

Zhaikmunai L.P.
(the “Partnership”)

ROBUST FINANCIALS ACCOMPANY PRODUCTION RAMP-UP

Zhaikmunai LP (LSE: ZKM) (“Zhaikmunai”), the oil and gas exploration and production enterprise based in north-western Kazakhstan, today releases its financial results for the three and first nine months ended 30 September 2011. In addition, it concludes the first phase of its development programme with the end of test production from its Gas Treatment Facility (GTF) and the continued ramp-up in production outlined in the operational update below.

THIRD QUARTER (Q3) 2011 SUMMARY

All figures in US\$ millions unless otherwise stated

	Q3 2011	Q3 2010	Change YoY
Revenue	63.693	53.126	+ 19.9%
EBITDA	41.434	27.389	+ 51.3%
Net income	18.465	10.636	+ 73.6%
Production (boepd)	17,464	8,972	+ 94.7%
Net Debt	297.305	303.308	- 2.0%
Average realized oil price (US\$ per bbl)	114.78	78.64	+ 46.0%
Discount (US\$ per bbl)	15.78	12.24	+ 28.9%
Weighted average netback (US\$)	99.00	66.40	+ 49.1%

Zhaikmunai presents positive third quarter results combined with the completion of the first phase of development as stable production is reached by its GTF. Financial and operational indicators show a strong upward trend in relation to third quarter 2010 results. GTF testing resulted in production growth of over 94% over the period. In addition, revenues, EBITDA and net income grew by approximately 20%, 52% and 74% respectively. Near capacity production of the GTF is expected to further enhance these results into the future.

NINE MONTHS ENDED 30 SEPTEMBER 2011 SUMMARY

All figures in US\$ millions unless otherwise stated

	9M 2011	9M 2010	Change YoY
Revenue	189.600	127.780	+ 48.4%
EBITDA	115.075	71.079	+ 61.9%
Net income	54.477	30.213	+ 80.3%
Production (boepd)	12,326	7,683	+ 60.4%
Net Debt	297.305	303.308	- 2.0%
Average realized oil price (US\$ per bbl)	111.63	78.33	+ 42.5%
Discount (US\$ per bbl)	15.69	13.44	+ 16.7%
Weighted average netback (US\$)	95.94	64.89	+ 47.9%

KEY HIGHLIGHTS

- **Production:**
 - Q3 daily production average of crude oil and GTF test production amounted to 17,464 boepd, an increase of 95% from the same period last year.

- First nine months daily production average of crude oil and GTF test production (stabilised condensate, LPG and dry gas) amounted to 12,326 boepd, an increase of 60% compared to the same period in 2010.
- **Revenue, EBITDA and Net Income:**
All indicators have shown strong growth over the first nine months of 2011 with an increase of approximately 48%, 62% and 80% respectively compared to the same period in 2010.
- **Cash**
2011Q3 position: US\$155.771 million of cash and cash equivalents.
- **Gas Treatment Facility (GTF) Handover:**
The EPC contractor for the GTF is scheduled to hand over the GTF facility as well as daily operations to Zhaikmunai at the end of November/beginning of December 2011.

FINANCIAL HIGHLIGHTS

Revenue and EBITDA

Revenue from oil sales for the first nine months of the year stood at US\$189.600 million, an increase of 48.4% or US\$61.820 million on the comparative period last year. Zhaikmunai has consistently realized higher netback prices as Brent prices have been in excess of US\$100 per barrel during most of the first nine months of 2011. Zhaikmunai's discount, whilst higher than the same period last year, is in line with Q1 and H1 results and reflects the increases in rail tariffs, primarily in Russia.

EBITDA stood at US\$115.075 million, a 62% increase or US\$43.996 million in comparison to last year's first nine months (US\$71.079 million).

Note:

In accordance with IFRS, sales from the GTF test production are not included in the company's revenue but are offset against expenditure. Cumulative sales of GTF production (stabilised condensate, LPG and dry gas) for the first nine months of 2011, amounting to US\$35.542 million (first nine months of 2010: nil), hence do not feature in the revenue and EBITDA figures reported.

Net Income

Net income has increased over 80% compared to the same period last year to US\$54.477 million from US\$30.213 million.

Cash and Net Debt

Zhaikmunai ended the third quarter of 2011 with US\$155.771 million of cash and cash equivalents of which US\$3.076 million was restricted cash, resulting in a net debt of US\$297.305 million, a decrease of 2% compared to the same period last year.

GAS TREATMENT FACILITY (GTF) UPDATE

Stable GTF Production

The Gas Treatment Facility (GTF) has been operating since May 2011. All GTF products (stabilised condensate, LPG and dry gas) are on-spec and sold commercially to offtakers.

The GTF production levels are currently stable at around 60% of the facility's design capacity. Final production flow adjustments are scheduled in the course of Q4 in order to further ramp up production towards design capacity of 40,000 boepd.

Handover of the Facility to Zhaikmunai

Zhaikmunai is scheduled to assume full operational responsibility for its GTF following the handover from its EPC contactor scheduled to take place on December 1, 2011. The progressive phase-in of Zhaikmunai's personnel into GTF operation has built momentum over the last few months. A full complement of 210 people is now in place to ensure a smooth transfer of operational responsibility.

Zhaikmunai's team includes various specialised contractors as well as many of the on-site personnel who took part in the construction and erection of the equipment of the GTF.

GTF Sales Revenue to Flow Through in Q4

In accordance with applicable accounting standards, test production from the GTF has since May 2011 been offset against infrastructure investments. This treatment will change after take-over of the GTU as revenue from the sale of all GTF products (stabilised condensate, LPG and dry gas) will be recognised as production revenue and accounted for accordingly.

Kai-Uwe Kessel, Chief Executive Officer, said:

“Taking ownership of its Gas Treatment Facility places Zhaikmunai in a very favourable position to pursue the development of the rest of the Chinarevskoye field. We are now entering the planned higher production profiles that will be coupled to significant increases in financial performance over the coming year. This is setting the stage for Zhaikmunai's second phase of development, which will include a further production leapfrog through the planned Phase II of the GTF.”

Frank Monstrey, Chairman, said:

“Zhaikmunai closes its first phase of development with robust financials and the handover of the GTF following stable operation. This represents a major milestone for us. It follows a six-year investment programme of over one billion US dollars into the development of the Chinarevskoye oil and gas field. I would like to congratulate the management team on the ground for yet again delivering on another major project successfully. I am confident that we will continue to grow the reserve base as well as the production during the coming years.”

CONFERENCE CALL

Zhaikmunai's management team will be available for a Q&A session for analysts and investors on Wednesday, 30 November at 14:30 UK time (GMT).

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

[Here](#) you can download the pdf-file from this press release.

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About Zhaikmunai

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

Forward-Looking Statements

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