	8,576	22,618	40,815	14,460
2017	1,666	0	56	3,940	5,662	15,816	56,631	9,211
2018	1,594	0	56	3,436	5,086	14,030	70,661	7,352
2019	1,694	0	54	3,403	5,151	13,878	84,539	6,584
2020	1,747	0	29	3,139	4,915	12,740	97,279	5,472
2021	1,786	0	31	2,851	4,668	11,449	108,728	4,452
2022	1,688	0	33	2,578	4,299	10,349	119,077	3,643
2023	1,649	0	33	2,207	3,889	8,713	127,790	2,776
2024	1,614	0	34	1,959	3,607	7,644	135,434	2,205
2025	1,616	0	34	1,736	3,386	6,635	142,069	1,732
2026	1,586	0	35	1,534	3,155	5,765	147,834	1,363
Sub-Total	22,300	0	15,935	41,204	79,439	147,834		71,393
Remainder	7,641	0	1,958	6,046	15,645	20,386	168,220	3,653
Total Future	29,941	0	17,893	47,250	95,084	168,220		75,046

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

TABLE 116

**ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012**

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_03 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330	0.833330	0.833330	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M	
COMPOUNDED	MONTHLY
10.00% -	74,184
12.00% -	62,738
15.00% -	49,137
20.00% -	33,230
25.00% -	22,844

		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
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	335,687	56,465	1,300	279,738	47,054	826	80.00	2.41
2017	1	463,537	79,223	1,824	386,848	66,116	1,159	80.00	2.41
2018	1	499,459	86,960	2,001	418,646	72,890	1,279	80.00	2.41
2019	1	496,976	88,178	2,030	421,683	74,818	1,313	80.00	2.41
2020	1	305,925	86,414	1,990	265,261	74,929	1,314	80.00	2.41
2021	1	202,114	83,212	1,915	179,064	73,722	1,294	80.00	2.41
2022	1	178,084	76,712	1,766	160,664	69,207	1,214	80.00	2.41
2023	1	156,251	70,574	1,625	136,136	61,489	1,079	80.00	2.41
2024	1	136,771	64,928	1,494	119,532	56,745	995	80.00	2.41
2025	1	119,408	59,734	1,375	104,540	52,296	918	80.00	2.41
2026	1	103,947	54,956	1,266	91,170	48,201	845	80.00	2.41
Sub-Total		2,998,159	807,356	18,586	2,563,282	697,467	12,236	80.00	2.41
Remainder		383,432	248,778	5,726	339,601	220,589	3,870	80.00	2.41
Total Future		3,381,591	1,056,134	24,312	2,902,883	918,056	16,106	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,381,591	1,056,134	24,312					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

	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
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	22,379	1,647	1,987	0	26,013	1,381	162	24,470
2017	30,948	2,314	2,792	0	36,054	1,900	227	33,927
2018	33,492	2,551	3,078	0	39,121	2,046	253	36,822
2019	33,734	2,619	3,159	0	39,512	1,987	256	37,269
2020	21,221	2,622	3,164	0	27,007	1,193	252	25,562
2021	14,325	2,581	3,113	0	20,019	775	245	18,999
2022	12,853	2,422	2,923	0	18,198	675	226	17,297
2023	10,891	2,152	2,597	0	15,640	559	201	14,880
2024	9,563	1,986	2,396	0	13,945	480	182	13,283
2025	8,363	1,830	2,208	0	12,401	407	168	11,826
2026	7,294	1,687	2,035	0	11,016	339	153	10,524
Sub-Total	205,063	24,411	29,452	0	258,926	11,742	2,325	244,859
Remainder	27,168	7,721	9,315	0	44,204	1,035	682	42,487
Total Future	232,231	32,132	38,767	0	303,130	12,777	3,007	287,346

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
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	1,782	0	15,040	4,627	21,449	3,021	3,021	1,518
2017	2,548	0	108	6,408	9,064	24,863	27,884	14,389
2018	2,879	0	106	6,948	9,933	26,889	54,773	14,086
2019	3,118	0	105	7,011	10,234	27,035	81,808	12,822
2020	2,424	0	32	4,676	7,132	18,430	100,238	7,971
2021	2,096	0	38	3,376	5,510	13,489	113,727	5,245
2022	1,985	0	38	3,059	5,082	12,215	125,942	4,299
2023	1,940	0	39	2,618	4,597	10,283	136,225	3,276
2024	1,898	0	40	2,326	4,264	9,019	145,244	2,602
2025	1,901	0	41	2,059	4,001	7,825	153,069	2,044
2026	1,864	0	41	1,820	3,725	6,799	159,868	1,607
Sub-Total	24,435	0	15,628	44,928	84,991	159,868		69,859
Remainder	8,990	0	2,140	7,172	18,302	24,185	184,053	4,325
Total Future	33,425	0	17,768	52,100	103,293	184,053		74,184

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

TABLE 117

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_04 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	88,137
12.00% -	76,544
15.00% -	62,405
20.00% -	45,138
25.00% -	33,189

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	116,905	19,615	452	110,469	18,535	325	80.00	2.41
2015	1	497,424	84,535	1,946	439,837	74,748	1,312	80.00	2.41
2016	1	424,728	73,444	1,690	353,939	61,203	1,073	80.00	2.41
2017	1	438,215	77,125	1,776	365,715	64,366	1,129	80.00	2.41
2018	1	472,446	84,658	1,949	396,004	70,960	1,245	80.00	2.41
2019	1	340,943	85,177	1,960	289,288	72,272	1,268	80.00	2.41
2020	1	188,504	78,997	1,819	163,449	68,497	1,202	80.00	2.41
2021	1	166,069	72,678	1,673	147,130	64,390	1,130	80.00	2.41
2022	1	146,018	66,863	1,539	131,733	60,322	1,058	80.00	2.41
2023	1	128,112	61,515	1,416	111,620	53,596	940	80.00	2.41
2024	1	112,137	56,593	1,303	98,003	49,460	868	80.00	2.41
2025	1	97,897	52,066	1,199	85,708	45,583	800	80.00	2.41
2026	1	85,218	47,900	1,102	74,743	42,012	737	80.00	2.41
Sub-Total		3,214,616	861,166	19,824	2,767,638	745,944	13,087	80.00	2.41
Remainder		314,294	216,842	4,992	278,366	192,271	3,373	80.00	2.41
Total Future		3,528,910	1,078,008	24,816	3,046,004	938,215	16,460	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,528,910	1,078,008	24,816					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	8,838	649	783	0	10,270	415	57	9,798
2015	35,186	2,616	3,156	0	40,958	2,150	254	38,554
2016	28,316	2,142	2,585	0	33,043	1,747	211	31,085
2017	29,257	2,253	2,718	0	34,228	1,797	221	32,210
2018	31,680	2,483	2,996	0	37,159	1,935	246	34,978
2019	23,143	2,530	3,052	0	28,725	1,364	247	27,114
2020	13,076	2,397	2,892	0	18,365	734	231	17,400
2021	11,770	2,254	2,720	0	16,744	637	214	15,893
2022	10,539	2,111	2,547	0	15,197	553	197	14,447
2023	8,930	1,876	2,263	0	13,069	459	175	12,435
2024	7,840	1,731	2,089	0	11,660	393	159	11,108
2025	6,857	1,596	1,924	0	10,377	334	146	9,897
2026	5,979	1,470	1,775	0	9,224	278	133	8,813
Sub-Total	221,411	26,108	31,500	0	279,019	12,796	2,491	263,732
Remainder	22,269	6,730	8,119	0	37,118	849	595	35,674
Total Future	243,680	32,838	39,619	0	316,137	13,645	3,086	299,406

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,157	0	16,223	1,827	19,207	-9,409	-9,409	-7,511
2015	2,703	0	518	7,282	10,503	28,051	18,642	19,812
2016	2,267	0	408	5,870	8,545	22,540	41,182	14,410
2017	2,424	0	102	6,075	8,601	23,609	64,791	13,662
2018	2,740	0	102	6,592	9,434	25,544	90,335	13,383
2019	2,288	0	53	5,009	7,350	19,764	110,099	9,445
2020	1,723	0	28	3,093	4,844	12,556	122,655	5,394
2021	1,761	0	31	2,811	4,603	11,290	133,945	4,390
2022	1,665	0	33	2,541	4,239	10,208	144,153	3,593
2023	1,628	0	33	2,178	3,839	8,596	152,749	2,739
2024	1,593	0	33	1,934	3,560	7,548	160,297	2,177
2025	1,597	0	34	1,714	3,345	6,552	166,849	1,711
2026	1,566	0	34	1,516	3,116	5,697	172,546	1,347
Sub-Total	25,112	0	17,632	48,442	91,186	172,546		84,552
Remainder	7,564	0	2,188	5,988	15,740	19,934	192,480	3,585
Total Future	32,676	0	19,820	54,430	106,926	192,480		88,137

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

TABLE 118

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_05 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	78,075
12.00% -	67,714
15.00% -	55,155
20.00% -	39,938
25.00% -	29,480

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	78,099	13,086	301	73,799	12,366	217	80.00	2.41
2015	1	499,455	84,655	1,949	441,633	74,854	1,313	80.00	2.41
2016	1	426,378	73,548	1,693	355,313	61,289	1,075	80.00	2.41
2017	1	382,419	77,234	1,778	319,151	64,457	1,131	80.00	2.41
2018	1	220,372	84,777	1,952	184,716	71,060	1,247	80.00	2.41
2019	1	213,908	85,668	1,972	181,500	72,689	1,275	80.00	2.41
2020	1	191,451	79,947	1,840	166,004	69,320	1,216	80.00	2.41
2021	1	168,588	73,551	1,693	149,360	65,163	1,143	80.00	2.41
2022	1	148,156	67,667	1,558	133,663	61,047	1,071	80.00	2.41
2023	1	129,916	62,253	1,433	113,192	54,240	952	80.00	2.41
2024	1	113,645	57,273	1,319	99,321	50,054	878	80.00	2.41
2025	1	99,146	52,692	1,213	86,802	46,131	809	80.00	2.41
2026	1	86,240	48,476	1,115	75,639	42,518	746	80.00	2.41
Sub-Total		2,757,773	860,827	19,816	2,380,093	745,188	13,073	80.00	2.41
Remainder		317,038	219,447	5,052	280,790	194,581	3,414	80.00	2.41
Total Future		3,074,811	1,080,274	24,868	2,660,883	939,769	16,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,074,811	1,080,274	24,868					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	5,904	433	522	0	6,859	277	38	6,544
2015	35,331	2,620	3,161	0	41,112	2,159	255	38,698
2016	28,425	2,145	2,588	0	33,158	1,754	210	31,194
2017	25,532	2,256	2,722	0	30,510	1,568	222	28,720
2018	14,777	2,487	3,001	0	20,265	903	246	19,116
2019	14,520	2,544	3,069	0	20,133	855	249	19,029
2020	13,280	2,426	2,928	0	18,634	746	234	17,654
2021	11,949	2,281	2,751	0	16,981	647	216	16,118
2022	10,693	2,137	2,578	0	15,408	561	199	14,648
2023	9,055	1,898	2,291	0	13,244	465	177	12,602
2024	7,946	1,752	2,113	0	11,811	398	161	11,252
2025	6,944	1,614	1,948	0	10,506	339	148	10,019
2026	6,051	1,489	1,796	0	9,336	281	135	8,920
Sub-Total	190,407	26,082	31,468	0	247,957	10,953	2,490	234,514
Remainder	22,464	6,810	8,216	0	37,490	856	602	36,032
Total Future	212,871	32,892	39,684	0	285,447	11,809	3,092	270,546

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	673	0	14,610	1,220	16,503	-9,959	-9,959	-7,742
2015	2,712	0	520	7,310	10,542	28,156	18,197	19,885
2016	2,275	0	410	5,891	8,576	22,618	40,815	14,460
2017	2,174	0	102	5,381	7,657	21,063	61,878	12,246
2018	1,594	0	56	3,436	5,086	14,030	75,908	7,352
2019	1,694	0	53	3,403	5,150	13,879	89,787	6,583
2020	1,747	0	29	3,139	4,915	12,739	102,526	5,473
2021	1,786	0	32	2,851	4,669	11,449	113,975	4,452
2022	1,688	0	32	2,578	4,298	10,350	124,325	3,643
2023	1,649	0	34	2,207	3,890	8,712	133,037	2,776
2024	1,614	0	34	1,959	3,607	7,645	140,682	2,205
2025	1,617	0	34	1,736	3,387	6,632	147,314	1,732
2026	1,585	0	35	1,534	3,154	5,766	153,080	1,363
Sub-Total	22,808	0	15,981	42,645	81,434	153,080		74,428
Remainder	7,641	0	2,004	6,046	15,691	20,341	173,421	3,647
Total Future	30,449	0	17,985	48,691	97,125	173,421		78,075

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 119

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST AF_06 (AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	45,623
12.00% –	38,699
15.00% –	30,437
20.00% –	20,707
25.00% –	14,302

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	58,041	9,715	224	51,321	8,590	151	80.00	2.41
2016	1	301,056	51,033	1,174	250,879	42,528	746	80.00	2.41
2017	1	309,212	53,592	1,234	258,056	44,725	784	80.00	2.41
2018	1	331,799	58,826	1,354	278,114	49,308	865	80.00	2.41
2019	1	210,124	59,649	1,373	178,288	50,612	888	80.00	2.41
2020	1	139,532	58,406	1,345	120,986	50,643	889	80.00	2.41
2021	1	124,176	54,940	1,265	110,014	48,674	854	80.00	2.41
2022	1	107,701	50,544	1,163	97,166	45,600	800	80.00	2.41
2023	1	93,068	46,501	1,071	81,087	40,515	711	80.00	2.41
2024	1	80,086	42,781	985	69,992	37,388	656	80.00	2.41
2025	1	68,586	39,358	906	60,046	34,458	604	80.00	2.41
2026	1	58,413	36,210	833	51,233	31,759	557	80.00	2.41
Sub-Total		1,881,794	561,555	12,927	1,607,182	484,800	8,505	80.00	2.41
Remainder		195,328	163,918	3,774	172,891	145,344	2,550	80.00	2.41
Total Future		2,077,122	725,473	16,701	1,780,073	630,144	11,055	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,077,122	725,473	16,701					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	4,106	301	363	0	4,770	251	29	4,490
2016	20,070	1,488	1,796	0	23,354	1,238	146	21,970
2017	20,644	1,566	1,888	0	24,098	1,268	154	22,676
2018	22,250	1,725	2,082	0	26,057	1,359	171	24,527
2019	14,263	1,772	2,138	0	18,173	840	173	17,160
2020	9,679	1,772	2,138	0	13,589	544	171	12,874
2021	8,801	1,704	2,056	0	12,561	476	161	11,924
2022	7,773	1,596	1,925	0	11,294	408	150	10,736
2023	6,487	1,418	1,711	0	9,616	334	132	9,150
2024	5,599	1,308	1,579	0	8,486	280	120	8,086
2025	4,804	1,206	1,455	0	7,465	234	110	7,121
2026	4,099	1,112	1,341	0	6,552	191	101	6,260
Sub-Total	128,575	16,968	20,472	0	166,015	7,423	1,618	156,974
Remainder	13,831	5,087	6,138	0	25,056	530	449	24,077
Total Future	142,406	22,055	26,610	0	191,071	7,953	2,067	181,051

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	290	0	14,610	848	15,748	-11,258	-11,258	-7,747
2016	1,600	0	288	4,153	6,041	15,929	4,671	10,184
2017	1,705	0	72	4,281	6,058	16,618	21,289	9,619
2018	1,920	0	71	4,624	6,615	17,912	39,201	9,384
2019	1,464	0	38	3,145	4,647	12,513	51,714	5,978
2020	1,275	0	21	2,289	3,585	9,289	61,003	3,989
2021	1,322	0	23	2,106	3,451	8,473	69,476	3,294
2022	1,240	0	24	1,886	3,150	7,586	77,062	2,672
2023	1,201	0	25	1,596	2,822	6,328	83,390	2,016
2024	1,164	0	24	1,402	2,590	5,496	88,886	1,586
2025	1,153	0	24	1,224	2,401	4,720	93,606	1,232
2026	1,119	0	25	1,068	2,212	4,048	97,654	957
Sub-Total	15,453	0	15,245	28,622	59,320	97,654		43,164
Remainder	5,141	0	1,361	3,965	10,467	13,610	111,264	2,459
Total Future	20,594	0	16,606	32,587	69,787	111,264		45,623

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

TABLE 120

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_07 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	92,667
12.00% -	80,315
15.00% -	65,239
20.00% -	46,801
25.00% -	34,019

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	124,204	20,839	480	117,367	19,692	345	80.00	2.41
2015	1	528,546	89,810	2,067	467,355	79,412	1,394	80.00	2.41
2016	1	451,376	78,026	1,796	376,145	65,022	1,140	80.00	2.41
2017	1	465,788	81,938	1,887	388,727	68,381	1,200	80.00	2.41
2018	1	502,262	89,939	2,070	420,995	75,388	1,323	80.00	2.41
2019	1	317,078	90,492	2,083	269,039	76,782	1,347	80.00	2.41
2020	1	200,738	83,927	1,932	174,057	72,771	1,276	80.00	2.41
2021	1	176,939	77,212	1,778	156,760	68,406	1,200	80.00	2.41
2022	1	155,662	71,035	1,635	140,434	64,087	1,125	80.00	2.41
2023	1	136,658	65,353	1,504	119,066	56,939	999	80.00	2.41
2024	1	119,698	60,124	1,384	104,611	52,547	922	80.00	2.41
2025	1	104,577	55,315	1,274	91,556	48,427	849	80.00	2.41
2026	1	91,109	50,889	1,171	79,910	44,634	783	80.00	2.41
Sub-Total		3,374,635	914,899	21,061	2,906,022	792,488	13,903	80.00	2.41
Remainder		337,205	230,372	5,303	298,664	204,268	3,584	80.00	2.41
Total Future		3,711,840	1,145,271	26,364	3,204,686	996,756	17,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,711,840	1,145,271	26,364					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	9,389	689	832	0	10,910	441	61	10,408
2015	37,389	2,780	3,353	0	43,522	2,285	270	40,967
2016	30,091	2,275	2,746	0	35,112	1,856	223	33,033
2017	31,099	2,394	2,887	0	36,380	1,910	236	34,234
2018	33,679	2,638	3,184	0	39,501	2,058	260	37,183
2019	21,523	2,688	3,242	0	27,453	1,267	263	25,923
2020	13,925	2,547	3,073	0	19,545	783	246	18,516
2021	12,541	2,394	2,889	0	17,824	678	226	16,920
2022	11,234	2,243	2,706	0	16,183	590	210	15,383
2023	9,526	1,993	2,404	0	13,923	490	186	13,247
2024	8,368	1,839	2,219	0	12,426	419	169	11,838
2025	7,325	1,695	2,045	0	11,065	357	155	10,553
2026	6,393	1,562	1,885	0	9,840	297	142	9,401
Sub-Total	232,482	27,737	33,465	0	293,684	13,431	2,647	277,606
Remainder	23,893	7,149	8,626	0	39,668	910	631	38,127
Total Future	256,375	34,886	42,091	0	333,352	14,341	3,278	315,733

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	-14,610	-14,610	-12,223
2014	1,229	0	1,714	1,941	4,884	5,524	-9,086	4,173
2015	2,872	0	550	7,737	11,159	29,808	20,722	21,050
2016	2,409	0	434	6,238	9,081	23,952	44,674	15,313
2017	2,577	0	108	6,458	9,143	25,091	69,765	14,521
2018	2,912	0	108	7,007	10,027	27,156	96,921	14,227
2019	2,212	0	57	4,749	7,018	18,905	115,826	9,034
2020	1,832	0	30	3,293	5,155	13,361	129,187	5,740
2021	1,875	0	33	2,992	4,900	12,020	141,207	4,673
2022	1,772	0	34	2,708	4,514	10,869	152,076	3,826
2023	1,734	0	35	2,320	4,089	9,158	161,234	2,918
2024	1,698	0	36	2,063	3,797	8,041	169,275	2,320
2025	1,701	0	36	1,828	3,565	6,988	176,263	1,825
2026	1,671	0	37	1,619	3,327	6,074	182,337	1,436
Sub-Total	26,494	0	17,822	50,953	95,269	182,337		88,833
Remainder	8,083	0	2,306	6,404	16,793	21,334	203,671	3,834
Total Future	34,577	0	20,128	57,357	112,062	203,671		92,667

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 121

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_08 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.952899	0.952899	0.952899	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	84,303
12.00% –	72,474
15.00% –	58,001
20.00% –	40,249
25.00% –	27,916

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013	1	210,109	35,264	812	200,213	33,603	590	80.00	2.41
2014	1	242,984	41,291	950	229,607	39,018	684	80.00	2.41
2015	1	514,240	88,789	2,044	454,705	78,509	1,377	80.00	2.41
2016	1	439,598	77,139	1,776	366,331	64,283	1,128	80.00	2.41
2017	1	454,103	81,006	1,865	378,975	67,604	1,186	80.00	2.41
2018	1	485,904	88,136	2,029	407,284	73,875	1,296	80.00	2.41
2019	1	333,483	84,314	1,941	282,959	71,540	1,255	80.00	2.41
2020	1	181,108	77,568	1,785	157,035	67,259	1,180	80.00	2.41
2021	1	159,984	71,364	1,643	141,739	63,225	1,109	80.00	2.41
2022	1	141,083	65,654	1,511	127,281	59,231	1,040	80.00	2.41
2023	1	124,180	60,402	1,391	108,195	52,626	923	80.00	2.41
2024	1	109,081	55,570	1,279	95,332	48,566	852	80.00	2.41
2025	1	95,601	51,124	1,177	83,698	44,759	785	80.00	2.41
2026	1	83,581	47,034	1,083	73,307	41,253	724	80.00	2.41
Sub-Total		3,575,039	924,655	21,286	3,106,661	805,351	14,129	80.00	2.41
Remainder		313,880	212,920	4,901	278,030	188,794	3,312	80.00	2.41
Total Future		3,888,919	1,137,575	26,187	3,384,691	994,145	17,441	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,888,919	1,137,575	26,187					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	16,017	1,176	1,419	0	18,612	586	104	17,922
2014	18,369	1,366	1,648	0	21,383	864	120	20,399
2015	36,376	2,748	3,315	0	42,439	2,222	267	39,950
2016	29,306	2,249	2,714	0	34,269	1,808	221	32,240
2017	30,319	2,367	2,855	0	35,541	1,862	233	33,446
2018	32,582	2,585	3,120	0	38,287	1,991	255	36,041
2019	22,637	2,504	3,021	0	28,162	1,333	245	26,584
2020	12,563	2,354	2,840	0	17,757	706	227	16,824
2021	11,339	2,213	2,670	0	16,222	613	210	15,399
2022	10,182	2,073	2,501	0	14,756	535	194	14,027
2023	8,656	1,842	2,222	0	12,720	445	171	12,104
2024	7,626	1,700	2,051	0	11,377	382	157	10,838
2025	6,696	1,566	1,890	0	10,152	326	143	9,683
2026	5,865	1,444	1,742	0	9,051	273	131	8,647
Sub-Total	248,533	28,187	34,008	0	310,728	13,946	2,678	294,104
Remainder	22,242	6,608	7,973	0	36,823	847	583	35,393
Total Future	270,775	34,795	41,981	0	347,551	14,793	3,261	329,497

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	2,420	0	37,519	3,311	43,250	–25,328	–25,328	–22,108
2014	2,851	0	1,669	3,801	8,321	12,078	–13,250	9,415
2015	2,804	0	537	7,540	10,881	29,069	15,819	20,530
2016	2,354	0	423	6,084	8,861	23,379	39,198	14,947
2017	2,519	0	107	6,305	8,931	24,515	63,713	14,187
2018	2,825	0	104	6,788	9,717	26,324	90,037	13,795
2019	2,244	0	52	4,907	7,203	19,381	109,418	9,264
2020	1,668	0	27	2,986	4,681	12,143	121,561	5,217
2021	1,710	0	30	2,719	4,459	10,940	132,501	4,254
2022	1,618	0	32	2,465	4,115	9,912	142,413	3,489
2023	1,586	0	32	2,117	3,735	8,369	150,782	2,667
2024	1,556	0	33	1,886	3,475	7,363	158,145	2,124
2025	1,562	0	33	1,676	3,271	6,412	164,557	1,674
2026	1,538	0	33	1,487	3,058	5,589	170,146	1,321
Sub-Total	29,255	0	40,631	54,072	123,958	170,146		80,776
Remainder	7,497	0	2,368	5,950	15,815	19,578	189,724	3,527
Total Future	36,752	0	42,999	60,022	139,773	189,724		84,303

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

TABLE 122

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_09 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	87,343
12.00% -	75,778
15.00% -	61,703
20.00% -	44,548
25.00% -	32,684

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	124,204	20,839	480	117,367	19,692	345	80.00	2.41
2015	1	528,546	89,810	2,067	467,355	79,412	1,394	80.00	2.41
2016	1	451,376	78,026	1,796	376,145	65,022	1,140	80.00	2.41
2017	1	465,788	81,938	1,887	388,727	68,381	1,200	80.00	2.41
2018	1	345,893	89,939	2,070	289,927	75,388	1,323	80.00	2.41
2019	1	225,489	90,492	2,083	191,326	76,782	1,347	80.00	2.41
2020	1	200,738	83,927	1,932	174,057	72,771	1,276	80.00	2.41
2021	1	176,939	77,212	1,778	156,760	68,406	1,200	80.00	2.41
2022	1	155,662	71,035	1,635	140,434	64,087	1,125	80.00	2.41
2023	1	136,658	65,353	1,504	119,066	56,939	999	80.00	2.41
2024	1	119,698	60,124	1,384	104,611	52,547	922	80.00	2.41
2025	1	104,577	55,315	1,274	91,556	48,427	849	80.00	2.41
2026	1	91,109	50,889	1,171	79,910	44,634	783	80.00	2.41
Sub-Total		3,126,677	914,899	21,061	2,697,241	792,488	13,903	80.00	2.41
Remainder		337,205	230,372	5,303	298,665	204,268	3,584	80.00	2.41
Total Future		3,463,882	1,145,271	26,364	2,995,906	996,756	17,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,463,882	1,145,271	26,364					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	9,389	689	832	0	10,910	441	61	10,408
2015	37,389	2,780	3,353	0	43,522	2,285	270	40,967
2016	30,091	2,275	2,746	0	35,112	1,856	223	33,033
2017	31,099	2,394	2,887	0	36,380	1,910	236	34,234
2018	23,194	2,638	3,184	0	29,016	1,417	260	27,339
2019	15,306	2,688	3,242	0	21,236	902	263	20,071
2020	13,924	2,547	3,073	0	19,544	782	246	18,516
2021	12,541	2,394	2,889	0	17,824	679	226	16,919
2022	11,235	2,243	2,706	0	16,184	589	210	15,385
2023	9,525	1,993	2,404	0	13,922	490	186	13,246
2024	8,369	1,839	2,219	0	12,427	419	169	11,839
2025	7,324	1,695	2,045	0	11,064	357	155	10,552
2026	6,393	1,562	1,885	0	9,840	297	142	9,401
Sub-Total	215,779	27,737	33,465	0	276,981	12,424	2,647	261,910
Remainder	23,893	7,149	8,626	0	39,668	910	631	38,127
Total Future	239,672	34,886	42,091	0	316,649	13,334	3,278	300,037

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,229	0	16,324	1,941	19,494	-9,086	-9,086	-7,651
2015	2,872	0	550	7,737	11,159	29,808	20,722	21,050
2016	2,409	0	434	6,238	9,081	23,952	44,674	15,313
2017	2,577	0	108	6,458	9,143	25,091	69,765	14,521
2018	2,185	0	59	5,049	7,293	20,046	89,811	10,580
2019	1,787	0	57	3,588	5,432	14,639	104,450	6,946
2020	1,832	0	30	3,293	5,155	13,361	117,811	5,739
2021	1,875	0	33	2,992	4,900	12,019	129,830	4,674
2022	1,773	0	35	2,708	4,516	10,869	140,699	3,826
2023	1,734	0	35	2,320	4,089	9,157	149,856	2,918
2024	1,697	0	35	2,063	3,795	8,044	157,900	2,320
2025	1,702	0	37	1,828	3,567	6,985	164,885	1,824
2026	1,670	0	36	1,618	3,324	6,077	170,962	1,436
Sub-Total	25,342	0	17,773	47,833	90,948	170,962		83,496
Remainder	8,083	0	2,205	6,405	16,693	21,434	192,396	3,847
Total Future	33,425	0	19,978	54,238	107,641	192,396		87,343

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

TABLE 123

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
WEST BS_AF_10 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

		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
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41	10.00% –	90,076
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41	12.00% –	78,064
REMARKS								15.00% –	63,415
								20.00% –	45,517
								25.00% –	33,113

		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
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	124,204	20,839	480	117,367	19,692	345	80.00	2.41
2015	1	528,546	89,810	2,067	467,355	79,412	1,394	80.00	2.41
2016	1	451,376	78,026	1,796	376,145	65,022	1,140	80.00	2.41
2017	1	465,788	81,938	1,887	388,727	68,381	1,200	80.00	2.41
2018	1	480,032	89,939	2,070	402,363	75,388	1,323	80.00	2.41
2019	1	225,489	90,492	2,083	191,326	76,782	1,347	80.00	2.41
2020	1	200,738	83,927	1,932	174,056	72,771	1,276	80.00	2.41
2021	1	176,939	77,212	1,778	156,760	68,406	1,200	80.00	2.41
2022	1	155,663	71,035	1,635	140,435	64,087	1,125	80.00	2.41
2023	1	136,657	65,353	1,504	119,065	56,939	999	80.00	2.41
2024	1	119,698	60,124	1,384	104,611	52,547	922	80.00	2.41
2025	1	104,577	55,315	1,274	91,556	48,427	849	80.00	2.41
2026	1	91,109	50,889	1,171	79,910	44,634	783	80.00	2.41
Sub-Total		3,260,816	914,899	21,061	2,809,676	792,488	13,903	80.00	2.41
Remainder		337,205	230,372	5,303	298,665	204,268	3,584	80.00	2.41
Total Future		3,598,021	1,145,271	26,364	3,108,341	996,756	17,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,598,021	1,145,271	26,364					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

	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. - $	
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	9,389	689	832	0	10,910	441	61	10,408
2015	37,389	2,780	3,353	0	43,522	2,285	270	40,967
2016	30,091	2,275	2,746	0	35,112	1,856	223	33,033
2017	31,099	2,394	2,887	0	36,380	1,910	236	34,234
2018	32,189	2,638	3,184	0	38,011	1,967	260	35,784
2019	15,306	2,688	3,242	0	21,236	901	263	20,072
2020	13,924	2,547	3,073	0	19,544	783	246	18,515
2021	12,541	2,394	2,889	0	17,824	678	226	16,920
2022	11,235	2,243	2,706	0	16,184	590	210	15,384
2023	9,525	1,993	2,404	0	13,922	490	186	13,246
2024	8,369	1,839	2,219	0	12,427	419	169	11,839
2025	7,324	1,695	2,045	0	11,064	357	155	10,552
2026	6,393	1,562	1,885	0	9,840	297	142	9,401
Sub-Total	224,774	27,737	33,465	0	285,976	12,974	2,647	270,355
Remainder	23,893	7,149	8,626	0	39,668	910	631	38,127
Total Future	248,667	34,886	42,091	0	325,644	13,884	3,278	308,482

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	–14,610	–14,610	–12,223
2014	1,229	0	1,714	1,941	4,884	5,524	–9,086	4,173
2015	2,872	0	550	7,737	11,159	29,808	20,722	21,050
2016	2,409	0	434	6,238	9,081	23,952	44,674	15,313
2017	2,577	0	108	6,458	9,143	25,091	69,765	14,521
2018	2,805	0	108	6,728	9,641	26,143	95,908	13,719
2019	1,787	0	57	3,589	5,433	14,639	110,547	6,945
2020	1,833	0	30	3,292	5,155	13,360	123,907	5,740
2021	1,874	0	33	2,993	4,900	12,020	135,927	4,673
2022	1,773	0	34	2,707	4,514	10,870	146,797	3,827
2023	1,734	0	35	2,321	4,090	9,156	155,953	2,918
2024	1,697	0	36	2,062	3,795	8,044	163,997	2,320
2025	1,702	0	36	1,829	3,567	6,985	170,982	1,824
2026	1,671	0	37	1,618	3,326	6,075	177,057	1,436
Sub-Total	25,963	0	17,822	49,513	93,298	177,057		86,236
Remainder	8,082	0	2,260	6,405	16,747	21,380	198,437	3,840
Total Future	34,045	0	20,082	55,918	110,045	198,437		90,076

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

TABLE 124

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_11 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	91,112
12.00% -	78,967
15.00% -	64,149
20.00% -	46,037
25.00% -	33,482

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	124,204	20,839	480	117,367	19,692	345	80.00	2.41
2015	1	528,546	89,810	2,067	467,355	79,412	1,394	80.00	2.41
2016	1	451,376	78,026	1,796	376,145	65,022	1,140	80.00	2.41
2017	1	465,788	81,938	1,887	388,727	68,381	1,200	80.00	2.41
2018	1	502,262	89,939	2,070	420,995	75,388	1,323	80.00	2.41
2019	1	248,444	90,492	2,083	210,804	76,782	1,347	80.00	2.41
2020	1	200,738	83,927	1,932	174,056	72,771	1,276	80.00	2.41
2021	1	176,939	77,212	1,778	156,760	68,406	1,200	80.00	2.41
2022	1	155,662	71,035	1,635	140,435	64,087	1,125	80.00	2.41
2023	1	136,658	65,353	1,504	119,065	56,939	999	80.00	2.41
2024	1	119,698	60,124	1,384	104,611	52,547	922	80.00	2.41
2025	1	104,577	55,315	1,274	91,556	48,427	849	80.00	2.41
2026	1	91,109	50,889	1,171	79,910	44,634	783	80.00	2.41
Sub-Total		3,306,001	914,899	21,061	2,847,786	792,488	13,903	80.00	2.41
Remainder		337,205	230,372	5,303	298,665	204,268	3,584	80.00	2.41
Total Future		3,643,206	1,145,271	26,364	3,146,451	996,756	17,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,643,206	1,145,271	26,364					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES, SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	9,389	689	832	0	10,910	441	61	10,408
2015	37,389	2,780	3,353	0	43,522	2,285	270	40,967
2016	30,091	2,275	2,746	0	35,112	1,856	223	33,033
2017	31,099	2,394	2,887	0	36,380	1,910	236	34,234
2018	33,679	2,638	3,184	0	39,501	2,058	260	37,183
2019	16,864	2,688	3,242	0	22,794	993	263	21,538
2020	13,925	2,547	3,073	0	19,545	783	246	18,516
2021	12,541	2,394	2,889	0	17,824	678	226	16,920
2022	11,235	2,243	2,706	0	16,184	590	210	15,384
2023	9,525	1,993	2,404	0	13,922	489	186	13,247
2024	8,369	1,839	2,219	0	12,427	420	169	11,838
2025	7,324	1,695	2,045	0	11,064	356	155	10,553
2026	6,393	1,562	1,885	0	9,840	298	142	9,400
Sub-Total	227,823	27,737	33,465	0	289,025	13,157	2,647	273,221
Remainder	23,893	7,149	8,626	0	39,668	910	631	38,127
Total Future	251,716	34,886	42,091	0	328,693	14,067	3,278	311,348

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	-14,610	-14,610	-12,223
2014	1,229	0	1,714	1,941	4,884	5,524	-9,086	4,173
2015	2,872	0	550	7,737	11,159	29,808	20,722	21,050
2016	2,409	0	434	6,238	9,081	23,952	44,674	15,313
2017	2,577	0	108	6,458	9,143	25,091	69,765	14,521
2018	2,912	0	108	7,007	10,027	27,156	96,921	14,227
2019	1,891	0	57	3,879	5,827	15,711	112,632	7,476
2020	1,833	0	30	3,293	5,156	13,360	125,992	5,740
2021	1,874	0	33	2,992	4,899	12,021	138,013	4,673
2022	1,773	0	34	2,708	4,515	10,869	148,882	3,826
2023	1,734	0	35	2,320	4,089	9,158	158,040	2,918
2024	1,697	0	36	2,063	3,796	8,042	166,082	2,320
2025	1,702	0	36	1,828	3,566	6,987	173,069	1,825
2026	1,671	0	37	1,618	3,326	6,074	179,143	1,436
Sub-Total	26,174	0	17,822	50,082	94,078	179,143		87,275
Remainder	8,082	0	2,278	6,405	16,765	21,362	200,505	3,837
Total Future	34,256	0	20,100	56,487	110,843	200,505		91,112

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

TABLE 125

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_12 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	81,038
12.00% -	70,068
15.00% -	56,760
20.00% -	40,610
25.00% -	29,491

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	124,204	20,839	480	117,367	19,692	345	80.00	2.41
2015	1	528,546	89,810	2,067	467,355	79,412	1,394	80.00	2.41
2016	1	451,376	78,026	1,796	376,145	65,022	1,140	80.00	2.41
2017	1	343,719	81,938	1,887	286,853	68,381	1,200	80.00	2.41
2018	1	233,105	89,939	2,070	195,389	75,388	1,323	80.00	2.41
2019	1	225,489	90,492	2,083	191,326	76,782	1,347	80.00	2.41
2020	1	200,738	83,927	1,932	174,056	72,771	1,276	80.00	2.41
2021	1	176,939	77,212	1,778	156,760	68,406	1,200	80.00	2.41
2022	1	155,662	71,035	1,635	140,435	64,087	1,125	80.00	2.41
2023	1	136,658	65,353	1,504	119,066	56,939	999	80.00	2.41
2024	1	119,698	60,124	1,384	104,610	52,547	922	80.00	2.41
2025	1	104,577	55,315	1,274	91,557	48,427	849	80.00	2.41
2026	1	91,109	50,889	1,171	79,910	44,634	783	80.00	2.41
Sub-Total		2,891,820	914,899	21,061	2,500,829	792,488	13,903	80.00	2.41
Remainder		337,205	230,372	5,303	298,664	204,268	3,584	80.00	2.41
Total Future		3,229,025	1,145,271	26,364	2,799,493	996,756	17,487	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,229,025	1,145,271	26,364					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	9,389	689	832	0	10,910	441	61	10,408
2015	37,389	2,780	3,353	0	43,522	2,285	270	40,967
2016	30,091	2,275	2,746	0	35,112	1,856	223	33,033
2017	22,949	2,394	2,887	0	28,230	1,409	236	26,585
2018	15,631	2,638	3,184	0	21,453	955	260	20,238
2019	15,306	2,688	3,242	0	21,236	902	263	20,071
2020	13,924	2,547	3,073	0	19,544	783	246	18,515
2021	12,541	2,394	2,889	0	17,824	678	226	16,920
2022	11,235	2,243	2,706	0	16,184	590	210	15,384
2023	9,525	1,993	2,404	0	13,922	489	186	13,247
2024	8,369	1,839	2,219	0	12,427	420	169	11,838
2025	7,324	1,695	2,045	0	11,064	356	155	10,553
2026	6,393	1,562	1,885	0	9,840	298	142	9,400
Sub-Total	200,066	27,737	33,465	0	261,268	11,462	2,647	247,159
Remainder	23,893	7,149	8,626	0	39,668	910	631	38,127
Total Future	223,959	34,886	42,091	0	300,936	12,372	3,278	285,286

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	-14,610	-14,610	-12,223
2014	1,229	0	1,714	1,941	4,884	5,524	-9,086	4,173
2015	2,872	0	550	7,737	11,159	29,808	20,722	21,050
2016	2,409	0	434	6,238	9,081	23,952	44,674	15,313
2017	2,028	0	60	4,936	7,024	19,561	64,235	11,402
2018	1,688	0	59	3,636	5,383	14,855	79,090	7,782
2019	1,787	0	56	3,589	5,432	14,639	93,729	6,946
2020	1,833	0	31	3,292	5,156	13,359	107,088	5,739
2021	1,874	0	33	2,993	4,900	12,020	119,108	4,674
2022	1,773	0	34	2,707	4,514	10,870	129,978	3,826
2023	1,734	0	35	2,321	4,090	9,157	139,135	2,918
2024	1,697	0	36	2,062	3,795	8,043	147,178	2,320
2025	1,702	0	36	1,829	3,567	6,986	154,164	1,824
2026	1,671	0	37	1,618	3,326	6,074	160,238	1,436
Sub-Total	24,297	0	17,725	44,899	86,921	160,238		77,180
Remainder	8,082	0	2,109	6,405	16,596	21,531	181,769	3,858
Total Future	32,379	0	19,834	51,304	103,517	181,769		81,038

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

TABLE 126

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
WEST BS_AF_13 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	Revenue Interests: Expense Interest	Oil/Condensate	Plant Products	Gas	Product Prices: Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	86,952
12.00% -	75,683
15.00% -	61,956
20.00% -	45,193
25.00% -	33,559

Period	Number of Wells	Estimated 8/8 ths Production: Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Company Net Sales: Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	Average Prices: Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	185,743	31,225	719	175,518	29,506	518	80.00	2.41
2015	1	525,416	89,619	2,063	464,588	79,244	1,390	80.00	2.41
2016	1	448,839	77,862	1,792	374,031	64,884	1,138	80.00	2.41
2017	1	463,315	81,764	1,882	386,663	68,237	1,197	80.00	2.41
2018	1	253,754	89,749	2,067	212,696	75,227	1,320	80.00	2.41
2019	1	221,593	89,422	2,058	188,021	75,875	1,331	80.00	2.41
2020	1	196,199	82,436	1,898	170,120	71,479	1,254	80.00	2.41
2021	1	173,061	75,842	1,746	153,324	67,192	1,179	80.00	2.41
2022	1	152,369	69,774	1,606	137,464	62,948	1,104	80.00	2.41
2023	1	133,880	64,192	1,478	116,645	55,929	982	80.00	2.41
2024	1	117,375	59,056	1,359	102,581	51,613	905	80.00	2.41
2025	1	102,653	54,333	1,251	89,872	47,567	835	80.00	2.41
2026	1	89,536	49,985	1,151	78,530	43,842	769	80.00	2.41
Sub-Total		3,063,733	915,259	21,070	2,650,053	793,543	13,922	80.00	2.41
Remainder		332,983	226,281	5,209	294,934	200,640	3,520	80.00	2.41
Total Future		3,396,716	1,141,540	26,279	2,944,987	994,183	17,442	80.00	2.41
Cumulative		0	0	0					
Ultimate		3,396,716	1,141,540	26,279					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 23.79 %

Period	Company Future Gross Revenue (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	Royalty: Oil/Cond. - $M	Gas/P.P. - $	FGR After Royalty $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	14,041	1,033	1,246	0	16,320	660	91	15,569
2015	37,167	2,773	3,346	0	43,286	2,271	269	40,746
2016	29,923	2,271	2,740	0	34,934	1,846	223	32,865
2017	30,933	2,388	2,882	0	36,203	1,899	235	34,069
2018	17,016	2,633	3,176	0	22,825	1,040	261	21,524
2019	15,041	2,656	3,204	0	20,901	886	259	19,756
2020	13,610	2,502	3,019	0	19,131	765	242	18,124
2021	12,266	2,352	2,837	0	17,455	663	222	16,570
2022	10,997	2,203	2,658	0	15,858	578	206	15,074
2023	9,332	1,957	2,362	0	13,651	479	183	12,989
2024	8,206	1,807	2,180	0	12,193	412	166	11,615
2025	7,190	1,665	2,008	0	10,863	350	152	10,361
2026	6,282	1,534	1,852	0	9,668	292	139	9,237
Sub-Total	212,004	27,774	33,510	0	273,288	12,141	2,648	258,499
Remainder	23,595	7,022	8,472	0	39,089	898	620	37,571
Total Future	235,599	34,796	41,982	0	312,377	13,039	3,268	296,070

Period	Deductions - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	Future Net Income Before Income Taxes-$M: Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	2,056	0	16,314	2,903	21,273	-5,704	-5,704	-4,883
2015	2,857	0	547	7,694	11,098	29,648	23,944	20,938
2016	2,398	0	432	6,205	9,035	23,830	47,774	15,234
2017	2,564	0	108	6,426	9,098	24,971	72,745	14,451
2018	1,777	0	59	3,893	5,729	15,795	88,540	8,302
2019	1,759	0	55	3,531	5,345	14,411	102,951	6,838
2020	1,794	0	30	3,221	5,045	13,079	116,030	5,618
2021	1,837	0	32	2,930	4,799	11,771	127,801	4,577
2022	1,737	0	34	2,652	4,423	10,651	138,452	3,749
2023	1,701	0	34	2,275	4,010	8,979	147,431	2,861
2024	1,665	0	35	2,023	3,723	7,892	155,323	2,276
2025	1,671	0	36	1,795	3,502	6,859	162,182	1,792
2026	1,642	0	36	1,590	3,268	5,969	168,151	1,411
Sub-Total	25,458	0	17,752	47,138	90,348	168,151		83,164
Remainder	7,962	0	2,172	6,315	16,449	21,122	189,273	3,788
Total Future	33,420	0	19,924	53,453	106,797	189,273		86,952

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 127

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN — GAS LEASE
ZHAIKMUNIA - OPERATOR — PROVED
NE WELL 119 (BISKI/AFONINSKI) — PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.874997	0.874997	0.874997	80.00	35.00	2.41

REMARKS: RECOMPLETE FROM TOURNAISAIN TO BISKI/AFONINSKI
PRODUCTION STARTS APR2011

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	226,108
12.00% -	213,821
15.00% -	197,349
20.00% -	174,295
25.00% -	155,636

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	1,566,883	270,441	6,174	1,473,141	254,261	4,395	80.00	2.41
2013	1	1,194,155	216,814	4,951	1,123,692	204,021	3,527	80.00	2.41
2014	1	763,002	146,124	3,336	678,037	129,852	2,245	80.00	2.41
2015	1	610,204	310,050	7,078	533,774	271,215	4,688	80.00	2.41
2016	1	445,046	264,588	6,041	374,705	222,769	3,851	80.00	2.41
2017	1	375,184	268,563	6,132	313,056	224,091	3,874	80.00	2.41
2018	1	309,216	278,258	6,353	259,974	233,946	4,044	80.00	2.41
2019	1	218,277	264,460	6,038	186,552	226,023	3,907	80.00	2.41
2020	1	77,135	126,902	2,897	67,493	111,039	1,919	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		5,559,102	2,146,200	49,000	5,010,424	1,877,217	32,450	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		5,559,102	2,146,200	49,000	5,010,424	1,877,217	32,450	80.00	2.41
Cumulative		620,326	0	4,669					
Ultimate		6,179,428	2,146,200	53,669					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	117,851	8,899	10,579	0	137,329	6,223	801	130,305
2013	89,896	7,141	8,489	0	105,526	4,656	629	100,241
2014	54,243	4,545	5,403	0	64,191	2,707	398	61,086
2015	42,702	9,492	11,285	0	63,479	2,225	867	60,387
2016	29,976	7,797	9,269	0	47,042	1,519	703	44,820
2017	25,044	7,843	9,324	0	42,211	1,220	705	40,286
2018	20,798	8,188	9,734	0	38,720	982	730	37,008
2019	14,925	7,911	9,404	0	32,240	673	698	30,869
2020	5,399	3,887	4,620	0	13,906	227	340	13,339
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	400,834	65,703	78,107	0	544,644	20,432	5,871	518,341
Remainder	0	0	0	0	0	0	0	0
Total Future	400,834	65,703	78,107	0	544,644	20,432	5,871	518,341

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	15,455	0	23,378	24,427	63,260	67,045	67,045	63,949
2013	10,934	0	29,075	18,728	58,737	41,504	108,549	35,889
2014	7,904	0	5,083	11,365	24,352	36,734	145,283	28,650
2015	4,589	0	1,603	10,554	16,746	43,641	188,924	30,850
2016	3,558	0	1,441	7,716	12,715	32,105	221,029	20,546
2017	3,429	0	311	6,808	10,548	29,738	250,767	17,233
2018	3,338	0	285	6,109	9,732	27,276	278,043	14,312
2019	3,031	0	208	4,937	8,176	22,693	300,736	10,781
2020	1,426	0	13	2,064	3,503	9,836	310,572	4,325
2021	0	0	200	0	200	-200	310,372	-81
2022	0	0	0	0	0	0	310,372	0
2023	0	0	0	0	0	0	310,372	0
2024	0	0	0	0	0	0	310,372	0
2025	0	0	0	0	0	0	310,372	0
2026	0	0	0	0	0	0	310,372	0
Sub-Total	53,664	0	61,597	92,708	207,969	310,372		226,454
Remainder	0	0	2,789	0	2,789	-2,789	307,583	-346
Total Future	53,664	0	64,386	92,708	210,758	307,583		226,108

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 128

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 119 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.873958	0.873958	0.873958	80.00	35.00	2.41

REMARKS RECOMPLETE FROM TOURNAISAIN TO BISKI/AFONINSKI
PRODUCTION STARTS APR 2011

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	60,355
12.00% -	50,863
15.00% -	39,589
20.00% -	26,539
25.00% -	18,230

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		11,016	1,894	43	10,252	1,763	30	80.00	2.41
2013		26,017	4,610	105	24,792	4,393	76	80.00	2.41
2014		25,764	4,729	108	24,346	4,468	78	80.00	2.41
2015		32,644	14,328	328	28,865	12,670	219	80.00	2.41
2016		35,854	17,231	393	29,878	14,359	248	80.00	2.41
2017		51,373	27,383	625	42,874	22,852	395	80.00	2.41
2018		78,224	46,589	1,064	65,567	39,051	675	80.00	2.41
2019		96,161	64,937	1,482	81,593	55,099	952	80.00	2.41
2020	1	245,577	195,909	4,473	212,935	169,869	2,937	80.00	2.41
2021	1	343,279	316,353	7,223	304,129	280,275	4,845	80.00	2.41
2022	1	274,410	310,027	7,078	247,566	279,698	4,835	80.00	2.41
2023	1	208,159	303,826	6,937	181,362	264,715	4,576	80.00	2.41
2024	1	42,427	75,826	1,731	37,080	66,268	1,145	80.00	2.41
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		1,470,905	1,383,642	31,590	1,291,239	1,215,480	21,011	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		1,470,905	1,383,642	31,590	1,291,239	1,215,480	21,011	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,470,905	1,383,642	31,590					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	820	62	73	0	955	25	5	925
2013	1,984	153	183	0	2,320	73	14	2,233
2014	1,947	157	186	0	2,290	92	14	2,184
2015	2,309	443	527	0	3,279	141	42	3,096
2016	2,391	503	598	0	3,492	147	49	3,296
2017	3,430	800	951	0	5,181	211	78	4,892
2018	5,245	1,366	1,624	0	8,235	320	134	7,781
2019	6,527	1,929	2,293	0	10,749	385	187	10,177
2020	17,035	5,945	7,068	0	30,048	957	569	28,522
2021	24,330	9,810	11,662	0	45,802	1,316	921	43,565
2022	19,806	9,789	11,637	0	41,232	1,040	909	39,283
2023	14,509	9,265	11,015	0	34,789	746	855	33,188
2024	2,966	2,320	2,757	0	8,043	148	212	7,683
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	103,299	42,542	50,574	0	196,415	5,601	3,989	186,825
Remainder	0	0	0	0	0	0	0	0
Total Future	103,299	42,542	50,574	0	196,415	5,601	3,989	186,825

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	25	0	0	170	195	730	730	682
2013	59	0	0	412	471	1,762	2,492	1,512
2014	60	0	0	406	466	1,718	4,210	1,338
2015	108	0	0	552	660	2,436	6,646	1,715
2016	124	0	0	583	707	2,589	9,235	1,651
2017	189	0	0	858	1,047	3,845	13,080	2,216
2018	308	0	0	1,351	1,659	6,122	19,202	3,200
2019	407	0	0	1,743	2,150	8,027	27,229	3,799
2020	1,159	0	0	4,796	5,955	22,567	49,796	9,538
2021	1,787	0	0	7,210	8,997	34,568	84,364	13,440
2022	1,653	0	0	6,358	8,011	31,272	115,636	11,007
2023	1,524	0	0	5,227	6,751	26,437	142,073	8,424
2024	365	0	0	1,184	1,549	6,134	148,207	1,833
2025	0	0	0	0	0	0	148,207	0
2026	0	0	0	0	0	0	148,207	0
Sub-Total	7,768	0	0	30,850	38,618	148,207		60,355
Remainder	0	0	0	0	0	0	148,207	0
Total Future	7,768	0	0	30,850	38,618	148,207		60,355

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 129

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
BS_AF_26 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940993	0.940993	0.940993	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	150,834
12.00% -	132,544
15.00% -	110,099
20.00% -	82,337
25.00% -	62,720

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013	1	362,953	61,454	1,403	341,536	57,828	1,000	80.00	2.41
2014	1	419,125	71,958	1,643	372,454	63,945	1,105	80.00	2.41
2015	1	885,321	154,731	3,533	774,430	135,351	2,340	80.00	2.41
2016	1	755,317	134,430	3,069	635,938	113,183	1,956	80.00	2.41
2017	1	500,127	141,169	3,223	417,309	117,791	2,036	80.00	2.41
2018	1	375,533	153,593	3,507	315,730	129,135	2,233	80.00	2.41
2019	1	344,154	146,934	3,354	294,134	125,577	2,170	80.00	2.41
2020	1	302,699	135,178	3,086	264,861	118,281	2,045	80.00	2.41
2021	1	265,676	124,364	2,840	237,942	111,382	1,925	80.00	2.41
2022	1	232,638	114,416	2,612	212,222	104,374	1,805	80.00	2.41
2023	1	203,186	105,262	2,403	179,105	92,787	1,604	80.00	2.41
2024	1	176,959	96,841	2,211	156,351	85,563	1,479	80.00	2.41
2025	1	153,626	89,093	2,034	135,944	78,839	1,363	80.00	2.41
2026	1	132,894	81,967	1,872	117,640	72,558	1,254	80.00	2.41
Sub-Total		5,110,208	1,611,390	36,790	4,455,596	1,406,594	24,315	80.00	2.41
Remainder		477,109	371,054	8,471	424,426	330,412	5,711	80.00	2.41
Total Future		5,587,317	1,982,444	45,261	4,880,022	1,737,006	30,026	80.00	2.41
Cumulative		0	0	0					
Ultimate		5,587,317	1,982,444	45,261					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	27,323	2,024	2,406	0	31,753	1,415	179	30,159
2014	29,796	2,238	2,661	0	34,695	1,487	195	33,013
2015	61,955	4,737	5,631	0	72,323	3,228	433	68,662
2016	50,875	3,962	4,710	0	59,547	2,579	357	56,611
2017	33,384	4,122	4,901	0	42,407	1,626	371	40,410
2018	25,259	4,520	5,373	0	35,152	1,192	403	33,557
2019	23,530	4,395	5,225	0	33,150	1,062	387	31,701
2020	21,189	4,140	4,921	0	30,250	892	363	28,995
2021	19,036	3,899	4,635	0	27,570	740	341	26,489
2022	16,978	3,653	4,343	0	24,974	622	320	24,032
2023	14,328	3,247	3,860	0	21,435	517	284	20,634
2024	12,508	2,995	3,560	0	19,063	445	262	18,356
2025	10,875	2,759	3,281	0	16,915	379	242	16,294
2026	9,412	2,540	3,019	0	14,971	321	222	14,428
Sub-Total	356,448	49,231	58,526	0	464,205	16,505	4,359	443,341
Remainder	33,954	11,564	13,748	0	59,266	1,074	1,013	57,179
Total Future	390,402	60,795	72,274	0	523,471	17,579	5,372	500,520

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	2,963	0	29,714	5,652	38,329	-8,170	-8,170	-7,512
2014	4,244	0	2,750	6,173	13,167	19,846	11,676	15,473
2015	4,722	0	1,818	12,857	19,397	49,265	60,941	34,796
2016	3,998	0	1,814	10,578	16,390	40,221	101,162	25,715
2017	3,096	0	244	7,354	10,694	29,716	130,878	17,326
2018	2,783	0	260	5,945	8,988	24,569	155,447	12,877
2019	2,804	0	213	5,589	8,606	23,095	178,542	10,961
2020	2,858	0	114	5,082	8,054	20,941	199,483	8,996
2021	2,923	0	118	4,614	7,655	18,834	218,317	7,323
2022	2,757	0	118	4,163	7,038	16,994	235,311	5,982
2023	2,688	0	119	3,558	6,365	14,269	249,580	4,547
2024	2,620	0	119	3,150	5,889	12,467	262,047	3,596
2025	2,612	0	131	2,781	5,524	10,770	272,817	2,813
2026	2,548	0	129	2,447	5,124	9,304	282,121	2,199
Sub-Total	43,616	0	37,661	79,943	161,220	282,121		145,092
Remainder	12,043	0	3,784	9,483	25,310	31,869	313,990	5,742
Total Future	55,659	0	41,445	89,426	186,530	313,990		150,834

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

TABLE 130

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 20-2 (BISKI/AFONINSKI)

GAS LEASE
PROVED
PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41	10.00% -	177,680
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% -	161,293
REMARKS								15.00% -	141,199
								20.00% -	116,296
								25.00% -	98,552

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	808,748	137,365	3,136	760,363	129,147	2,232	80.00	2.41
2013	1	646,705	111,686	2,550	608,545	105,095	1,817	80.00	2.41
2014	1	433,192	76,089	1,737	384,953	67,617	1,169	80.00	2.41
2015	1	429,983	163,616	3,736	376,127	143,122	2,474	80.00	2.41
2016	1	359,750	142,148	3,245	302,891	119,682	2,069	80.00	2.41
2017	1	354,404	145,602	3,324	295,716	121,491	2,100	80.00	2.41
2018	1	352,546	150,858	3,445	296,404	126,834	2,193	80.00	2.41
2019	1	321,132	143,377	3,273	274,458	122,538	2,118	80.00	2.41
2020	1	282,622	131,908	3,012	247,293	115,419	1,995	80.00	2.41
2021	1	248,217	121,354	2,770	222,306	108,686	1,879	80.00	2.41
2022	1	217,509	111,647	2,549	198,421	101,849	1,760	80.00	2.41
2023	1	190,125	102,715	2,345	167,591	90,541	1,565	80.00	2.41
2024	1	165,731	94,497	2,158	146,431	83,493	1,444	80.00	2.41
2025	1	144,022	86,938	1,985	127,446	76,931	1,330	80.00	2.41
2026	1	124,728	79,982	1,826	110,411	70,802	1,223	80.00	2.41
Sub-Total		5,079,414	1,799,782	41,091	4,519,356	1,583,247	27,368	80.00	2.41
Remainder		449,983	362,075	8,266	400,305	322,416	5,574	80.00	2.41
Total Future		5,529,397	2,161,857	49,357	4,919,661	1,905,663	32,942	80.00	2.41
Cumulative		410,256	0	2,704	(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,				
Ultimate		5,939,653	2,161,857	52,061	SHRINKAGE FACTOR = 24.29 %				

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	60,829	4,520	5,374	0	70,723	3,212	407	67,104
2013	48,684	3,678	4,372	0	56,734	2,522	324	53,888
2014	30,796	2,367	2,814	0	35,977	1,536	207	34,234
2015	30,090	5,009	5,955	0	41,054	1,568	458	39,028
2016	24,231	4,189	4,980	0	33,400	1,229	377	31,794
2017	23,658	4,252	5,055	0	32,965	1,152	383	31,430
2018	23,712	4,440	5,277	0	33,429	1,119	395	31,915
2019	21,957	4,288	5,099	0	31,344	990	379	29,975
2020	19,783	4,040	4,802	0	28,625	833	353	27,439
2021	17,785	3,804	4,522	0	26,111	692	333	25,086
2022	15,873	3,565	4,238	0	23,676	581	312	22,783
2023	13,407	3,169	3,767	0	20,343	484	278	19,581
2024	11,715	2,922	3,474	0	18,111	417	256	17,438
2025	10,196	2,693	3,201	0	16,090	355	235	15,500
2026	8,832	2,478	2,946	0	14,256	302	217	13,737
Sub-Total	361,548	55,414	65,876	0	482,838	16,992	4,914	460,932
Remainder	32,025	11,284	13,415	0	56,724	1,012	988	54,724
Total Future	393,573	66,698	79,291	0	539,562	18,004	5,902	515,656

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	7,950	0	12,061	12,588	32,599	34,505	34,505	32,896
2013	5,861	0	15,656	10,091	31,608	22,280	56,785	19,256
2014	4,403	0	2,852	6,394	13,649	20,585	77,370	16,047
2015	2,873	0	1,038	6,981	10,892	28,136	105,506	19,876
2016	2,411	0	1,023	5,663	9,097	22,697	128,203	14,513
2017	2,518	0	243	5,574	8,335	23,095	151,298	13,374
2018	2,658	0	245	5,634	8,537	23,378	174,676	12,254
2019	2,663	0	202	5,266	8,131	21,844	196,520	10,367
2020	2,715	0	108	4,792	7,615	19,824	216,344	8,516
2021	2,777	0	111	4,355	7,243	17,843	234,187	6,939
2022	2,622	0	113	3,933	6,668	16,115	250,302	5,672
2023	2,559	0	113	3,365	6,037	13,544	263,846	4,317
2024	2,496	0	113	2,981	5,590	11,848	275,694	3,417
2025	2,490	0	124	2,636	5,250	10,250	285,944	2,676
2026	2,432	0	123	2,323	4,878	8,859	294,803	2,095
Sub-Total	49,428	0	34,125	82,576	166,129	294,803		172,215
Remainder	11,543	0	3,852	9,047	24,442	30,282	325,085	5,465
Total Future	60,971	0	37,977	91,623	190,571	325,085		177,680

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

TABLE 131

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 20-2 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
NON-PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.834558	0.834558	0.834558	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% -	13,813
12.00% -	10,799
15.00% -	7,552
20.00% -	4,285
25.00% -	2,514

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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		5,360	1,851	42	4,474	1,545	27	80.00	2.41
2018		18,034	6,467	148	15,115	5,421	93	80.00	2.41
2019		29,766	11,150	254	25,257	9,460	164	80.00	2.41
2020		37,965	14,894	341	32,918	12,914	223	80.00	2.41
2021		43,958	18,106	413	38,945	16,042	277	80.00	2.41
2022		48,066	20,842	476	43,364	18,802	326	80.00	2.41
2023		50,571	23,148	528	44,061	20,169	348	80.00	2.41
2024		51,723	25,073	573	45,204	21,913	379	80.00	2.41
2025		51,738	26,654	608	45,296	23,335	403	80.00	2.41
2026		50,813	27,930	638	44,567	24,497	424	80.00	2.41
Sub-Total		387,994	176,115	4,021	339,201	154,098	2,664	80.00	2.41
Remainder		251,394	181,074	4,134	222,914	160,812	2,780	80.00	2.41
Total Future		639,388	357,189	8,155	562,115	314,910	5,444	80.00	2.41
Cumulative		0	0	0					
Ultimate		639,388	357,189	8,155					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	358	54	64	0	476	22	5	449
2018	1,209	190	226	0	1,625	74	19	1,532
2019	2,021	331	393	0	2,745	119	32	2,594
2020	2,633	452	538	0	3,623	148	43	3,432
2021	3,116	561	667	0	4,344	168	53	4,123
2022	3,469	658	783	0	4,910	183	61	4,666
2023	3,525	706	839	0	5,070	181	65	4,824
2024	3,616	767	912	0	5,295	181	70	5,044
2025	3,624	817	970	0	5,411	176	74	5,161
2026	3,565	857	1,020	0	5,442	166	77	5,199
Sub-Total	27,136	5,393	6,412	0	38,941	1,418	499	37,024
Remainder	17,833	5,629	6,691	0	30,153	672	494	28,987
Total Future	44,969	11,022	13,103	0	69,094	2,090	993	66,011

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	16	0	0	82	98	351	351	200
2018	54	0	0	277	331	1,201	1,552	625
2019	91	0	0	467	558	2,036	3,588	963
2020	119	0	0	615	734	2,698	6,286	1,156
2021	140	0	0	734	874	3,249	9,535	1,260
2022	159	0	0	827	986	3,680	13,215	1,293
2023	171	0	0	850	1,021	3,803	17,018	1,210
2024	180	0	0	884	1,064	3,980	20,998	1,146
2025	187	0	0	898	1,085	4,076	25,074	1,063
2026	190	0	0	899	1,089	4,110	29,184	970
Sub-Total	1,307	0	0	6,533	7,840	29,184		9,886
Remainder	1,110	0	0	4,860	5,970	23,017	52,201	3,927
Total Future	2,417	0	0	11,393	13,810	52,201		13,813

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

TABLE 132

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN — GAS LEASE
ZHAIKMUNIA – OPERATOR — PROVED
NE WELL #215 (BISKI/AFONINSKI) — PRODUCING

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41
FINAL	1.000000	0.884899	0.884899	0.884899	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	209,498
12.00% –	193,987
15.00% –	174,080
20.00% –	147,901
25.00% –	128,119

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	1,136,269	194,458	4,440	1,068,289	182,825	3,160	80.00	2.41
2013	1	894,424	158,107	3,609	841,647	148,777	2,572	80.00	2.41
2014	1	589,304	107,715	2,460	523,682	95,721	1,655	80.00	2.41
2015	1	536,647	231,620	5,288	469,430	202,608	3,502	80.00	2.41
2016	1	428,781	201,231	4,594	361,011	169,426	2,929	80.00	2.41
2017	1	401,013	206,119	4,706	334,608	171,986	2,973	80.00	2.41
2018	1	375,772	213,559	4,876	315,931	179,551	3,104	80.00	2.41
2019	1	319,372	202,971	4,634	272,954	173,470	2,998	80.00	2.41
2020	1	259,070	186,732	4,263	226,685	163,391	2,825	80.00	2.41
2021	1	206,371	171,794	3,922	184,829	153,860	2,659	80.00	2.41
2022	1	160,447	158,051	3,609	146,366	144,181	2,493	80.00	2.41
2023	1	120,550	145,406	3,320	106,262	128,173	2,215	80.00	2.41
2024	1	86,009	133,774	3,054	75,993	118,195	2,044	80.00	2.41
2025	1	5,339	9,863	225	4,725	8,728	150	80.00	2.41
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		5,519,368	2,321,400	53,000	4,932,412	2,040,892	35,279	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		5,519,368	2,321,400	53,000	4,932,412	2,040,892	35,279	80.00	2.41
Cumulative		551,856	0	4,335					
Ultimate		6,071,224	2,321,400	57,335					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	85,463	6,399	7,607	0	99,469	4,512	576	94,381
2013	67,332	5,207	6,190	0	78,729	3,488	459	74,782
2014	41,894	3,350	3,983	0	49,227	2,091	293	46,843
2015	37,555	7,092	8,430	0	53,077	1,956	648	50,473
2016	28,881	5,929	7,050	0	41,860	1,465	534	39,861
2017	26,768	6,020	7,156	0	39,944	1,303	542	38,099
2018	25,275	6,284	7,471	0	39,030	1,193	560	37,277
2019	21,836	6,072	7,217	0	35,125	985	535	33,605
2020	18,135	5,718	6,799	0	30,652	764	501	29,387
2021	14,786	5,386	6,402	0	26,574	575	471	25,528
2022	11,710	5,046	5,999	0	22,755	428	442	21,885
2023	8,501	4,486	5,333	0	18,320	307	393	17,620
2024	6,079	4,137	4,918	0	15,134	217	362	14,555
2025	378	305	363	0	1,046	13	27	1,006
2026	0	0	0	0	0	0	0	0
Sub-Total	394,593	71,431	84,918	0	550,942	19,297	6,343	525,302
Remainder	0	0	0	0	0	0	0	0
Total Future	394,593	71,431	84,918	0	550,942	19,297	6,343	525,302

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	11,186	0	16,955	17,699	45,840	48,541	48,541	46,283
2013	8,144	0	21,716	13,989	43,849	30,933	79,474	26,740
2014	6,040	0	3,901	8,734	18,675	28,168	107,642	21,963
2015	3,766	0	1,341	8,940	14,047	36,426	144,068	25,736
2016	3,080	0	1,283	7,005	11,368	28,493	172,561	18,225
2017	3,125	0	295	6,635	10,055	28,044	200,605	16,245
2018	3,197	0	287	6,427	9,911	27,366	227,971	14,350
2019	3,090	0	225	5,728	9,043	24,562	252,533	11,660
2020	3,022	0	116	4,940	8,078	21,309	273,842	9,158
2021	2,950	0	114	4,225	7,289	18,239	292,081	7,096
2022	2,650	0	108	3,558	6,316	15,569	307,650	5,482
2023	2,440	0	102	2,806	5,348	12,272	319,922	3,913
2024	2,227	0	95	2,260	4,582	9,973	329,895	2,879
2025	164	0	200	153	517	489	330,384	136
2026	0	0	0	0	0	0	330,384	0
Sub-Total	55,081	0	46,738	93,099	194,918	330,384		209,866
Remainder	0	0	2,969	0	2,969	–2,969	327,415	–368
Total Future	55,081	0	49,707	93,099	197,887	327,415		209,498

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

TABLE 133

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL #215 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
NON-PRODUCING

	Revenue Interests: Expense Interest	Oil/Condensate	Plant Products	Gas	Product Prices: Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.930729	0.930729	0.930729	80.00	35.00	2.41
FINAL	1.000000	0.879157	0.879157	0.879157	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M: COMPOUNDED	MONTHLY
10.00% -	88,839
12.00% -	78,587
15.00% -	66,469
20.00% -	52,338
25.00% -	43,020

Period	Number of Wells	Estimated 8/8 ths Production: Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Company Net Sales: Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	Average Prices: Oil/Cond. $/bbl.	Gas $/MCF
2012		224,431	38,320	875	208,884	35,666	617	80.00	2.41
2013		177,520	31,156	711	169,159	29,688	513	80.00	2.41
2014		117,565	21,227	485	111,093	20,058	346	80.00	2.41
2015		110,077	45,643	1,042	97,333	40,359	698	80.00	2.41
2016		89,327	39,654	905	74,439	33,045	571	80.00	2.41
2017		97,919	46,841	1,070	81,720	39,092	676	80.00	2.41
2018		123,846	64,104	1,463	103,807	53,732	929	80.00	2.41
2019		139,365	78,584	1,794	118,251	66,677	1,153	80.00	2.41
2020		144,029	89,189	2,037	124,884	77,335	1,336	80.00	2.41
2021		143,588	98,610	2,251	127,213	87,364	1,511	80.00	2.41
2022		138,742	106,946	2,442	125,169	96,484	1,667	80.00	2.41
2023		130,114	114,289	2,609	113,364	99,576	1,722	80.00	2.41
2024		118,262	120,728	2,756	103,357	105,512	1,824	80.00	2.41
2025	1	196,067	239,550	5,470	171,655	209,723	3,625	80.00	2.41
2026	1	161,918	244,424	5,580	142,014	214,380	3,706	80.00	2.41
Sub-Total		2,112,770	1,379,265	31,490	1,872,342	1,208,691	20,894	80.00	2.41
Remainder		41,020	73,450	1,677	36,064	64,574	1,116	80.00	2.41
Total Future		2,153,790	1,452,715	33,167	1,908,406	1,273,265	22,010	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,153,790	1,452,715	33,167					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	Company Future Gross Revenue (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	Royalty: Oil/Cond. - $M	Gas/P.P. - $	FGR After Royalty $M
2012	16,711	1,248	1,484	0	19,443	518	109	18,816
2013	13,532	1,039	1,235	0	15,806	495	91	15,220
2014	8,888	702	835	0	10,425	418	62	9,945
2015	7,787	1,413	1,679	0	10,879	476	136	10,267
2016	5,955	1,157	1,375	0	8,487	367	112	8,008
2017	6,537	1,368	1,627	0	9,532	402	134	8,996
2018	8,305	1,880	2,235	0	12,420	507	184	11,729
2019	9,460	2,334	2,775	0	14,569	557	227	13,785
2020	9,991	2,707	3,217	0	15,915	562	259	15,094
2021	10,177	3,058	3,635	0	16,870	550	287	16,033
2022	10,013	3,376	4,015	0	17,404	526	313	16,565
2023	9,069	3,486	4,143	0	16,698	466	322	15,910
2024	8,269	3,693	4,390	0	16,352	414	337	15,601
2025	13,732	7,340	8,726	0	29,798	669	665	28,464
2026	11,361	7,503	8,920	0	27,784	528	675	26,581
Sub-Total	149,787	42,304	50,291	0	242,382	7,455	3,913	231,014
Remainder	2,885	2,260	2,687	0	7,832	125	199	7,508
Total Future	152,672	44,564	52,978	0	250,214	7,580	4,112	238,522

Period	Deductions - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	Future Net Income Before Income Taxes-$M: Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	507	0	0	3,460	3,967	14,849	14,849	14,138
2013	404	0	0	2,809	3,213	12,007	26,856	10,349
2014	270	0	0	1,851	2,121	7,824	34,680	6,104
2015	354	0	0	1,838	2,192	8,075	42,755	5,704
2016	297	0	0	1,426	1,723	6,285	49,040	4,017
2017	339	0	0	1,593	1,932	7,064	56,104	4,081
2018	449	0	0	2,062	2,511	9,218	65,322	4,823
2019	529	0	0	2,401	2,930	10,855	76,177	5,141
2020	579	0	0	2,601	3,180	11,914	88,091	5,111
2021	615	0	0	2,731	3,346	12,687	100,778	4,926
2022	641	0	0	2,788	3,429	13,136	113,914	4,619
2023	655	0	0	2,640	3,295	12,615	126,529	4,016
2024	662	0	0	2,548	3,210	12,391	138,920	3,570
2025	1,251	0	0	4,559	5,810	22,654	161,574	5,902
2026	1,217	0	0	4,160	5,377	21,204	182,778	5,011
Sub-Total	8,769	0	0	39,467	48,236	182,778		87,512
Remainder	354	0	0	1,153	1,507	6,001	188,779	1,327
Total Future	9,123	0	0	40,620	49,743	188,779		88,839

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 134

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL #216 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.952899	0.952899	0.952899	80.00	35.00	2.41
FINAL	1.000000	0.867082	0.867082	0.867082	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	68,485
12.00% -	62,400
15.00% -	54,353
20.00% -	43,351
25.00% -	34,741

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013	1	391,535	67,232	1,535	373,094	64,065	1,107	80.00	2.41
2014	1	306,795	55,021	1,256	289,905	51,993	899	80.00	2.41
2015	1	627,752	118,312	2,701	555,076	104,614	1,809	80.00	2.41
2016	1	365,688	102,789	2,347	304,739	85,658	1,480	80.00	2.41
2017	1	194,008	107,942	2,465	161,911	90,083	1,558	80.00	2.41
2018	1	177,688	116,260	2,654	148,938	97,449	1,684	80.00	2.41
2019	1	139,222	110,641	2,526	118,129	93,879	1,623	80.00	2.41
2020	1	75,926	74,068	1,691	65,834	64,223	1,110	80.00	2.41
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		0	0	0	0	0	0	0.00	0.00
Sub-Total		2,278,614	752,265	17,175	2,017,626	651,964	11,270	80.00	2.41
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		2,278,614	752,265	17,175	2,017,626	651,964	11,270	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,278,614	752,265	17,175					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	29,847	2,242	2,666	0	34,755	1,092	196	33,467
2014	23,193	1,820	2,163	0	27,176	1,090	160	25,926
2015	44,406	3,662	4,353	0	52,421	2,714	352	49,355
2016	24,379	2,998	3,564	0	30,941	1,504	292	29,145
2017	12,953	3,152	3,748	0	19,853	795	308	18,750
2018	11,915	3,411	4,055	0	19,381	728	335	18,318
2019	9,450	3,286	3,906	0	16,642	557	318	15,767
2020	5,267	2,248	2,672	0	10,187	296	215	9,676
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0
Sub-Total	161,410	22,819	27,127	0	211,356	8,776	2,176	200,404
Remainder	0	0	0	0	0	0	0	0
Total Future	161,410	22,819	27,127	0	211,356	8,776	2,176	200,404

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	4,351	0	29,877	6,183	40,411	-6,944	-6,944	-6,030
2014	3,635	0	2,120	4,826	10,581	15,345	8,401	11,968
2015	3,482	0	662	9,288	13,432	35,923	44,324	25,375
2016	2,197	0	258	5,367	7,822	21,323	65,647	13,748
2017	1,566	0	60	3,276	4,902	13,848	79,495	8,021
2018	1,611	0	53	3,152	4,816	13,502	92,997	7,081
2019	1,499	0	44	2,657	4,200	11,567	104,564	5,493
2020	1,011	0	22	1,595	2,628	7,048	111,612	3,070
2021	0	0	200	0	200	-200	111,412	-80
2022	0	0	0	0	0	0	111,412	0
2023	0	0	0	0	0	0	111,412	0
2024	0	0	0	0	0	0	111,412	0
2025	0	0	0	0	0	0	111,412	0
2026	0	0	0	0	0	0	111,412	0
Sub-Total	19,352	0	33,296	36,344	88,992	111,412		68,646
Remainder	0	0	1,299	0	1,299	-1,299	110,113	-161
Total Future	19,352	0	34,595	36,344	90,291	110,113		68,485

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ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE WELL 27-1 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.833330	0.833330	0.833330	80.00	35.00	2.41
FINAL	1.000000	0.879157	0.879157	0.879157	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	42,636
12.00% -	36,427
15.00% -	28,915
20.00% -	19,924
25.00% -	13,921

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	102,557	17,370	397	85,464	14,475	250	80.00	2.41
2017	1	317,882	55,021	1,256	265,291	45,918	794	80.00	2.41
2018	1	278,053	60,394	1,379	233,064	50,622	875	80.00	2.41
2019	1	148,704	61,240	1,398	126,174	51,963	898	80.00	2.41
2020	1	134,288	60,016	1,370	116,439	52,038	900	80.00	2.41
2021	1	119,988	58,612	1,338	106,304	51,927	897	80.00	2.41
2022	1	101,588	54,698	1,249	91,650	49,347	853	80.00	2.41
2023	1	83,867	50,321	1,149	73,071	43,844	758	80.00	2.41
2024	1	68,332	46,297	1,057	59,719	40,461	700	80.00	2.41
2025	1	54,745	42,592	972	47,929	37,289	644	80.00	2.41
2026	1	42,896	39,185	895	37,623	34,369	595	80.00	2.41
Sub-Total		1,452,900	545,746	12,460	1,242,728	472,253	8,164	80.00	2.41
Remainder		13,283	13,799	315	11,678	12,131	209	80.00	2.41
Total Future		1,466,183	559,545	12,775	1,254,406	484,384	8,373	80.00	2.41
Cumulative		0	0	0					
Ultimate		1,466,183	559,545	12,775					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	6,837	507	602	0	7,946	422	49	7,475
2017	21,223	1,607	1,911	0	24,741	1,303	157	23,281
2018	18,645	1,772	2,106	0	22,523	1,139	174	21,210
2019	10,094	1,818	2,162	0	14,074	595	176	13,303
2020	9,316	1,822	2,165	0	13,303	523	175	12,605
2021	8,504	1,817	2,161	0	12,482	460	170	11,852
2022	7,332	1,727	2,053	0	11,112	385	160	10,567
2023	5,846	1,535	1,825	0	9,206	301	142	8,763
2024	4,777	1,416	1,683	0	7,876	239	129	7,508
2025	3,834	1,305	1,552	0	6,691	187	119	6,385
2026	3,010	1,203	1,430	0	5,643	140	108	5,395
Sub-Total	99,418	16,529	19,650	0	135,597	5,694	1,559	128,344
Remainder	934	424	504	0	1,862	40	37	1,785
Total Future	100,352	16,953	20,154	0	137,459	5,734	1,596	130,129

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	231	0	4,000	1,414	5,645	1,830	1,830	1,079
2017	721	0	0	4,401	5,122	18,159	19,989	10,510
2018	678	0	0	3,963	4,641	16,569	36,558	8,730
2019	476	0	0	2,379	2,855	10,448	47,006	4,956
2020	449	0	0	2,235	2,684	9,921	56,927	4,260
2021	421	0	0	2,082	2,503	9,349	66,276	3,634
2022	376	0	0	1,838	2,214	8,353	74,629	2,941
2023	331	0	0	1,509	1,840	6,923	81,552	2,206
2024	290	0	0	1,277	1,567	5,941	87,493	1,714
2025	254	0	0	1,071	1,325	5,060	92,553	1,322
2026	222	0	0	888	1,110	4,285	96,838	1,012
Sub-Total	4,449	0	4,000	23,057	31,506	96,838		42,364
Remainder	75	0	200	290	565	1,220	98,058	272
Total Future	4,524	0	4,200	23,347	32,071	98,058		42,636

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

TABLE 136

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE AF_15 (AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	REVENUE INTERESTS				PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	61,075
12.00% –	52,314
15.00% –	41,701
20.00% –	28,861
25.00% –	20,066

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	87,579	21,640	494	82,758	20,448	353	80.00	2.41
2015	1	373,393	93,260	2,129	330,164	82,464	1,426	80.00	2.41
2016	1	319,704	81,025	1,850	266,419	67,520	1,167	80.00	2.41
2017	1	287,881	85,086	1,943	240,254	71,010	1,228	80.00	2.41
2018	1	168,019	93,396	2,132	140,833	78,284	1,353	80.00	2.41
2019	1	163,379	93,830	2,142	138,626	79,614	1,376	80.00	2.41
2020	1	144,971	86,117	1,966	125,702	74,671	1,291	80.00	2.41
2021	1	127,240	78,281	1,788	112,729	69,353	1,199	80.00	2.41
2022	1	111,535	71,157	1,624	100,624	64,196	1,109	80.00	2.41
2023	1	97,636	64,681	1,477	85,067	56,355	975	80.00	2.41
2024	1	85,342	58,796	1,342	74,586	51,385	888	80.00	2.41
2025	1	74,477	53,445	1,221	65,204	46,791	809	80.00	2.41
2026	1	64,884	48,582	1,109	56,908	42,610	736	80.00	2.41
Sub-Total		2,106,040	929,296	21,217	1,819,874	804,701	13,910	80.00	2.41
Remainder		242,964	211,517	4,829	215,218	187,514	3,242	80.00	2.41
Total Future		2,349,004	1,140,813	26,046	2,035,092	992,215	17,152	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,349,004	1,140,813	26,046					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	6,621	716	851	0	8,188	311	63	7,814
2015	26,413	2,886	3,431	0	32,730	1,614	278	30,838
2016	21,313	2,363	2,809	0	26,485	1,315	230	24,940
2017	19,221	2,485	2,955	0	24,661	1,180	242	23,239
2018	11,266	2,740	3,257	0	17,263	689	269	16,305
2019	11,090	2,787	3,313	0	17,190	653	270	16,267
2020	10,056	2,613	3,107	0	15,776	565	250	14,961
2021	9,019	2,428	2,885	0	14,332	488	228	13,616
2022	8,050	2,247	2,671	0	12,968	422	209	12,337
2023	6,805	1,972	2,345	0	11,122	350	182	10,590
2024	5,967	1,798	2,138	0	9,903	299	164	9,440
2025	5,216	1,638	1,947	0	8,801	254	148	8,399
2026	4,553	1,492	1,773	0	7,818	212	135	7,471
Sub-Total	145,590	28,165	33,482	0	207,237	8,352	2,668	196,217
Remainder	17,217	6,563	7,802	0	31,582	655	575	30,352
Total Future	162,807	34,728	41,284	0	238,819	9,007	3,243	226,569

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	-14,610	-14,610	-12,740
2014	938	0	1,288	1,431	3,657	4,157	-10,453	3,138
2015	2,224	0	415	5,717	8,356	22,482	12,029	15,878
2016	1,873	0	328	4,622	6,823	18,117	30,146	11,582
2017	1,814	0	83	4,265	6,162	17,077	47,223	9,925
2018	1,410	0	47	2,848	4,305	12,000	59,223	6,287
2019	1,498	0	47	2,829	4,374	11,893	71,116	5,642
2020	1,526	0	24	2,588	4,138	10,823	81,939	4,650
2021	1,548	0	27	2,343	3,918	9,698	91,637	3,771
2022	1,457	0	27	2,114	3,598	8,739	100,376	3,076
2023	1,417	0	29	1,807	3,253	7,337	107,713	2,338
2024	1,381	0	28	1,603	3,012	6,428	114,141	1,854
2025	1,378	0	29	1,419	2,826	5,573	119,714	1,455
2026	1,349	0	29	1,256	2,634	4,837	124,551	1,144
Sub-Total	19,813	0	17,011	34,842	71,666	124,551		58,000
Remainder	6,497	0	1,693	4,998	13,188	17,164	141,715	3,075
Total Future	26,310	0	18,704	39,840	84,854	141,715		61,075

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 137

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE AF_16 (AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.884228	0.884228	0.884228	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	53,174
12.00% –	45,152
15.00% –	35,633
20.00% –	24,491
25.00% –	17,177

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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	221,768	54,844	1,252	196,094	48,494	838	80.00	2.41
2016	1	327,562	81,999	1,872	272,966	68,333	1,182	80.00	2.41
2017	1	178,471	86,109	1,966	148,945	71,863	1,242	80.00	2.41
2018	1	173,929	94,519	2,158	145,787	79,225	1,369	80.00	2.41
2019	1	170,437	95,842	2,188	144,615	81,322	1,406	80.00	2.41
2020	1	159,218	92,749	2,118	138,055	80,421	1,390	80.00	2.41
2021	1	140,465	84,876	1,938	124,446	75,196	1,300	80.00	2.41
2022	1	122,909	77,152	1,761	110,885	69,605	1,203	80.00	2.41
2023	1	107,386	70,131	1,601	93,562	61,103	1,057	80.00	2.41
2024	1	93,669	63,750	1,456	81,863	55,714	963	80.00	2.41
2025	1	81,560	57,948	1,323	71,406	50,733	877	80.00	2.41
2026	1	70,880	52,675	1,202	62,167	46,201	798	80.00	2.41
Sub-Total		1,848,254	912,594	20,835	1,590,791	788,210	13,625	80.00	2.41
Remainder		262,864	229,339	5,237	232,833	203,313	3,515	80.00	2.41
Total Future		2,111,118	1,141,933	26,072	1,823,624	991,523	17,140	80.00	2.41
Cumulative		0	0	0					
Ultimate		2,111,118	1,141,933	26,072					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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	15,688	1,697	2,018	0	19,403	959	163	18,281
2016	21,837	2,392	2,843	0	27,072	1,347	233	25,492
2017	11,915	2,515	2,990	0	17,420	731	246	16,443
2018	11,663	2,773	3,296	0	17,732	713	272	16,747
2019	11,570	2,846	3,384	0	17,800	682	276	16,842
2020	11,044	2,815	3,346	0	17,205	620	269	16,316
2021	9,956	2,632	3,129	0	15,717	539	247	14,931
2022	8,870	2,436	2,896	0	14,202	466	226	13,510
2023	7,485	2,139	2,543	0	12,167	384	198	11,585
2024	6,549	1,950	2,318	0	10,817	328	178	10,311
2025	5,713	1,775	2,111	0	9,599	279	161	9,159
2026	4,973	1,617	1,922	0	8,512	231	145	8,136
Sub-Total	127,263	27,587	32,796	0	187,646	7,279	2,614	177,753
Remainder	18,627	7,116	8,459	0	34,202	709	624	32,869
Total Future	145,890	34,703	41,255	0	221,848	7,988	3,238	210,622

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,306	0	15,035	3,391	19,732	-1,451	-1,451	-1,347
2016	1,912	0	335	4,728	6,975	18,517	17,066	11,837
2017	1,348	0	50	2,908	4,306	12,137	29,203	7,043
2018	1,445	0	48	2,932	4,425	12,322	41,525	6,456
2019	1,548	0	48	2,934	4,530	12,312	53,837	5,839
2020	1,661	0	27	2,827	4,515	11,801	65,638	5,069
2021	1,696	0	29	2,575	4,300	10,631	76,269	4,134
2022	1,593	0	30	2,318	3,941	9,569	85,838	3,368
2023	1,549	0	31	1,979	3,559	8,026	93,864	2,557
2024	1,507	0	31	1,753	3,291	7,020	100,884	2,025
2025	1,502	0	32	1,549	3,083	6,076	106,960	1,587
2026	1,468	0	31	1,368	2,867	5,269	112,229	1,246
Sub-Total	18,535	0	15,727	31,262	65,524	112,229		49,814
Remainder	7,041	0	1,602	5,412	14,055	18,814	131,043	3,360
Total Future	25,576	0	17,329	36,674	79,579	131,043		53,174

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

TABLE 138

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_17 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	Revenue Interests: Oil/Condensate	Plant Products	Gas	Product Prices: Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	145,195
12.00% -	126,068
15.00% -	102,916
20.00% -	74,890
25.00% -	55,618

Period	Number of Wells	Estimated 8/8 ths Production: Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Company Net Sales: Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	Average Prices: Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	182,655	45,086	1,029	172,600	42,604	736	80.00	2.41
2015	1	781,148	194,309	4,437	690,713	171,813	2,970	80.00	2.41
2016	1	671,641	168,815	3,854	559,698	140,679	2,432	80.00	2.41
2017	1	578,630	177,277	4,047	482,900	147,948	2,558	80.00	2.41
2018	1	362,832	194,590	4,443	304,126	163,105	2,819	80.00	2.41
2019	1	356,421	195,497	4,463	302,422	165,878	2,868	80.00	2.41
2020	1	319,685	179,425	4,097	277,193	155,576	2,689	80.00	2.41
2021	1	283,813	163,097	3,724	251,445	144,497	2,498	80.00	2.41
2022	1	251,823	148,256	3,384	227,189	133,753	2,312	80.00	2.41
2023	1	223,305	134,764	3,077	194,558	117,416	2,030	80.00	2.41
2024	1	197,891	122,501	2,797	172,948	107,060	1,850	80.00	2.41
2025	1	175,254	111,353	2,542	153,434	97,489	1,686	80.00	2.41
2026	1	155,098	101,221	2,311	136,033	88,778	1,534	80.00	2.41
Sub-Total		4,540,196	1,936,191	44,205	3,925,259	1,676,596	28,982	80.00	2.41
Remainder		616,221	440,697	10,062	546,032	390,687	6,754	80.00	2.41
Total Future		5,156,417	2,376,888	54,267	4,471,291	2,067,283	35,736	80.00	2.41
Cumulative		0	0	0					
Ultimate		5,156,417	2,376,888	54,267					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	Company Future Gross Revenue (FGR) - $M: From Oil/Cond.	From Plant Products	From Gas	Other	Total	Royalty: Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	13,808	1,491	1,773	0	17,072	649	131	16,292
2015	55,257	6,014	7,149	0	68,420	3,376	579	64,465
2016	44,776	4,923	5,853	0	55,552	2,763	479	52,310
2017	38,632	5,179	6,156	0	49,967	2,372	506	47,089
2018	24,330	5,708	6,786	0	36,824	1,486	560	34,778
2019	24,194	5,806	6,902	0	36,902	1,425	563	34,914
2020	22,175	5,445	6,473	0	34,093	1,247	520	32,326
2021	20,116	5,058	6,013	0	31,187	1,088	475	29,624
2022	18,175	4,681	5,565	0	28,421	954	435	27,032
2023	15,565	4,109	4,885	0	24,559	800	379	23,380
2024	13,835	3,748	4,455	0	22,038	693	342	21,003
2025	12,275	3,412	4,056	0	19,743	598	309	18,836
2026	10,883	3,107	3,694	0	17,684	506	280	16,898
Sub-Total	314,021	58,681	69,760	0	442,462	17,957	5,558	418,947
Remainder	43,682	13,674	16,256	0	73,612	1,658	1,198	70,756
Total Future	357,703	72,355	86,016	0	516,074	19,615	6,756	489,703

Period	Deductions - $M: Operating Costs	Other Taxes	Development Costs	Transportation	Total	Future Net Income Before Income Taxes-$M: Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,956	0	17,294	2,984	22,234	-5,942	-5,942	-5,179
2015	4,647	0	868	11,953	17,468	46,997	41,055	33,187
2016	3,925	0	688	9,700	14,313	37,997	79,052	24,292
2017	3,682	0	174	8,621	12,477	34,612	113,664	20,134
2018	2,997	0	101	6,095	9,193	25,585	139,249	13,403
2019	3,201	0	99	6,096	9,396	25,518	164,767	12,106
2020	3,279	0	54	5,621	8,954	23,372	188,139	10,041
2021	3,351	0	58	5,130	8,539	21,085	209,224	8,198
2022	3,172	0	60	4,666	7,898	19,134	228,358	6,735
2023	3,107	0	62	4,024	7,193	16,187	244,545	5,157
2024	3,051	0	63	3,602	6,716	14,287	258,832	4,121
2025	3,068	0	65	3,219	6,352	12,484	271,316	3,260
2026	3,027	0	66	2,877	5,970	10,928	282,244	2,583
Sub-Total	42,463	0	19,652	74,588	136,703	282,244		138,038
Remainder	15,058	0	3,604	11,873	30,535	40,221	322,465	7,157
Total Future	57,521	0	23,256	86,461	167,238	322,465		145,195

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 139

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_18 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	135,529
12.00% -	117,337
15.00% -	95,421
20.00% -	69,074
25.00% -	51,101

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	182,655	45,086	1,029	172,600	42,604	736	80.00	2.41
2015	1	781,148	194,309	4,437	690,713	171,813	2,970	80.00	2.41
2016	1	557,985	168,815	3,854	464,986	140,679	2,432	80.00	2.41
2017	1	337,920	177,277	4,047	282,013	147,948	2,558	80.00	2.41
2018	1	362,832	194,590	4,443	304,126	163,105	2,819	80.00	2.41
2019	1	356,421	195,497	4,463	302,421	165,878	2,868	80.00	2.41
2020	1	319,685	179,425	4,097	277,193	155,576	2,689	80.00	2.41
2021	1	283,813	163,097	3,724	251,446	144,497	2,498	80.00	2.41
2022	1	251,823	148,256	3,384	227,189	133,753	2,312	80.00	2.41
2023	1	223,305	134,764	3,077	194,558	117,416	2,030	80.00	2.41
2024	1	197,891	122,501	2,797	172,948	107,060	1,850	80.00	2.41
2025	1	175,254	111,353	2,542	153,434	97,489	1,686	80.00	2.41
2026	1	155,098	101,221	2,311	136,033	88,778	1,534	80.00	2.41
Sub-Total		4,185,830	1,936,191	44,205	3,629,660	1,676,596	28,982	80.00	2.41
Remainder		616,221	440,697	10,062	546,032	390,687	6,754	80.00	2.41
Total Future		4,802,051	2,376,888	54,267	4,175,692	2,067,283	35,736	80.00	2.41
Cumulative		0	0	0					
Ultimate		4,802,051	2,376,888	54,267					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	13,808	1,491	1,773	0	17,072	649	131	16,292
2015	55,257	6,014	7,149	0	68,420	3,376	579	64,465
2016	37,199	4,923	5,853	0	47,975	2,295	479	45,201
2017	22,561	5,179	6,156	0	33,896	1,386	506	32,004
2018	24,330	5,708	6,786	0	36,824	1,486	560	34,778
2019	24,194	5,806	6,902	0	36,902	1,425	563	34,914
2020	22,175	5,445	6,473	0	34,093	1,246	520	32,327
2021	20,116	5,058	6,013	0	31,187	1,089	475	29,623
2022	18,175	4,681	5,565	0	28,421	954	435	27,032
2023	15,565	4,109	4,885	0	24,559	800	379	23,380
2024	13,835	3,748	4,455	0	22,038	693	342	21,003
2025	12,275	3,412	4,056	0	19,743	598	309	18,836
2026	10,883	3,107	3,694	0	17,684	506	280	16,898
Sub-Total	290,373	58,681	69,760	0	418,814	16,503	5,558	396,753
Remainder	43,682	13,674	16,256	0	73,612	1,658	1,198	70,756
Total Future	334,055	72,355	86,016	0	492,426	18,161	6,756	467,509

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	1,956	0	17,294	2,984	22,234	-5,942	-5,942	-5,179
2015	4,647	0	868	11,953	17,468	46,997	41,055	33,187
2016	3,444	0	688	8,285	12,417	32,784	73,839	21,070
2017	2,656	0	103	5,620	8,379	23,625	97,464	13,672
2018	2,998	0	101	6,095	9,194	25,584	123,048	13,403
2019	3,200	0	99	6,095	9,394	25,520	148,568	12,106
2020	3,279	0	53	5,621	8,953	23,374	171,942	10,041
2021	3,351	0	58	5,131	8,540	21,083	193,025	8,198
2022	3,172	0	61	4,666	7,899	19,133	212,158	6,735
2023	3,108	0	62	4,024	7,194	16,186	228,344	5,157
2024	3,050	0	63	3,602	6,715	14,288	242,632	4,121
2025	3,068	0	65	3,219	6,352	12,484	255,116	3,260
2026	3,027	0	66	2,877	5,970	10,928	266,044	2,583
Sub-Total	40,956	0	19,581	70,172	130,709	266,044		128,354
Remainder	15,059	0	3,459	11,873	30,391	40,365	306,409	7,175
Total Future	56,015	0	23,040	82,045	161,100	306,409		135,529

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

TABLE 140

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
NE BS_AF_19 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.888645	0.888645	0.888645	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M

COMPOUNDED	MONTHLY
10.00% –	150,967
12.00% –	130,185
15.00% –	105,344
20.00% –	75,795
25.00% –	55,850

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	182,655	45,086	1,029	162,316	40,066	693	80.00	2.41
2015	1	781,148	194,309	4,437	683,306	169,970	2,938	80.00	2.41
2016	1	586,457	168,815	3,854	493,766	142,134	2,457	80.00	2.41
2017	1	337,920	177,277	4,047	281,962	147,921	2,557	80.00	2.41
2018	1	362,832	194,590	4,443	305,052	163,602	2,828	80.00	2.41
2019	1	356,421	195,497	4,463	304,618	167,083	2,888	80.00	2.41
2020	1	319,685	179,425	4,097	279,724	156,996	2,714	80.00	2.41
2021	1	283,813	163,097	3,724	254,186	146,072	2,525	80.00	2.41
2022	1	251,823	148,256	3,384	229,723	135,245	2,338	80.00	2.41
2023	1	223,305	134,764	3,077	196,839	118,792	2,053	80.00	2.41
2024	1	197,891	122,501	2,797	174,846	108,235	1,871	80.00	2.41
2025	1	175,254	111,353	2,542	155,082	98,537	1,704	80.00	2.41
2026	1	155,098	101,221	2,311	137,295	89,602	1,549	80.00	2.41
Sub-Total		4,214,302	1,936,191	44,205	3,658,715	1,684,255	29,115	80.00	2.41
Remainder		616,221	440,697	10,062	548,444	392,369	6,782	80.00	2.41
Total Future		4,830,523	2,376,888	54,267	4,207,159	2,076,624	35,897	80.00	2.41
Cumulative		0	0	0					
Ultimate		4,830,523	2,376,888	54,267					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	12,985	1,402	1,667	0	16,054	648	123	15,283
2015	54,665	5,949	7,072	0	67,686	2,848	543	64,295
2016	39,501	4,975	5,914	0	50,390	2,003	448	47,939
2017	22,557	5,177	6,155	0	33,889	1,098	466	32,325
2018	24,404	5,726	6,807	0	36,937	1,152	510	35,275
2019	24,370	5,848	6,952	0	37,170	1,099	516	35,555
2020	22,378	5,495	6,532	0	34,405	942	481	32,982
2021	20,334	5,113	6,078	0	31,525	791	448	30,286
2022	18,378	4,733	5,627	0	28,738	673	414	27,651
2023	15,747	4,158	4,943	0	24,848	568	364	23,916
2024	13,988	3,788	4,504	0	22,280	498	332	21,450
2025	12,407	3,449	4,100	0	19,956	432	302	19,222
2026	10,983	3,136	3,728	0	17,847	376	274	17,197
Sub-Total	292,697	58,949	70,079	0	421,725	13,128	5,221	403,376
Remainder	43,876	13,733	16,325	0	73,934	1,383	1,203	71,348
Total Future	336,573	72,682	86,404	0	495,659	14,511	6,424	474,724

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	467	0	17,173	2,806	20,446	–5,163	–5,163	–4,581
2015	2,003	0	1,706	11,825	15,534	48,761	43,598	34,439
2016	1,593	0	1,715	8,729	12,037	35,902	79,500	23,055
2017	1,233	0	251	5,619	7,103	25,222	104,722	14,595
2018	1,340	0	273	6,113	7,726	27,549	132,271	14,432
2019	1,333	0	241	6,140	7,714	27,841	160,112	13,205
2020	1,212	0	130	5,672	7,014	25,968	186,080	11,153
2021	1,091	0	135	5,187	6,413	23,873	209,953	9,282
2022	982	0	137	4,718	5,837	21,814	231,767	7,678
2023	883	0	138	4,071	5,092	18,824	250,591	5,996
2024	795	0	139	3,641	4,575	16,875	267,466	4,867
2025	716	0	154	3,254	4,124	15,098	282,564	3,941
2026	643	0	154	2,903	3,700	13,497	296,061	3,190
Sub-Total	14,291	0	22,346	70,678	107,315	296,061		141,252
Remainder	2,709	0	1,119	11,926	15,754	55,594	351,655	9,715
Total Future	17,000	0	23,465	82,604	123,069	351,655		150,967

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

TABLE 141

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_20 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.888645	0.888645	0.888645	80.00	35.00	2.41
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	151,701
12.00% -	130,600
15.00% -	105,330
20.00% -	75,185
25.00% -	54,769

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	182,655	45,086	1,029	162,316	40,066	693	80.00	2.41
2015	1	781,148	194,309	4,437	683,306	169,970	2,938	80.00	2.41
2016	1	643,285	168,815	3,854	541,612	142,134	2,457	80.00	2.41
2017	1	337,919	177,277	4,047	281,962	147,921	2,557	80.00	2.41
2018	1	362,833	194,590	4,443	305,052	163,602	2,828	80.00	2.41
2019	1	356,421	195,497	4,463	304,618	167,083	2,888	80.00	2.41
2020	1	319,685	179,425	4,097	279,724	156,996	2,714	80.00	2.41
2021	1	283,813	163,097	3,724	254,186	146,072	2,525	80.00	2.41
2022	1	251,823	148,256	3,384	229,723	135,245	2,338	80.00	2.41
2023	1	223,305	134,764	3,077	196,839	118,792	2,053	80.00	2.41
2024	1	197,891	122,501	2,797	174,846	108,235	1,871	80.00	2.41
2025	1	175,254	111,353	2,542	155,082	98,537	1,704	80.00	2.41
2026	1	155,098	101,221	2,311	137,295	89,602	1,549	80.00	2.41
Sub-Total		4,271,130	1,936,191	44,205	3,706,561	1,684,255	29,115	80.00	2.41
Remainder		616,221	440,697	10,062	548,444	392,369	6,782	80.00	2.41
Total Future		4,887,351	2,376,888	54,267	4,255,005	2,076,624	35,897	80.00	2.41
Cumulative		0	0	0					
Ultimate		4,887,351	2,376,888	54,267					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	12,985	1,402	1,667	0	16,054	648	123	15,283
2015	54,665	5,949	7,072	0	67,686	2,848	543	64,295
2016	43,329	4,975	5,914	0	54,218	2,197	448	51,573
2017	22,557	5,177	6,155	0	33,889	1,098	466	32,325
2018	24,404	5,726	6,807	0	36,937	1,152	510	35,275
2019	24,369	5,848	6,952	0	37,169	1,099	516	35,554
2020	22,378	5,495	6,532	0	34,405	942	481	32,982
2021	20,335	5,113	6,078	0	31,526	791	448	30,287
2022	18,378	4,733	5,627	0	28,738	673	414	27,651
2023	15,747	4,158	4,943	0	24,848	568	364	23,916
2024	13,988	3,788	4,504	0	22,280	498	332	21,450
2025	12,406	3,449	4,100	0	19,955	432	302	19,221
2026	10,984	3,136	3,728	0	17,848	376	274	17,198
Sub-Total	296,525	58,949	70,079	0	425,553	13,322	5,221	407,010
Remainder	43,875	13,733	16,325	0	73,933	1,383	1,203	71,347
Total Future	340,400	72,682	86,404	0	499,486	14,705	6,424	478,357

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	-14,610	-14,610	-12,740
2014	467	0	2,563	2,806	5,836	9,447	-5,163	7,145
2015	2,003	0	1,706	11,825	15,534	48,761	43,598	34,438
2016	1,683	0	1,715	9,443	12,841	38,732	82,330	24,803
2017	1,233	0	251	5,620	7,104	25,221	107,551	14,595
2018	1,340	0	273	6,113	7,726	27,549	135,100	14,432
2019	1,333	0	241	6,140	7,714	27,840	162,940	13,205
2020	1,212	0	130	5,672	7,014	25,968	188,908	11,153
2021	1,091	0	135	5,187	6,413	23,874	212,782	9,282
2022	982	0	137	4,718	5,837	21,814	234,596	7,678
2023	883	0	138	4,070	5,091	18,825	253,421	5,997
2024	796	0	139	3,642	4,577	16,873	270,294	4,866
2025	715	0	154	3,254	4,123	15,098	285,392	3,941
2026	644	0	154	2,903	3,701	13,497	298,889	3,190
Sub-Total	14,382	0	22,346	71,393	108,121	298,889		141,985
Remainder	2,708	0	1,119	11,925	15,752	55,595	354,484	9,716
Total Future	17,090	0	23,465	83,318	123,873	354,484		151,701

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

TABLE 142

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE 218 (BISKI/AFONINSKI)

GAS LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.940173	0.940173	0.940173	80.00	35.00	2.41	10.00% -	157,876
FINAL	1.000000	0.913492	0.913492	0.913492	80.00	35.00	2.41	12.00% -	139,868
REMARKS								15.00% -	118,173
								20.00% -	91,972
								25.00% -	73,851

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012	1	427,897	105,642	2,412	402,297	99,322	1,717	80.00	2.41
2013	1	519,540	129,163	2,949	488,884	121,542	2,101	80.00	2.41
2014	1	321,308	87,997	2,009	285,528	78,197	1,352	80.00	2.41
2015	1	364,084	189,218	4,320	318,482	165,518	2,861	80.00	2.41
2016	1	310,774	164,393	3,753	261,655	138,410	2,392	80.00	2.41
2017	1	316,564	170,483	3,893	264,143	142,252	2,459	80.00	2.41
2018	1	320,009	175,516	4,007	269,048	147,566	2,551	80.00	2.41
2019	1	294,857	164,766	3,762	252,002	140,819	2,435	80.00	2.41
2020	1	262,978	149,773	3,419	230,105	131,050	2,265	80.00	2.41
2021	1	234,458	136,143	3,108	209,983	121,931	2,108	80.00	2.41
2022	1	208,952	123,754	2,826	190,615	112,894	1,951	80.00	2.41
2023	1	186,145	112,493	2,568	164,083	99,160	1,714	80.00	2.41
2024	1	165,760	102,255	2,335	146,457	90,348	1,562	80.00	2.41
2025	1	147,544	92,951	2,122	130,561	82,251	1,422	80.00	2.41
2026	1	131,269	84,491	1,929	116,202	74,794	1,293	80.00	2.41
Sub-Total		4,212,139	1,989,038	45,412	3,730,045	1,746,054	30,183	80.00	2.41
Remainder		531,564	367,866	8,399	473,135	327,524	5,661	80.00	2.41
Total Future		4,743,703	2,356,904	53,811	4,203,180	2,073,578	35,844	80.00	2.41
Cumulative		0	0	0					
Ultimate		4,743,703	2,356,904	53,811					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	32,184	3,476	4,133	0	39,793	1,699	313	37,781
2013	39,110	4,254	5,057	0	48,421	2,026	375	46,020
2014	22,843	2,737	3,253	0	28,833	1,140	240	27,453
2015	25,478	5,793	6,887	0	38,158	1,327	528	36,303
2016	20,933	4,845	5,759	0	31,537	1,062	437	30,038
2017	21,131	4,978	5,919	0	32,028	1,029	448	30,551
2018	21,524	5,165	6,140	0	32,829	1,016	460	31,353
2019	20,160	4,929	5,859	0	30,948	909	435	29,604
2020	18,409	4,587	5,453	0	28,449	775	402	27,272
2021	16,798	4,267	5,073	0	26,138	653	373	25,112
2022	15,249	3,952	4,698	0	23,899	559	346	22,994
2023	13,127	3,470	4,125	0	20,722	473	304	19,945
2024	11,717	3,162	3,760	0	18,639	418	277	17,944
2025	10,444	2,879	3,422	0	16,745	363	252	16,130
2026	9,297	2,618	3,112	0	15,027	318	229	14,480
Sub-Total	298,404	61,112	72,650	0	432,166	13,767	5,419	412,980
Remainder	37,850	11,463	13,628	0	62,941	1,193	1,004	60,744
Total Future	336,254	72,575	86,278	0	495,107	14,960	6,423	473,724

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	1,094	0	24,858	6,955	32,907	4,874	4,874	4,839
2013	1,332	0	13,403	8,460	23,195	22,825	27,699	19,724
2014	855	0	2,460	5,009	8,324	19,129	46,828	14,980
2015	1,321	0	968	6,332	8,621	27,682	74,510	19,551
2016	1,139	0	970	5,226	7,335	22,703	97,213	14,516
2017	1,172	0	238	5,299	6,709	23,842	121,055	13,803
2018	1,197	0	242	5,423	6,862	24,491	145,546	12,836
2019	1,115	0	199	5,104	6,418	23,186	168,732	11,002
2020	1,005	0	107	4,684	5,796	21,476	190,208	9,222
2021	907	0	112	4,297	5,316	19,796	210,004	7,697
2022	817	0	114	3,921	4,852	18,142	228,146	6,385
2023	738	0	115	3,394	4,247	15,698	243,844	5,001
2024	664	0	117	3,048	3,829	14,115	257,959	4,071
2025	599	0	129	2,732	3,460	12,670	270,629	3,307
2026	541	0	129	2,448	3,118	11,362	281,991	2,685
Sub-Total	14,496	0	44,161	72,332	130,989	281,991		149,619
Remainder	2,288	0	982	10,183	13,453	47,291	329,282	8,257
Total Future	16,784	0	45,143	82,515	144,442	329,282		157,876

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 143

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE 217 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

		REVENUE INTERESTS			PRODUCT PRICES		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000	0.952899	0.952899	0.952899	80.00	35.00	2.41
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% -	130,357
12.00% -	112,921
15.00% -	91,792
20.00% -	66,163
25.00% -	48,495

		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
2012		0	0	0	0	0	0	0.00	0.00
2013	1	396,705	97,994	2,237	378,019	93,378	1,614	80.00	2.41
2014	1	358,126	89,153	2,036	338,412	84,245	1,456	80.00	2.41
2015	1	763,231	191,705	4,377	674,870	169,511	2,931	80.00	2.41
2016	1	657,138	166,553	3,802	547,613	138,794	2,399	80.00	2.41
2017	1	358,471	174,901	3,993	299,165	145,965	2,523	80.00	2.41
2018	1	347,585	188,556	4,305	291,345	158,048	2,732	80.00	2.41
2019	1	320,984	177,564	4,054	272,354	150,662	2,605	80.00	2.41
2020	1	286,006	161,406	3,685	247,990	139,952	2,419	80.00	2.41
2021	1	254,734	146,718	3,350	225,683	129,985	2,247	80.00	2.41
2022	1	226,787	133,366	3,045	204,602	120,320	2,080	80.00	2.41
2023	1	201,816	121,230	2,768	175,836	105,624	1,825	80.00	2.41
2024	1	179,513	110,198	2,516	156,886	96,308	1,665	80.00	2.41
2025	1	159,596	100,170	2,287	139,725	87,698	1,516	80.00	2.41
2026	1	141,818	91,055	2,079	124,386	79,863	1,381	80.00	2.41
Sub-Total		4,652,510	1,950,569	44,534	4,076,886	1,700,353	29,393	80.00	2.41
Remainder		571,783	396,439	9,051	506,696	351,450	6,075	80.00	2.41
Total Future		5,224,293	2,347,008	53,585	4,583,582	2,051,803	35,468	80.00	2.41
Cumulative		0	0	0					
Ultimate		5,224,293	2,347,008	53,585					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

	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
2012	0	0	0	0	0	0	0	0
2013	30,242	3,268	3,885	0	37,395	1,107	286	36,002
2014	27,072	2,949	3,506	0	33,527	1,272	258	31,997
2015	53,990	5,933	7,053	0	66,976	3,299	572	63,105
2016	43,809	4,857	5,775	0	54,441	2,703	473	51,265
2017	23,933	5,109	6,073	0	35,115	1,470	499	33,146
2018	23,308	5,532	6,576	0	35,416	1,424	542	33,450
2019	21,788	5,273	6,269	0	33,330	1,283	511	31,536
2020	19,839	4,898	5,823	0	30,560	1,115	469	28,976
2021	18,055	4,550	5,408	0	28,013	977	427	26,609
2022	16,368	4,211	5,007	0	25,586	859	391	24,336
2023	14,067	3,697	4,394	0	22,158	723	341	21,094
2024	12,551	3,371	4,008	0	19,930	629	308	18,993
2025	11,178	3,069	3,649	0	17,896	544	278	17,074
2026	9,951	2,795	3,322	0	16,068	463	252	15,353
Sub-Total	326,151	59,512	70,748	0	456,411	17,868	5,607	432,936
Remainder	40,536	12,301	14,624	0	67,461	1,538	1,078	64,845
Total Future	366,687	71,813	85,372	0	523,872	19,406	6,685	497,781

	DEDUCTIONS - $M					FUTURE NET INCOME BEFORE INCOME TAXES-$M		
						Undiscounted		Discounted
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Annual	Cumulative	@ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	4,416	0	50,371	6,536	61,323	-25,321	-25,321	-21,394
2014	4,536	0	2,625	5,857	13,018	18,979	-6,342	14,796
2015	4,552	0	850	11,694	17,096	46,009	39,667	32,490
2016	3,849	0	675	9,502	14,026	37,239	76,906	23,807
2017	2,720	0	100	5,857	8,677	24,469	101,375	14,198
2018	2,885	0	97	5,856	8,838	24,612	125,987	12,899
2019	2,892	0	89	5,502	8,483	23,053	149,040	10,939
2020	2,941	0	48	5,036	8,025	20,951	169,991	9,001
2021	3,010	0	52	4,607	7,669	18,940	188,931	7,364
2022	2,855	0	54	4,201	7,110	17,226	206,157	6,063
2023	2,803	0	56	3,632	6,491	14,603	220,760	4,653
2024	2,757	0	57	3,260	6,074	12,919	233,679	3,726
2025	2,779	0	59	2,921	5,759	11,315	244,994	2,954
2026	2,748	0	60	2,618	5,426	9,927	254,921	2,347
Sub-Total	45,743	0	55,193	77,079	178,015	254,921		123,843
Remainder	13,776	0	3,606	10,912	28,294	36,551	291,472	6,514
Total Future	59,519	0	58,799	87,991	206,309	291,472		130,357

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

TABLE 144

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA - OPERATOR
NE BS_AF_23 (BISKI/AFONINSKI)

GAS LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL	1.000000	0.944950	0.944950	0.944950	80.00	35.00	2.41	10.00% -	138,575
FINAL	1.000000	0.915474	0.915474	0.915474	80.00	35.00	2.41	12.00% -	119,852
REMARKS								15.00% -	97,224
								20.00% -	69,892
								25.00% -	51,142

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas(A) MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014	1	182,655	45,086	1,029	172,600	42,604	736	80.00	2.41
2015	1	781,148	194,309	4,437	690,713	171,813	2,970	80.00	2.41
2016	1	671,641	168,815	3,854	559,698	140,679	2,432	80.00	2.41
2017	1	368,162	177,277	4,047	307,253	147,948	2,558	80.00	2.41
2018	1	362,832	194,590	4,443	304,125	163,105	2,819	80.00	2.41
2019	1	356,421	195,497	4,463	302,422	165,878	2,868	80.00	2.41
2020	1	319,685	179,425	4,097	277,193	155,576	2,689	80.00	2.41
2021	1	283,813	163,097	3,724	251,446	144,497	2,498	80.00	2.41
2022	1	251,823	148,256	3,384	227,188	133,753	2,312	80.00	2.41
2023	1	223,305	134,764	3,077	194,558	117,416	2,030	80.00	2.41
2024	1	197,891	122,501	2,797	172,949	107,060	1,850	80.00	2.41
2025	1	175,254	111,353	2,542	153,433	97,489	1,686	80.00	2.41
2026	1	155,098	101,221	2,311	136,033	88,778	1,534	80.00	2.41
Sub-Total		4,329,728	1,936,191	44,205	3,749,611	1,676,596	28,982	80.00	2.41
Remainder		616,221	440,697	10,062	546,032	390,687	6,754	80.00	2.41
Total Future		4,945,949	2,376,888	54,267	4,295,643	2,067,283	35,736	80.00	2.41
Cumulative		0	0	0					
Ultimate		4,945,949	2,376,888	54,267					

(A) NET GAS VOLUMES ACCOUNT FOR SURFACE LOSSES,
SHRINKAGE FACTOR = 24.29 %

Period	COMPANY FUTURE GROSS REVENUE (FGR) - $M From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	13,808	1,491	1,773	0	17,072	649	131	16,292
2015	55,257	6,014	7,149	0	68,420	3,376	579	64,465
2016	44,776	4,923	5,853	0	55,552	2,763	479	52,310
2017	24,580	5,179	6,156	0	35,915	1,509	506	33,900
2018	24,330	5,708	6,786	0	36,824	1,487	560	34,777
2019	24,194	5,806	6,902	0	36,902	1,425	563	34,914
2020	22,175	5,445	6,473	0	34,093	1,246	520	32,327
2021	20,116	5,058	6,013	0	31,187	1,088	475	29,624
2022	18,175	4,681	5,565	0	28,421	954	435	27,032
2023	15,565	4,109	4,885	0	24,559	800	379	23,380
2024	13,836	3,748	4,455	0	22,039	694	342	21,003
2025	12,274	3,412	4,056	0	19,742	597	309	18,836
2026	10,883	3,107	3,694	0	17,684	506	280	16,898
Sub-Total	299,969	58,681	69,760	0	428,410	17,094	5,558	405,758
Remainder	43,682	13,674	16,256	0	73,612	1,659	1,198	70,755
Total Future	343,651	72,355	86,016	0	502,022	18,753	6,756	476,513

Period	DEDUCTIONS - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	0	0	0	0	0	0
2013	0	0	14,610	0	14,610	-14,610	-14,610	-12,740
2014	1,956	0	2,684	2,984	7,624	8,668	-5,942	6,546
2015	4,647	0	868	11,953	17,468	46,997	41,055	33,188
2016	3,925	0	688	9,700	14,313	37,997	79,052	24,291
2017	2,777	0	103	5,997	8,877	25,023	104,075	14,519
2018	2,997	0	101	6,095	9,193	25,584	129,659	13,403
2019	3,201	0	99	6,096	9,396	25,518	155,177	12,106
2020	3,279	0	53	5,620	8,952	23,375	178,552	10,041
2021	3,350	0	58	5,131	8,539	21,085	199,637	8,197
2022	3,172	0	61	4,666	7,899	19,133	218,770	6,735
2023	3,108	0	62	4,024	7,194	16,186	234,956	5,158
2024	3,051	0	63	3,602	6,716	14,287	249,243	4,120
2025	3,068	0	65	3,219	6,352	12,484	261,727	3,260
2026	3,026	0	65	2,877	5,968	10,930	272,657	2,583
Sub-Total	41,557	0	19,580	71,964	133,101	272,657		131,407
Remainder	15,059	0	3,519	11,873	30,451	40,304	312,961	7,168
Total Future	56,616	0	23,099	83,837	163,552	312,961		138,575

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 145

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
PRODUCTION BONUS PAYMENT

OIL LEASE
PROVED
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	–1,036
12.00% –	–931
15.00% –	–803
20.00% –	–645
25.00% –	–531

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	–748
2015	0	0	0	0	0	0	–1,000	0
2016	0	0	0	0	0	0	–1,000	0
2017	0	0	0	0	0	0	–1,000	0
2018	0	0	0	0	0	0	–1,000	0
2019	0	0	0	0	0	0	–1,000	0
2020	0	0	0	0	0	0	–1,000	0
2021	0	0	0	0	0	0	–1,000	0
2022	0	0	0	0	0	0	–1,000	0
2023	0	0	0	0	0	0	–1,000	0
2024	1,000	0	0	0	1,000	–1,000	–2,000	–288
2025	0	0	0	0	0	0	–2,000	0
2026	0	0	0	0	0	0	–2,000	0
Sub-Total	2,000	0	0	0	2,000	–2,000		–1,036
Remainder	0	0	0	0	0	0	–2,000	0
Total Future	2,000	0	0	0	2,000	–2,000		–1,036

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

TABLE 146

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
PRODUCTION BONUS PAYMENT

OIL LEASE
PROBABLE
UNDEVELOPED

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL	1.000000							10.00% –	–1,590
FINAL	1.000000							12.00% –	–1,352
REMARKS								15.00% –	–1,071
								20.00% –	–744
								25.00% –	–530

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
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	1,000	0	0	0	1,000	–1,000	–1,000	–613
2017	0	0	0	0	0	0	–1,000	0
2018	0	0	0	0	0	0	–1,000	0
2019	1,000	0	0	0	1,000	–1,000	–2,000	–474
2020	0	0	0	0	0	0	–2,000	0
2021	0	0	0	0	0	0	–2,000	0
2022	0	0	0	0	0	0	–2,000	0
2023	1,000	0	0	0	1,000	–1,000	–3,000	–331
2024	0	0	0	0	0	0	–3,000	0
2025	0	0	0	0	0	0	–3,000	0
2026	0	0	0	0	0	0	–3,000	0
Sub-Total	3,000	0	0	0	3,000	–3,000		–1,418
Remainder	1,000	0	0	0	1,000	–1,000	–4,000	–172
Total Future	4,000	0	0	0	4,000	–4,000		–1,590

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 LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 147

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
FACILITIES

FIXED COST EVALUATION

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF	DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
INITIAL	1.000000							10.00% –	–280,775
FINAL	1.000000							12.00% –	–271,986
REMARKS								15.00% –	–259,802
								20.00% –	–241,656
								25.00% –	–225,654

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	109,027	0	109,027	–109,027	–109,027	–103,302
2013	0	0	147,153	0	147,153	–147,153	–256,180	–126,209
2014	0	0	32,189	0	32,189	–32,189	–288,369	–24,991
2015	0	0	14,287	0	14,287	–14,287	–302,656	–10,041
2016	0	0	14,231	0	14,231	–14,231	–316,887	–9,054
2017	0	0	2,868	0	2,868	–2,868	–319,755	–1,651
2018	0	0	2,619	0	2,619	–2,619	–322,374	–1,365
2019	0	0	2,039	0	2,039	–2,039	–324,413	–962
2020	0	0	978	0	978	–978	–325,391	–418
2021	0	0	978	0	978	–978	–326,369	–378
2022	0	0	978	0	978	–978	–327,347	–343
2023	0	0	978	0	978	–978	–328,325	–309
2024	0	0	978	0	978	–978	–329,303	–281
2025	0	0	978	0	978	–978	–330,281	–254
2026	0	0	978	0	978	–978	–331,259	–230
Sub-Total	0	0	331,259	0	331,259	–331,259		–279,788
Remainder	0	0	5,868	0	5,868	–5,868	–337,127	–987
Total Future	0	0	337,127	0	337,127	–337,127		–280,775

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TABLE 148

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
EXPENSES

FIXED COST EVALUATION

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS							

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	–475,889
12.00% –	–419,422
15.00% –	–353,825
20.00% –	–278,153
25.00% –	–227,906

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	58,468	0	0	0	58,468	–58,468	–58,468	–55,651
2013	53,617	0	0	0	53,617	–53,617	–112,085	–46,196
2014	62,950	0	0	0	62,950	–62,950	–175,035	–49,097
2015	61,227	0	0	0	61,227	–61,227	–236,262	–43,226
2016	59,483	0	0	0	59,483	–59,483	–295,745	–38,014
2017	55,809	0	0	0	55,809	–55,809	–351,554	–32,286
2018	56,830	0	0	0	56,830	–56,830	–408,384	–29,760
2019	52,534	0	0	0	52,534	–52,534	–460,918	–24,903
2020	50,335	0	0	0	50,335	–50,335	–511,253	–21,598
2021	50,154	0	0	0	50,154	–50,154	–561,407	–19,482
2022	46,807	0	0	0	46,807	–46,807	–608,214	–16,457
2023	46,322	0	0	0	46,322	–46,322	–654,536	–14,744
2024	45,977	0	0	0	45,977	–45,977	–700,513	–13,246
2025	45,700	0	0	0	45,700	–45,700	–746,213	–11,919
2026	45,528	0	0	0	45,528	–45,528	–791,741	–10,748
Sub-Total	791,741	0	0	0	791,741	–791,741		–427,327
Remainder	222,432	0	76,147	0	298,579	–298,579	–1,090,320	–48,562
Total Future	1,014,173	0	76,147	0	1,090,320	–1,090,320		–475,889

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

ZHAIKMUNAI LP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JANUARY 1, 2012

TABLE 149

CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN
ZHAIKMUNIA – OPERATOR
FACILITES

FIXED COST EVALUATION

	EXPENSE INTEREST	REVENUE INTERESTS Oil/ Condensate	Plant Products	Gas	PRODUCT PRICES Oil/Cond. $/bbl.	Plt. Prod. $/bbl.	Gas $/MCF
INITIAL	1.000000						
FINAL	1.000000						
REMARKS	PROBABLE						

DISCOUNTED FUTURE NET INCOME - $M COMPOUNDED	MONTHLY
10.00% –	–293,407
12.00% –	–284,222
15.00% –	–271,490
20.00% –	–252,528
25.00% –	–235,806

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	COMPANY NET SALES Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	AVERAGE PRICES Oil/Cond. $/bbl.	Gas $/MCF
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
2024		0	0	0	0	0	0	0.00	0.00
2025		0	0	0	0	0	0	0.00	0.00
2026		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 From Oil/Cond.	From Plant Products	From Gas	Other	Total	ROYALTY Oil/Cond. - $M	Gas/P.P. - $	FGR AFTER ROYALTY $M
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
2024	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0
2026	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 - $M Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-$M Undiscounted Annual	Cumulative	Discounted @ 10.00 %
2012	0	0	113,932	0	113,932	–113,932	–113,932	–107,950
2013	0	0	153,774	0	153,774	–153,774	–267,706	–131,887
2014	0	0	33,637	0	33,637	–33,637	–301,343	–26,115
2015	0	0	14,929	0	14,929	–14,929	–316,272	–10,493
2016	0	0	14,872	0	14,872	–14,872	–331,144	–9,461
2017	0	0	2,997	0	2,997	–2,997	–334,141	–1,725
2018	0	0	2,737	0	2,737	–2,737	–336,878	–1,427
2019	0	0	2,130	0	2,130	–2,130	–339,008	–1,005
2020	0	0	1,022	0	1,022	–1,022	–340,030	–437
2021	0	0	1,022	0	1,022	–1,022	–341,052	–395
2022	0	0	1,022	0	1,022	–1,022	–342,074	–358
2023	0	0	1,022	0	1,022	–1,022	–343,096	–324
2024	0	0	1,022	0	1,022	–1,022	–344,118	–293
2025	0	0	1,022	0	1,022	–1,022	–345,140	–265
2026	0	0	1,022	0	1,022	–1,022	–346,162	–240
Sub-Total	0	0	346,162	0	346,162	–346,162		–292,375
Remainder	0	0	6,132	0	6,132	–6,132	–352,294	–1,032
Total Future	0	0	352,294	0	352,294	–352,294		–293,407

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

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