

Zhaikmunai L.P.
(the "Partnership")

Q1 2011: CONTINUED STRONG REVENUE AND EBITDA

Zhaikmunai LP (LSE: ZKM), the oil and gas exploration and production enterprise based in north-western Kazakhstan, today provides an operational update on its Gas Treatment Facility (GTF) as well as a specific review for the period from 1 January to 31 March 2011.

GAS TREATMENT FACILITY (GTF) UPDATE:

- Commissioning of the first train of the GTF has progressed further and test production of stabilised condensate, LPG (Liquid Petroleum Gas) and dry gas has continued since Zhaikmunai's last operational and financial update of 28 April 2011;
- Cumulative test production, as of 26 May 2011, amounted to the following:
 - Stabilised condensate (test production started on 2 April, 2011): 100,629 boe
 - LPG (test production started on 2 April, 2011): 2,327 boe
 - Dry gas (test production sold to pipeline started on 4 May, 2010): 51,660 boe
- Further progressive production ramp-up is scheduled with the on-going commissioning of the sulphur recovery unit (amine tower).

FIRST QUARTER SUMMARY

All figures in US\$ millions unless otherwise stated

	Q1 2011	Q1 2010	Change YoY %	
Revenues from oil sales	52.402	40.616	11.786	+29.0%
EBITDA	28.655	25.797	2.858	+11.1%
Net income	11.121	13.451	(2.330)	(17.3%)
Production (boepd)	6,722	7,315	(593)	(8.1%)
Debt	450.000	381.677	68.323	+17.9%
Average realised oil price (US\$ per bbl)	104.18	76.99	27.19	+35.3%
Discount (US\$ per bbl)	15.70	14.64	1.06	+7.2%
Weighted average netback (US\$ per bbl)	88.48	62.35	26.13	+41.9%

PRODUCTION HIGHLIGHTS

Current estimated total production has increased significantly with the test production of stabilised condensate, LPG and dry gas from the GTF. Crude oil production has temporarily decreased in the first quarter to 2011 due to workover operations on wells 24 and 30 and to technical preparation of wells 28 and 115 towards the commencement of GTF test production.

FINANCIAL HIGHLIGHTS

Revenue and EBITDA

Revenue from oil sales stood at US\$54.402 million, an increase of 29.0% or US\$11.786 million in comparison to last year's first quarter (US\$40.616 million). The high oil price environment has clearly contributed to this outstanding first quarter revenue. Zhaikmunai realized considerably higher netback prices as the Brent price rose to a level above US\$115 per barrel towards the end of the first quarter. Zhaikmunai's discount, however, increased by US\$1.06 per barrel to US\$15.70 per barrel, due to increases in rail tariffs, specifically in Russia.

EBITDA stood at US\$ 28.655 million, an increase of 11.1% or US\$2.858 million in comparison to last year's first quarter (US\$25.797 million).

Net income

Net income for the period decreased 17.3% to US\$11.1 million from US\$ 13.5 million for the same period in 2011. The decrease in net income was caused by the higher than proportional increase in corporate income tax (CIT). This higher CIT was driven, in turn, by a higher amount of non-deductible interest costs linked to the application of current market interest rates to intergroup financing activities.

Cost of Sales and General and Administrative Expenses

Cost of sales increased by US\$3.1 million, or 28.3%, to US\$14.2 million compared to US\$11.1 million for the same period in 2010. The increase in cost of sales was partially offset by the change in oil stock and lower depreciation expenses. General and administrative expenses increased by US\$4.3 million, or 75%, to US\$10.1 million compared to US\$5.8 million for the same period in 2010.

Cash

Zhaikmunai ended the first quarter of 2011 with US\$134.4 million of cash and cash equivalents, of which US\$2.7 million was restricted cash. As a result of the refinancing of its senior debt through the issuance of a bond in October 2010, there is no longer any obligation for Zhaikmunai to retain any of its cash in a debt service reserve account.

Hedging

On March 29, 2011 the Partnership entered into a new zero-cost hedging contract covering oil sales of 2,000 bbl/day running through December 31, 2011. Based on the new hedging contract the Partnership bought a put at US\$85/bbl, sold a call at US\$125/bbl and bought a call at US\$134/bbl.

Kai-Uwe Kessel, Chief Executive Officer, commented:

"Zhaikmunai again delivered strong quarterly revenue and EBITDA, thanks in part to the high oil price environment. At the same time, we continued to work towards completing the full commissioning and the final takeover of the Gas Treatment Facility. Already, our combined daily estimated production stands at around 14,000 boe per day and includes both crude oil and GTF products (stabilised condensate, LPG and dry gas). We have thus already more than doubled our daily capacity as averaged over the last three years. The production ramp-up for Train 1 is scheduled to be completed in the course of the second quarter. We are currently at a pivotal stage in the commissioning process and we are also looking forward to the anticipated production ramp-up for Train 2."

For further information please visit www.zhaikmunai.com.

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About Zhaikmunai

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

Forward-Looking Statements

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