

ZHAIKMUNAI L.P.
PROSPECTUS
IMPORTANT NOTICE

This document, which comprises a prospectus, has been issued by Zhaikmunai L.P. (the “Issuer”) in connection with the proposed offering of global depositary receipts of the Issuer (the “GDRs”) to certain institutional and other investors and the application for the admission of the GDRs to the Official List of the Financial Services Authority (“FSA”). It is intended for the addressee only. This document is being delivered for information purposes only to a limited number of parties who have expressed an interest in acquiring GDRs, pursuant to the offering. Accordingly, if you have received this document, but you are not the addressee, please return it immediately to the Issuer.

THE DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE DOCUMENT MAY ONLY BE DISTRIBUTED IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND AS PERMITTED BY, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITHIN THE UNITED STATES TO QIBs (AS DEFINED BELOW) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A “QIB”) OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

Confirmation of your representation: In order to be eligible to view this document or make an investment decision with respect to the securities being offered by the offering referred to in this document, you must be (i) a person that is outside the United States or (ii) a QIB that is acquiring the securities for its own account or for the account of another QIB. You are reminded that this document has been delivered to you on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document to any other person. This document does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If this jurisdiction requires that an offer of the securities be made by a licensed broker or dealer and ING Bank N.V., London Branch (the “Lead Manager”) or any affiliate of the Lead Manager is a licensed broker or dealer in that jurisdiction, such offer shall be deemed to be made by the Lead Manager or such affiliate on behalf of the company in such jurisdiction. Under no circumstances shall this document constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. In particular, this document is not for distribution to Australia, Canada, Japan or in or into the United States. Recipients of this document who intend to subscribe for or purchase the securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the final prospectus.

This document and the contents thereof are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

No representation or warranty, expressed or implied, is made or given by or on behalf of the Issuer, Amery Capital Limited (“Amery”) and Scoulton Holdings Limited (“Scoulton”) and the Lead Manager

or of its parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings, or any of such person's directors, officers or employees, or any other persons to the accuracy, completeness or fairness of the information or opinions contained in this document and no responsibility or liability is assumed by any such persons for any such information or opinions.

This document and the offering when made are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors"). For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each member state of the European Economic Area which has implemented the Prospectus Directive.

The Lead Manager, which is authorised and regulated in the United Kingdom by the FSA and which is regulated by the FSA for the conduct of designated investment business in the United Kingdom, is acting exclusively for the Issuer, Amery and Scoulton in relation to the offering and no one else and will not be responsible to anyone other than the Issuer, Amery and Scoulton for providing the protections afforded to its clients nor for providing any advice in relation to the offering, the contents of this document or any other matter referred to herein.

Dated 28 March 2008

By accepting this prospectus, you agree to be bound by the above conditions and limitations.

Zhaikmunai L.P.



Prospectus
28 March 2008



Zhaikmunai L.P.

(a limited partnership formed under the laws of the Isle of Man)

Offer of 10,000,000 Global Depositary Receipts and admission to listing on the Official List and to trading on the London Stock Exchange

Offer Price US\$10.00 per Global Depositary Receipt

This Prospectus relates to the global offer by Zhaikmunai L.P., a limited partnership formed under the laws of the Isle of Man (the "Issuer"), of limited partnership interests comprising 10,000,000 common units (each common unit representing a fractional part of the rights and obligations of all limited partners of the Issuer ("Common Units")). Each of the Common Units will be offered in the form of global depositary receipts ("GDRs") with each GDR representing one Common Unit (the "Global Offer").

Scoulton Holdings Limited ("Scoulton") and Amery Capital Limited ("Amery") will offer all limited partnership interests to their Affiliate, Claremont Holdings Limited ("Claremont"), through an arrangement with ING Bank N.V., London Branch (the "Lead Manager") at the Offer Price (the "Reorganisation Arrangement").

*There is currently no market for the GDRs. Application has been made (i) to the UK Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (as amended) ("FSMA") for the GDRs to be admitted to the Official List of the UK Listing Authority and (ii) to the London Stock Exchange plc ("The London Stock Exchange") for the GDRs to be admitted to trading under the symbol "ZKM" on the London Stock Exchange's main market for listed securities and to be quoted on the London Stock Exchange's International Order Book (regulated market segment) ("IOB") (together, "Admission"). The IOB is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC. Conditional dealings in the GDRs are expected to commence on the IOB on 28 March 2008. Application has also been made to have the Rule 144A GDRs designated as eligible for trading on PORTAL. It is expected that the GDRs will be admitted to trading, and that unconditional dealings in the GDRs will commence on the IOB on 3 April 2008. The application to the UK Financial Services Authority covers the listing of 40,000,000 GDRs, consisting of 10,000,000 GDRs to be sold in the Global Offer and 30,000,000 GDRs to be sold in the Reorganisation Arrangement. **All dealings before the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if the admission does not take place. Such dealings will be at the sole risk of the parties concerned.***

This Prospectus has not been, and does not need to be, approved by the Isle of Man Financial Supervision Commission or any other governmental or regulatory authority in or of the Isle of Man.

INVESTMENT IN THE GDRs INVOLVES A HIGH DEGREE OF RISK AND THE GDRs ARE GENERALLY SUBJECT TO A DIFFERENT TAX TREATMENT COMPARED TO GDRs REPRESENTING SHARES. See "Risk Factors" beginning on page 12 and "Taxation" beginning on page 137. The GDRs are of a specialist nature and should only be bought and traded by sophisticated investors who fully appreciate the significance of the risks and tax implications involved.

The Common Units and the GDRs have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The GDRs are being offered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and within the United States to "qualified institutional buyers" ("QIBs") as defined in, and in reliance on, Rule 144A under the Securities Act ("Rule 144A").

The GDRs will be evidenced by a Master Regulation S GDR (in the case of GDRs offered and sold outside the United States) and a Master Rule 144A GDR (in the case of GDRs offered and sold to QIBs in the United States) in each case registered in the name of Cede & Co., as nominee for DTC in New York.

Delivery of the GDRs is expected to be made on or about 2 April 2008 (the "Closing Date") through DTC. Except as set forth herein, investors may hold beneficial interests in and transfer the GDRs only through DTC, and its direct and indirect participants. Transfers within DTC will be in accordance with the usual rules and operating procedures of the system. See "Transfer Restrictions".

Global Co-ordinator, Sole Bookrunner and Lead Manager

ING

Co-Lead Managers

UniCredit CAIB UK Ltd.

Mirabaud Securities

28 March 2008

This document comprises a Prospectus relating to the Issuer prepared in accordance with the Prospectus Rules of the Financial Services Authority the “FSA”) made under section 73A FSMA (the “Prospectus Rules”), and has been filed with the Financial Services Authority and has been made available to the public as required by section 3.2 of the Prospectus Rules.

The Common Units to be sold and made available pursuant to the Global Offer in the form of GDRs, following the Closing Date, rank *pari passu* in all respects with the other issued Common Units and carry the right to receive all distributions declared, made or paid on or in respect of the issued Common Units after the Closing Date.

Each of Scoulton, as the general partner of the Issuer as at the date of this Prospectus, together with Zhaikmunai Group Limited (“ZGL”), as the proposed general partner of the Issuer with effect from immediately prior to Admission, accepts responsibility for the information contained in this Prospectus, and having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Lead Manager, UniCredit CAIB UK Ltd. (“CA IB”) and Mirabaud Securities (“Mirabaud”) (together, the “Managers”) are acting for the Issuer and no one else in connection with the Global Offer, and will not be responsible to anyone other than them for providing the protections afforded to their clients, or for providing advice in relation to the Global Offer or any transaction or arrangement referred to in this Prospectus. CA IB and Mirabaud are not acting as underwriters of the Global Offer.

The distribution of this Prospectus and the offer of the GDRs in certain jurisdictions may be restricted by law.

The Lead Manager reserves the right to reject any offer to purchase the GDRs in whole or in part and to sell to any prospective investor less than the full amount of the GDRs sought by such investor.

No action has been or will be taken by the Issuer, Scoulton, ZGL, the Managers or any other person to permit a public offering of the GDRs or the Common Units or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the GDRs or the Common Units) in any jurisdiction where action for that purpose may be required.

Investors are authorised to use this Prospectus solely for the purpose of considering the purchase of GDRs in the Global Offer. The information in this Prospectus has been furnished solely for the purpose of enabling prospective investors to consider the purchase of GDRs. Investors acknowledge and agree that neither the Managers nor their affiliates or advisers make any representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers. This Prospectus may not be reproduced or distributed, in whole or in part, and none of the contents of this Prospectus may be disclosed or any information herein used for any purpose other than considering an investment in the GDRs. Investors agree to the foregoing by accepting delivery of this Prospectus.

Accordingly, neither this Prospectus nor any advertisement nor any other offering or publicity materials or application form(s) may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Global Offer and the distribution of this Prospectus are subject to restrictions. See “*Transfer Restrictions*”.

Prospective investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations, express or implied, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Issuer, Scoulton, Amery, ZGL, the Managers or their affiliates, advisers or selling agents. Without prejudice to any obligation to publish a supplementary Prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or purchase of GDRs or Common Units made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or its direct and indirect subsidiaries (together, the “Group”) from time to time since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

The contents of this Prospectus are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. If a prospective investor is in any doubt about the contents of this Prospectus, it should consult its stockbroker, bank manager, solicitor, accountant or other financial adviser. The price of securities and the income from them can go down as well as up.

In connection with the Global Offer, the Managers and any of their respective affiliates, acting as investors for their own accounts may acquire GDRs and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such securities, any other securities of the Issuer or other related investments in connection with the Global Offer or otherwise. Accordingly, references in this Prospectus to the GDRs being issued, offered, acquired or otherwise dealt with should be read as including any issue or offer to, or acquisition or dealing by, the Managers and any of their respective affiliates acting as an investor for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

STABILISATION

In connection with the Global Offer, the Lead Manager may, to the extent permitted by applicable law, at its discretion over-allot or effect transactions with a view to supporting the market price of the GDRs at a level higher than that which might otherwise prevail in the open market. The Lead Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. Such stabilising measures, if commenced, may be discontinued at any time and may only be undertaken during the 30-day period from the announcement of the Offer Price. In no event will measures be taken to stabilise the market price of the GDRs above the Offer Price. Within one week following the end of the Stabilisation Period, the following information will be published through a regulated information service approved by the Financial Services Authority:

- whether or not stabilisation was undertaken; and
- for each stabilisation transaction that was carried out, (a) the date on which stabilisation started, (b) the date on which stabilisation last occurred and (c) the price range within which stabilisation was carried out.

Save as specified above, the Lead Manager does not intend to disclose the extent of any over-allotments and/or stabilisation transactions under the Global Offer.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM AND EUROPEAN ECONOMIC AREA

The Issuer, as a partnership, is an unregulated collective investment scheme for the purposes of the FSMA and has not been authorised or otherwise approved for the purposes of the FSMA. Accordingly, it cannot be marketed in the United Kingdom to the general public. This Prospectus and the Global Offer are only addressed to and directed to persons in member states of the European Economic Area who are Qualified Investors within the meaning of Article 2(1)(e) of the Prospectus Directive. In addition, in the United Kingdom, this Prospectus is only addressed to and directed to Qualified Investors who are (i) investment professionals falling within both Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “CIS Promotion Order”) and Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “General Promotion Order”), (ii) high net worth companies and other persons falling within both Article 22(2)(a) to (d) of the CIS Promotion Order and Article 49(2)(a) to (d) of the General Promotion Order (iii) other persons who fall within an exemption both in the CIS Promotion Order and the General Promotion Order or (iv) other persons to whom both an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) and an invitation or inducement to participate in a collective investment scheme (within the meaning of section 238 of the FSMA) can lawfully be communicated. The persons specified in (i), (ii), (iii) and (iv) above are collectively referred to as “Relevant Persons”. The securities offered hereby are only available in the United Kingdom to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this document or any of its contents.

This Prospectus has been prepared on the basis that once it has been approved under the Prospectus Directive, all offers of GDRs will be made pursuant to an exemption under the Prospectus Directive as implemented in member states of the European Economic Area from the requirement to produce a Prospectus for offers of GDRs. Accordingly, any person making or intending to make any offer within the European Economic Area of GDRs which are the subject of the placement contemplated herein should only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to produce a Prospectus for such offer. The Issuer, Scoulton, ZGL and Lead Manager have not authorised and do not authorise the making of any offer of GDRs through any financial intermediary, other than offers made which constitute the final placement of GDRs contemplated herein.

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF KAZAKHSTAN

The GDRs offered hereby may only be offered or sold in the Republic of Kazakhstan to institutions or individuals in the Republic of Kazakhstan, including banks, brokers, dealer participants, pension funds and collective investments institutions, as well as central government, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

The GDRs have not been nor will they be qualified by a prospectus for sale to the public in Canada under applicable Canadian securities laws and, accordingly, any offer or sale of the GDRs in Canada will be made pursuant to an exemption from the applicable prospectus filing requirements and otherwise in compliance with applicable Canadian laws. Potential investors in Canada should refer to the section entitled “*Subscription and Sale—Selling Restrictions—Canada*” and Ontario purchasers in particular should refer to the subsection entitled “*—Rights of Action for Damages or Rescission (Ontario)*”.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Common Units and the GDRs have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred 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 securities laws of any state or other jurisdiction of the United States. Any representation to the contrary is a criminal offence in the United States. Prospective investors are hereby notified that sellers of the Common Units and GDRs may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. The Common Units and GDRs are not transferable except in accordance with the restrictions described under “*Transfer Restrictions*”.

PURSUANT TO US INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO US 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 US INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF COMMON UNITS AND GDRS. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The Global Offer and the associated tax strategies are not confidential, proprietary or exclusive. Notwithstanding anything to the contrary herein, there is no limitation on the disclosure by any recipient of this Prospectus of the tax treatment or tax structure of the Global Offer described therein.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR 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 LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which reflect the Issuer’s current views or, as appropriate, those of the directors of the general partner of the Issuer, with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Issuer’s business). 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”, “projects”, “anticipates”, “will”, “targets”, “aims”, “may”, “would”, “could”, “continue” and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the US federal securities laws or otherwise.

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

- price fluctuations in crude oil, gas and refined products markets and related fluctuations in demand for such products;
- operational limitations, including equipment failures, labour disputes and processing limitations;
- the availability or cost of transportation routes and traders’ fees charged for arranging transportation;
- changes in governmental regulation, including regulatory changes affecting the availability of permits, and governmental actions that may affect operations or the Group’s planned expansion;
- unfavourable changes in economic or political conditions in Kazakhstan;
- unplanned events or accidents affecting the Group’s operations or facilities;
- incidents or conditions affecting the export of crude oil and gas; and
- reservoir performance, drilling results and implementation of the Group’s oil expansion plans.

Any forward-looking statements in this Prospectus reflect the Issuer’s 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 Prospectus. Subject to any obligations under the Listing Rules, the Issuer undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or individuals acting on behalf of the Issuer are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this Prospectus that could cause actual results to differ before making an investment decision.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

The financial information included in this Prospectus beginning on page F-2 (including the notes thereto, the “Combined Financial Information”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) except that the financial statements are prepared on a combined basis and therefore do not comply with the requirements of IAS 27 “*Consolidated and Separate Financial Statements*”.

The Issuer was formed in August 2007. Consequently, limited historical financial information relating to the Issuer is available. Since its formation the Issuer has not commenced operations and no financial statements for the Issuer have been prepared.

Following the formation of the Issuer, Zhaikmunai LLP, a limited liability partnership formed under the laws of Kazakhstan, and the Group’s sole operating subsidiary, (“Zhaikmunai”) became the Issuer’s indirect wholly owned subsidiary. See “*Additional Information—The Issuer and its Subsidiaries*”. To provide historical financial information for the Group’s business, this Prospectus includes audited combined financial information of Claydon Industrial Limited (“Claydon”) and Jubilata Investments Limited (“Jubilata”) and their subsidiaries, including Zhaikmunai, as at and for the years ended 31 December 2004, 2005 and 2006 (the “Annual Combined Financial Information”) and unaudited condensed combined interim financial information of Claydon and Jubilata and their subsidiaries, including Zhaikmunai, as at 30 November 2007 and for the eleven-month periods ended 30 November 2006 and 2007 (the “Interim Combined Financial Information” and together with the Annual Combined Financial Information, the “Combined Financial Information”). See “*Operating and Financial Review—Basis of Presentation*” for a further description of the Group’s financial information.

As presented in this Prospectus, “EBITDA” means earnings before interest, taxation, depreciation and amortisation, and “EBIT” means earnings before interest and taxation. 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 the Issuer does not currently employ EBITDA as a measure for internal valuations, the Issuer presents EBITDA in this Prospectus because the Issuer 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 Issuer presents EBIT because the Issuer 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 Issuer’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 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;
- they do not reflect foreign exchange gains or losses; and
- other companies in the Issuer’s industry may calculate these measures differently from the way the Issuer does, limiting its usefulness as a comparative measure.

Potential investors must rely on their own examination of the Group’s business, the terms of the Global Offer and the financial information contained in this Prospectus.

Certain figures contained in this Prospectus, including financial information and information in the Combined 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 Prospectus may not conform exactly to the total figure given for that column or row.

Certain Reserves Information

Cautionary Note to US Investors: The US Securities and Exchange Commission (“SEC”) permits oil and gas companies, in their filings with the SEC, to disclose only proven reserves that the company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The crude oil reserves data presented in this Prospectus have been estimated at the request of the Issuer by Ryder Scott Company L.P., an international oil and gas consultant (“Ryder Scott”), according to standards established by the Society of Petroleum Engineers (the “SPE”) and the World Petroleum Council (the “WPC”) and thus proven reserves may differ from those estimated according to definitions used by the SEC. Further, the Issuer uses certain terms in this Prospectus in referring to its reserves, such as “probable” or “possible” reserves, or its resources that the SEC’s guidelines would prohibit it from including in filings with the SEC if the Issuer were subject to reporting requirements under the US Securities Exchange Act of 1934 (the “Exchange Act”). Prospective investors should read “*Business—Operations—Oil and Gas Reserves*” and the report produced by Ryder Scott on the Group’s reserves and resources as at 1 July 2007 dated 30 October 2007 (the “Ryder Scott Report” or the “Competent Person’s Report”) included as Annex I to this Prospectus, for more information on the Group’s reserves and resources and the reserves and resources definitions that the Group uses.

Hydrocarbon Data

General

The Issuer uses standards established by the SPE and the WPC. 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, the Issuer 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 Prospectus of the Group’s proven, 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 SPE and the WPC. For further information regarding these standards see Annex I to this Prospectus.

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, the Issuer presents such information on the same basis in this Prospectus. References in this Prospectus to “tonnes” are to metric tonnes. One metric tonne equals 1,000 kilograms.

Presentation in Ryder Scott Report

The Ryder Scott Report reports its estimations as follows:

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

Presentation in this Prospectus

For information purposes only, the Issuer has presented the Group’s estimations in this Prospectus as follows:

- oil and condensate in barrels and barrels per day. Barrel figures are extracted from the Ryder Scott Report or converted from the Issuer’s internal records presented in tonnes at a rate of 7.36 barrels per tonne. Barrel per day figures have been obtained by dividing annual figures by 365;
- 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 Ryder Scott Report; and

- gas in: (i) cubic metres (converted by the Issuer at a rate of 35.515 cubic feet per cubic metre) and (ii) barrels of oil equivalent (“boe”) (converted by the Issuer at a rate of 5.326 cubic feet 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.

For information purposes only, the Issuer has converted data produced by Ryder Scott in its reports for the Group in 2004 and 2006, which are not included herein, to conform with the presentation of gross reserves in the Ryder Scott Report. Specifically, the Issuer amended the presentation of reserves data to correct for a double counting of LPG that occurred in the 2004 and 2006 reserves reports. Ryder Scott also reports gross reserves by additionally including gas reserves to be flared until the end of 2008. The Issuer presents gross reserves herein net of such amount. The Issuer has also presented herein total proven, probable and possible reserves data for the aggregate of crude oil condensate, plant products and gas. The Ryder Scott Report does not include these total reserves figures and the Issuer has determined these totals using the conversion rates above.

Discrepancies in Terminology

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

Update

Since the date of the Ryder Scott Report, management expects a delay in the commissioning of the Gas Treatment Facility by approximately six months. In addition, production in late 2007 was lower than previously forecast due to a reduction in well workover activity.

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

Statistical data and other information appearing in this Prospectus relating to the oil and gas industry in the Republic of Kazakhstan have, unless otherwise stated, been extracted from documents and other publications released by the Statistics Agency of Kazakhstan, the Ministry of Finance of Kazakhstan, the MEMR, 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 the Republic of Kazakhstan (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 the Issuer is aware and has 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 Prospectus the source of such information has been identified.

This Prospectus contains illustrations and charts derived from the Issuer’s internal information, which have not been independently verified unless specifically indicated.

NO INCORPORATION OF WEBSITE INFORMATION

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

CURRENCY PRESENTATION

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

On 14 March 2008, the exchange rate for US Dollars on the Kazakhstan Stock Exchange as reported by the NBK was KZT 120.60 per US\$1.00. For further details of applicable exchange rates, see the Combined Financial Information included herein and “*Exchange Rates*”.

No representation is made that the Tenge or US Dollar amounts in this Prospectus could have been converted into US Dollars or Tenge, as the case may be, at any particular rate or at all. Certain amounts which appear in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

AVAILABLE INFORMATION

So long as any of the Common Units or GDRs representing the Common Units are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish, upon request, to any holder or beneficial owner of such restricted securities, or any prospective purchaser designated by any such holder or beneficial owner, the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act.

ENFORCEMENT OF FOREIGN JUDGMENTS

The Issuer was formed under the laws of the Isle of Man and all of the Group’s operations are located in Kazakhstan. None of the Directors of the General Partner and none of the Issuer’s senior managers is a resident of the United States or the United Kingdom. The Issuer’s 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 the Issuer or each of the Directors of the General Partner or 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. 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 in effect between Kazakhstan and the United Kingdom or the United States.

Any judgment for a fixed sum of money obtained against the Issuer in the High Court of England will be enforceable against it in the Isle of Man in accordance with the provisions of the Judgments (Reciprocal Enforcement) (Isle of Man) Act 1968 provided that such judgment is final and conclusive and is not obtained by fraud or contrary to public policy of the Isle of Man at the time or contrary to the rules of natural justice in the Isle of Man at the time and provided that the correct procedures under the laws of the Isle of Man (including registration of the English judgment with the Isle of Man courts) are complied with. There is no statutory procedure in the Isle of Man for the recognition or enforcement of judgments of the state or federal courts of the United States. However, under Isle of Man common law, a foreign judgment in person or given by the courts of the United States with jurisdiction to give that judgment may be recognised and enforced by an action for the amount due under it provided that the judgment: (i) is for a debt or definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty); (ii) is final and conclusive; (iii) was not obtained by fraud; (iv) is not one whose enforcement would be contrary to public policy in the Isle of Man at the time; and (v) was not obtained in proceedings which were opposed to natural justice in the Isle of Man at the time.

EXCHANGE RATES

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

<u>Year ended 31 December</u>	<u>High</u>	<u>Low</u>	<u>Average⁽¹⁾</u>	<u>Period End</u>
			(KZT per US Dollar)	
2007.....	127.00	119.28	122.55	120.30
2006.....	133.85	117.25	126.09	127.00
2005.....	136.12	129.83	132.88	133.77
2004.....	143.33	130.00	136.04	130.00
2003.....	155.89	143.66	149.58	144.22
2002.....	155.60	150.60	153.28	155.60

<u>Month ended</u>	<u>High</u>	<u>Low</u>
	(KZT per US Dollar)	
March 2008 (through 27 March)	120.85	120.42
February 2008	120.87	120.07
January 2008	120.65	120.05
December 2007	120.99	120.30
November 2007	121.00	120.34
October 2007	120.98	120.55
September 2007	126.25	123.28

Source: NBK

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

The KZT/US Dollar exchange rate on the Kazakhstan Stock Exchange, as reported by the NBK, on 27 March 2008 was KZT 120.78 per US\$1.00.

The functional currency of the Group is Tenge. The Group's presentational currency is the US Dollar. The above rates may differ from the actual rates used in the preparation of Zhaikmunai's financial information and other financial information appearing in this Prospectus. The inclusion of these exchange rates is not meant to suggest that the Tenge amounts actually represent such US Dollar amounts or that such amounts could have been converted into US Dollars at any particular rate, if at all.

TABLE OF CONTENTS

SUMMARY	1
THE GLOBAL OFFER	9
RISK FACTORS.....	12
USE OF PROCEEDS	32
DISTRIBUTION POLICY.....	33
CAPITALISATION AND INDEBTEDNESS	34
REGIONAL OVERVIEW OF THE OIL AND GAS INDUSTRY.....	35
COMPETITION	39
REGULATION IN KAZAKHSTAN.....	41
BUSINESS	47
SELECTED COMBINED FINANCIAL INFORMATION.....	68
OPERATING AND FINANCIAL REVIEW.....	70
SIGNIFICANT HOLDERS OF LIMITED PARTNERSHIP INTERESTS AND COMMON UNITS.....	86
RELATED PARTIES AND RELATED PARTY TRANSACTIONS.....	87
DIRECTORS AND SENIOR MANAGEMENT.....	90
MANAGEMENT AND CORPORATE GOVERNANCE	98
DESCRIPTION OF THE COMMON UNITS AND THE PARTNERSHIP AGREEMENT ...	104
TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS	117
SUMMARY OF PROVISIONS RELATING TO THE GDRs WHILE IN MASTER FORM ..	135
TAXATION.....	137
SUBSCRIPTION AND SALE.....	144
TRANSFER RESTRICTIONS	150
SETTLEMENT AND DELIVERY.....	153
INFORMATION RELATING TO THE DEPOSITARY.....	156
LEGAL MATTERS.....	156
INDEPENDENT ACCOUNTANTS.....	156
ADDITIONAL INFORMATION.....	157
DEFINITIONS	161
GLOSSARY OF TECHNICAL AND OTHER TERMS.....	168
INDEX TO COMBINED FINANCIAL INFORMATION	F-1
ANNEX I – COMPETENT PERSON’S REPORT	A-1

SUMMARY

This summary should be read as an introduction to the full text of this Prospectus. Any decision to invest in the GDRs should be based on the consideration of this Prospectus as a whole by the investor and not just this summary. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of each member state of the European Economic Area, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Under the Prospectus Directive in each member state of the European Economic Area, civil liability attaches to those persons who are responsible for the summary, including any translations of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Overview

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

The Chinarevskoye Field, approximately 324 square kilometres in size, is located in the province of Batys Kazakhstan, near the border between Kazakhstan and Russia, and close to several major pipelines. The Chinarevskoye Field is Zhaikmunai's sole source of production and production growth. According to management estimates based on data included in the Ryder Scott Report, as at 1 July 2007, the estimated gross proven plus probable hydrocarbon reserves at the Chinarevskoye Field were 397.2 million boe, of which 161.1 million bbl was crude oil and condensate, 57.4 million bbl was LPG and 178.7 million boe was sales gas. Management has also estimated, based on the Ryder Scott Report, that the Chinarevskoye Field contains 358.7 million boe of gross possible hydrocarbon reserves.

In September 2004, Thyler Holdings Limited completed its acquisition of Scoulton, the general partner of the Issuer and indirect owner of Zhaikmunai. A new management team was installed in Zhaikmunai and a new strategy focused on accelerating investment in drilling and field infrastructure, as well as improving the quality of Zhaikmunai's hydrocarbon reserves. From September 2004 to 31 December 2007, the Group invested approximately US\$386 million in drilling and field infrastructure. Zhaikmunai increased its crude oil production from 205,784 bbl in the third quarter of 2004 to 481,596 bbl in the fourth quarter of 2007 and, according to management estimates based on reserve reports prepared by Ryder Scott, increased its estimated gross proven plus probable hydrocarbon reserves from 198.5 million boe in 2004 to 397.2 million boe in 2007. Zhaikmunai produced approximately 1,065,000 bbl of crude oil in 2006 and approximately 1,848,000 bbl of crude oil in 2007.

Zhaikmunai's operational facilities are located in the Chinarevskoye Field and consist of 15 existing wells and four exploration wells under drilling, an oil processing facility capable of processing 400,000 tonnes per annum of crude oil, multiple oil gathering and transportation lines, a gas powered electricity generation system, warehouse facilities and an employee field camp.

In May 1997, Zhaikmunai was granted an exploration and production licence with respect to the Chinarevskoye Field. Zhaikmunai's licence area covers the entire Chinarevskoye Field and comprises seven oil and gas horizons. In October 1997, Zhaikmunai entered into the PSA with the Government. 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. The PSA also includes a minimum work programme, which includes a minimum capital investment requirement of US\$125 million. To date, Zhaikmunai has met all of its capital investment obligations under the PSA.

Zhaikmunai began its first test crude oil production in October 2000 and began commercial production on 1 January 2007. Gas sales are expected to begin upon completion of the first phase of Zhaikmunai's planned Gas Treatment Facility, expected to occur in May 2009. Zhaikmunai currently sells all of its crude oil in the export market. It transports its crude oil production by truck to a rail loading terminal near Uralsk located approximately 100 kilometres from the Chinarevskoye Field, where it is sold to a trader on the basis of FCA Uralsk at a discount of US\$13.63 per barrel to Brent crude. The crude oil is subsequently on-sold by the trader and transported by rail to an oil refinery located in Finland.

Zhaikmunai is constructing an oil pipeline from the Chinarevskoye Field to the rail connection near Uralsk, along with a new receiving oil loading terminal at this connection, which will allow Zhaikmunai to deliver its oil directly to the loading terminal. The Group has also commissioned the construction of

a Gas Treatment Facility with two (increasing to four) gas treatment units for full utilisation of the associated gas produced by the Group, which is essential for its continued crude oil production, and the treatment of gas condensate to produce dry gas for sale from 2009. For the remainder of 2008 to the end of 2018, the Group's total capital expenditure is estimated to be approximately US\$1.1 billion, including approximately US\$537.8 million on new drilling and well workovers, US\$348.5 million on the planned Gas Treatment Facility and US\$32.0 million on the oil and gas pipeline (such capital expenditure forecasts exclude the effect of inflation).

With effect from Admission, Scoulton will withdraw as the general partner of the Issuer and Zhaikmunai Group Limited will become the new general partner of the Issuer.

Key Strengths

The Issuer believes that the key strengths of the Group are as follows:

- Strong reserve base;
- Upside potential of existing possible reserves;
- Strong track record within the Chinarevskoye Field;
- High quality crude oil;
- Advantageous location;
- Beneficial terms under the PSA; and
- Strong management team.

Business Strategy

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

- Increase oil production;
- Improve existing reserve base;
- Monetise gas reserves; and
- Improve flexibility of transportation links.

Risk Factors

An investment in the GDRs involves a number of risks. The risks and uncertainties described in this Prospectus may not be the only ones facing the Group. Additional risks and uncertainties not currently known to the Issuer or that the Issuer deems immaterial may also impair the Issuer's business operations. The Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs, could be materially and adversely affected by any of these risks.

Risk Factors Relating to the Group's Business

- The Group only has rights to explore and extract oil and gas within the Chinarevskoye Field.
- The Group's planned development projects, including its planned gas treatment facility and increased capacity in the oil treatment facility are subject to risks related to delay, non-completion and cost overruns which could result in a suspension of crude oil production.
- The Group relies on transportation systems owned and operated by third parties which may become unavailable. The Group may be unable to access these or alternative transportation systems.
- The Group requires significant water supplies in order to conduct its business and failure to obtain such water may adversely affect its 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 Government, may increase.

- The Group may face unanticipated increased costs.
- The Group depends on key members of management, external consultants and service providers and on its ability to retain and hire new qualified personnel and consultants.
- Failure to obtain necessary equipment, and in particular failure to renew the Saipem drilling rig hire contract, could materially and adversely affect production.
- Harsh climate conditions may affect the lifespan of the Group's assets and the future cost and operation of the Group's facilities.
- The Group intends to relocate the inhabitants of a village from within the Chinarevskoye Field and it may be unsuccessful in doing so.
- The Group has been subject to claims from land owners in relation to the construction of the Group's oil pipeline.
- The Group does not carry out the same financial statement close processes for interim financial reporting as for year end financial reporting which may adversely affect the Group's ability to prepare accurate interim financial information.
- The Group may be unable to raise additional financing when necessary, which would adversely affect its ability to pursue its business strategy.
- The Group's significant leverage may make it difficult for it to service its debt and operate its business.
- The Group is subject to risks related to fluctuations in the US Dollar/Tenge exchange rate.
- The Group faces potential conflicts of interest.
- The Group's insurance coverage may not be adequate for covering losses arising from potential operational hazards and unforeseen interruptions.

Risk Factors Relating to the Crude Oil and Gas Industry

- Any future decrease in crude oil prices could materially and adversely affect the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.
- The level of the Group's crude oil and gas reserves, their quality and production volumes may be lower than estimated or expected.
- The Group faces drilling, exploration and production risks and hazards that may affect the Group's ability to produce crude oil at expected levels, quality and costs.
- The Government has the ability to require the Group to make deliveries of crude oil to domestic refineries and these may be at prices that are materially below international market prices.
- The Group may be unable to comply with its obligations under its hydrocarbon licences and related contracts.
- The Group is obliged to comply with environmental regulations and cannot guarantee that it will be able to comply with these regulations.
- The Group is subject to an uncertain tax environment that may lead to disputes with regulatory authorities.
- The Group operates in a highly competitive industry.

Risk Factors Relating to the Republic of Kazakhstan

- 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 exposed to the risk of adverse sovereign action by the Government.
- 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 Government holds a pre-emption right in respect of any transfer of an interest in an entity with a subsoil use licence in Kazakhstan.

- Thyler's acquisition of Scoulton could be challenged by the Kazakh anti-monopoly regulator.
- The Group's licences to operate are subject to amendment and termination by the Government if the Group is unable to comply with licence terms and relevant legislation.
- There are Kazakh tax risks associated with the GDRs.
- The Government has announced its intention to introduce a new oil production tax.
- The Group cannot ensure the accuracy of official statistics and other data in this Prospectus published by Kazakh authorities.

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

- The shareholder of the General Partner will have significant influence over the Issuer.
- The Issuer's organisational, ownership and operational structure may create significant conflicts of interest that may be resolved in a manner which is not always in the best interests of the Issuer or the best interests of GDR holders as a whole.

Risk Factors Relating to the GDRs and Common Units

- Holders of GDRs will have limited rights to enforce the Partnership Agreement unless they instruct the Depositary how to act or dematerialise their GDRs and hold Common Units.
- Future sales, or the real or perceived possibility of sales, of a significant number of GDRs in the public market could adversely affect the prevailing trading price of the GDRs.
- There is currently no trading market for the GDRs or the Common Units.
- GDRs may be subject to market price volatility and the market price of GDRs may decline disproportionately in response to adverse developments that are unrelated to the Issuer's operating performance.
- Voting rights of GDR holders are limited by the terms of the Deposit Agreement.

Summary of Combined Financial Information and Operating Data

The tables below provide summary historical combined financial information in respect of Claydon and Jubilata, which own 100% of Zhaikmunai, as at and for the years ended 31 December 2004, 2005, 2006 and for the eleven-month periods ended 30 November 2006 and 2007. The historical combined financial information has been extracted without material adjustment from the Combined Financial Information.

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

Combined Income Statement Data

	Year ended 31 December			Eleven-month period ended 30 November	
	2006	2005	2004	2007	2006
	(unaudited)				
	(US\$ millions)				
Sales of crude oil	58.565	32.393	23.198	97.158	51.954
Cost of sales	(26.080)	(15.974)	(8.937)	(32.933)	(20.232)
Gross Profit.	32.485	16.419	14.261	64.225	31.722
General and administrative expenses	(6.891)	(2.457)	(1.271)	(9.392)	(5.650)
Selling and oil transportation expenses	(4.042)	(2.069)	(1.667)	(7.061)	(3.540)
Finance costs.	(2.194)	(1.760)	(2.044)	(4.822)	(2.195)
Foreign exchange gain (loss)	0.586	(0.759)	2.390	6.074	(0.218)
Profit before income tax.	19.944	9.374	11.669	49.024	20.119
Income tax expense	(6.973)	(3.465)	(4.038)	(15.642)	(7.061)
Net Income	12.971	5.909	7.631	33.382	13.058

Combined Balance Sheet Data

	As at 31 December			As at
	2006	2005	2004	30 November
				2007
				(unaudited)
	(US\$ millions)			
ASSETS				
Non-current assets				
Property, plant and equipment.....	135.850	60.904	47.821	280.192
Advances for equipment and construction works.....	<u>14.231</u>	<u>3.471</u>	<u>—</u>	<u>70.085</u>
	<u>150.081</u>	<u>64.375</u>	<u>47.821</u>	<u>350.277</u>
Current assets				
Inventories.....	3.014	1.345	0.193	2.232
Trade receivable.....	5.580	2.142	2.094	11.969
Prepayments and other current assets.....	5.787	1.030	1.478	13.419
Cash and cash equivalents.....	<u>2.832</u>	<u>3.236</u>	<u>1.079</u>	<u>5.113</u>
	17.213	7.753	4.844	32.733
Total assets.....	<u>167.294</u>	<u>72.128</u>	<u>52.665</u>	<u>383.010</u>
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital.....	50	50	50	50
Retained earnings and translation reserve.....	<u>28.142</u>	<u>14.472</u>	<u>9.678</u>	<u>63.459</u>
	<u>28.192</u>	<u>14.522</u>	<u>9.728</u>	<u>63.509</u>
Non-current liabilities				
Long-term borrowings.....	93.799	30.887	18.556	190.579
Abandonment and site restoration liabilities.....	1.214	0.622	0.460	1.860
Due to Government of Kazakhstan.....	8.094	7.332	7.600	8.866
Deferred tax liability.....	<u>15.867</u>	<u>8.489</u>	<u>5.067</u>	<u>25.999</u>
	<u>118.974</u>	<u>47.330</u>	<u>31.683</u>	<u>227.304</u>
Current liabilities				
Trade payables.....	12.890	3.266	1.303	43.441
Current portion of long term borrowings.....	5.099	6.123	9.405	38.096
Income taxes payable.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>5.847</u>
Other current liabilities.....	<u>2.139</u>	<u>0.887</u>	<u>0.546</u>	<u>4.813</u>
	<u>20.128</u>	<u>10.276</u>	<u>11.254</u>	<u>92.197</u>
Total equity and liabilities.....	<u>167.294</u>	<u>72.128</u>	<u>52.665</u>	<u>383.010</u>

Combined Cash Flow Data

Combined Cash Flow Data	Year ended 31 December			Eleven-month period ended 30 November	
	2006	2005	2004	2007	2006
	(unaudited)				
	(US\$ millions)				
Net cash flow from operating activities	37.425	20.701	18,169	61.016	31.452
Net cash used in investing activities	92.851	24.477	12.158	171.225	79.092
Net cash provided by/(used in) financing activities	54.840	6.065	(6.616)	112.318	47.422

Other Financial and Operating Data

	Year ended 31 December			Eleven-month period ended 30 November	
	2006	2005	2004	2007	2006
EBIT ⁽¹⁾ (US\$ millions)	22.138	11.134	13.713	53.846	22.314
EBITDA ⁽²⁾ (US\$ millions)	36.728	21.254	20.684	59.222	32.233
Crude oil production (bbl/d)	2,900	2,300	2,400	5,021	2,929
Average realised price for crude oil sales (US\$/per barrel)	55.4	38.6	26.5	61.7	50.8

- (1) Although the Issuer does not currently employ EBIT as a measure for internal valuations the Issuer presents EBIT because the Issuer 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. The following table provides a reconciliation of EBIT to profit before income tax for the periods indicated:

	Year ended 31 December			Eleven-month period ended 30 November	
	2006	2005	2004	2007	2006
	(US\$ millions)				
Profit before income tax	19.944	9.374	11.669	49.024	20.119
Add back:					
Finance costs	2.194	1.760	2.044	4.822	2.195
EBIT	22.138	11.134	13.713	53.846	22.314

- (2) Although the Issuer does not currently employ EBITDA as a measure for internal valuations the Issuer presents EBITDA in this Prospectus because the Issuer 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 following table provides a reconciliation of EBITDA to profit before income tax for the periods indicated:

	Year ended 31 December			Eleven-month period ended 30 November	
	2006	2005	2004	2007	2006
	(US\$ millions)				
Profit before income tax	19.944	9.374	11.669	49.024	20.119
Add back:					
Finance costs	2.194	1.760	2.044	4.822	2.195
Depreciation	14.590	10.120	6.971	5.376	9.919
EBITDA	36.728	21.254	20.684	59.222	32.233

Oil and Gas Reserves

	Gross Reserves	As at 1 July 2007
<i>Proven</i>		
Oil condensate (mmbbl)		56.3
Plant products (mmbbl)		20.5
Gas (mmboe) ⁽¹⁾		59.9
Total (mmboe)⁽¹⁾		136.7
<i>Probable</i>		
Oil condensate (mmbbl)		104.8
Plant products (mmbbl)		36.9
Gas (mmboe) ⁽¹⁾		118.8
Total (mmboe)⁽¹⁾		260.5
<i>Possible</i>		
Oil condensate (bbl)		149.5
Plant products (bbl)		53.2
Gas (mmboe) ⁽¹⁾		156.0
Total (mmboe)⁽¹⁾		358.7

- (1) Management has converted the dry gas reserves data from cubic feet to boe of dry gas. See “Presentation of Financial and Other Information—Presentation in this Prospectus”.

Summary of the Global Offer

The Issuer is offering limited partnership interests comprising 10,000,000 Common Units in the form of GDRs.

Scoulton and Amery will offer at the Offer Price all limited partnership interests held by them in the Issuer to their affiliate, Claremont, through the Reorganisation Arrangement with the Lead Manager.

Use of Proceeds

The gross proceeds to the Issuer from the Global Offer are expected to be US\$100 million. On this basis, the net proceeds due to the Issuer from the Global Offer are expected to be approximately US\$92 million after deduction of Managers' commissions and other fees and expenses payable by it relating to the Global Offer.

The Issuer intends to use the net proceeds received from the Global Offer for the following purposes:

- funding of capital expenditures; and
- general corporate purposes.

Until the net proceeds of the Global Offer received by the Issuer are used in the manner described above, such net proceeds will be invested in appropriate short-term investments providing a balance between liquidity and return.

THE GLOBAL OFFER

The Issuer	Zhaikmunai L.P., a limited partnership formed in the Isle of Man (acting by the General Partner), which indirectly wholly owns the operating company, Zhaikmunai.
The General Partner	<p>As at the date of this Prospectus, Scoulton, a company incorporated in the British Virgin Islands, and controlled by Thyler Holdings Limited, a company incorporated in the British Virgin Islands (“Thyler”).</p> <p>With effect from immediately prior to Admission, ZGL, a company incorporated in the Isle of Man, and controlled by Thyler. See “<i>Significant Holders of Limited Partnership Interests and Common Units</i>”.</p>
Depository	The Bank of New York.
The Global Offer	The Global Offer comprises an offer by the Issuer of limited partnership interests comprising 10,000,000 Common Units in the Issuer in the form of GDRs. The GDRs are being offered (i) in the United States to QIBs in the form of Rule 144A GDRs in reliance on Rule 144A and (ii) outside the United States in the form of Regulation S GDRs in reliance on Regulation S. See “ <i>Subscription and Sale</i> ”.
Offer Price	US\$10.00 per GDR.
Closing Date	Expected to be on or about 2 April 2008.
The GDRs	Each GDR will represent one Common Unit. The GDRs will be issued and delivered by the Depository pursuant to the Deposit Agreement. The Regulation S GDRs will be evidenced by the Master Regulation S GDR and the Rule 144A GDRs will be evidenced by the Master Rule 144A GDR. See “ <i>Summary of Provisions Relating to the GDRs while in Master Form</i> ”. Pursuant to the Deposit Agreement, the Common Units represented by the GDRs will be held by BNY (Nominees) Limited, as custodian, for the benefit of the Depository.
Reorganisation Arrangement	As part of the restructuring of the Thyler group, Scoulton and Amery will sell all limited partnership interests held by Scoulton and Amery to the Lead Manager at the Offer Price conditional upon such limited partnership interests (which will be converted immediately prior to Admission into Common Units, some of which will be represented by GDRs) (the “ Repurchased GDRs ”) being purchased at the Offer Price from the Lead Manager by Claremont (an Affiliate of Thyler). See “ <i>Subscription and Sale</i> ”.
The Common Units	Limited partnership interests comprising units (each representing a fractional part of the rights and obligations of all limited partners of the Issuer). The Common Units are subject to applicable provisions of Isle of Man law and regulation and the Partnership Agreement and have the rights described under “ <i>Description of the Common Units and the Partnership Agreement</i> ”.

Lock-up	Each of the Issuer, Scoulton and Claremont has agreed that it may not, and will procure that its subsidiaries, other affiliates and any person acting on its behalf (other than the Managers) will not, for a period commencing on the date of the Underwriting Agreement and ending 180 days after the Closing Date, and each of the Directors has agreed that they may not, and will procure that any person acting on their behalf will not, for a period commencing on the date of the Underwriting Agreement and ending 365 days after the Closing Date, (i) issue, offer, sell, contract to sell, pledge, charge, grant options over or otherwise dispose of (or publicly announce any of the foregoing), directly or indirectly, any Common Units, GDRs or certain other securities whose value is derivative of the Common Units or GDRs or (ii) enter into transactions with a similar effect to any of the foregoing, subject to certain exceptions or without the prior written consent of the Lead Manager.
Transfer Restrictions	The GDRs will be subject to certain transfer restrictions. See “ <i>Transfer Restrictions</i> ”.
Voting Rights	The Deposit Agreement contains arrangements allowing holders of GDRs to vote the underlying Common Units in accordance with Manx Law. Holders of Common Units are entitled to one vote per Common Unit at a meeting of limited partners. See “ <i>Terms and Conditions of the Global Depositary Receipts—Voting and Special Consent Rights</i> ”.
Distributions	Holders of Common Units, including the Depositary, will be entitled to receive amounts, if any, paid by the Issuer as distributions on the Common Units. See “ <i>Terms and Conditions of the Global Depositary Receipts</i> ”.
Taxation	For a discussion of certain United States federal, United Kingdom and Isle of Man tax consequences of purchasing and holding the GDRs, see “ <i>Taxation</i> ”.
Listing and Market	Prior to the Global Offer, there will have been no market for the GDRs. Applications have been made to (i) the FSA, in its capacity as competent authority for purposes of Part VI of FSMA, for a block listing of 40,000,000 GDRs to be admitted to listing on the Official List and (ii) to the London Stock Exchange for such GDRs to be admitted to trading on the London Stock Exchange’s market for listed securities under the trading symbol “ZKM”. Admission to the Official List, together with admission to trading on the London Stock Exchange’s market for listed securities, constitutes official listing on a regulated market. Application has been made for the GDRs to be quoted on the London Stock Exchange’s International Order Book. Application has also been made for eligibility to trading of the Rule 144A GDRs on PORTAL.
Conditional Dealings and Commencement of Trading	Conditional dealings in the GDRs are expected to commence on the IOB on 28 March 2008. It is expected that Admission will take place and unconditional dealings in the GDRs will commence on the London Stock Exchange on 3 April 2008. All dealings in the GDRs prior to the commencement of unconditional dealings will be on a conditional basis, will be of no effect if the admission does not take place, and will be at the sole risk of the parties concerned.

Settlement and Delivery

The Managers have applied to have the GDRs accepted for clearance through DTC. Payment for, and delivery of, the GDRs will be made on 2 April 2008 through the facilities of DTC. Upon acceptance by DTC, a single Master Rule 144A GDR and a single Master Regulation S GDR will be registered in the name of Cede & Co., as nominee for DTC. Except in limited circumstances described herein, investors may hold beneficial interests in the GDRs evidenced by the corresponding Master GDR only through DTC, whether directly or through DTC participants including Euroclear and Clearstream. The security identification numbers of the GDRs offered hereby are as follows:

London Stock Exchange GDR trading symbol: ZKM

PORTAL Rule 144A GDR trading symbol: P98952U105

Regulation S GDRs ISIN: US98952U2042

Regulation S GDRs Common Code: 033426666

Regulation S GDRs CUSIP Number: 98952U204

Regulation S SEDOL: B28ZQ91

Rule 144A GDRs ISIN: US98952U1051

Rule 144A GDRs Common Code: 033422059

Rule 144A GDRs CUSIP Number: 98952U105

Rule 144A SEDOL: B28ZQ57

RISK FACTORS

An investment in the GDRs involves a high degree of risk. In addition to the other information in this Prospectus, prospective investors should carefully consider the following risk factors before deciding to invest in the GDRs. Each of these risks could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs, and investors could lose all or part of their investment. The risks and uncertainties described below are not the only ones the Group faces. Additional risks and uncertainties that the Issuer is not aware of or that the Issuer currently believes are immaterial may have the effects set forth above.

Risk Factors Relating to the Group's Business

The Group only has rights to explore and extract oil and gas within the Chinarevskoye Field.

Zhaikmunai conducts its operations in the Chinarevskoye oil and gas condensate field (the "**Chinarevskoye Field**") pursuant to a subsoil use licence (the "**Licence**") and an associated production sharing agreement ("**PSA**"). Zhaikmunai's activities in the Licence area are the Group's sole source of revenue and Zhaikmunai began commercial production only in January 2007. The Group does not hold, nor does it currently have plans to acquire, any other rights to extract crude oil or hydrocarbons elsewhere in Kazakhstan or abroad. As a result, the Group's success depends solely on the success of its activities in the Licence area. Any event that adversely interferes with the Group's ability to conduct its operations in the Chinarevskoye Field could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group's planned development projects, including its planned Gas Treatment Facility and increased capacity in the oil treatment facility, are subject to risks related to delay, non-completion and cost overruns which could result in a suspension of crude oil production.

An essential element of the Group's growth strategy is to construct new operation and transportation facilities, such as the planned Gas Treatment Facility (which will include an associated gas power plant), increased capacity in the oil treatment facility, crude oil pipeline, rail loading facility and gas pipeline. These projects are at various stages of development and are subject to risks of delay and non-completion. For example, the Group may experience technical difficulties during construction, testing and commencement of operations that may not be resolved in a timely or cost-effective manner, or at all. Further, the Group may experience operational difficulties with these projects due to the limited experience of its employees and/or contractors in the management and operation of such facilities. The Group may also incur cost overruns in connection with completing the projects, which it may not have sufficient financial resources to fund. The construction of these facilities may not be completed as scheduled, or at all.

The construction of the new facilities also depends on the services of certain contractors and the products of a limited range of suppliers. A reduction or cessation of the services of the contractors commissioned 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.

Construction of the Gas Treatment Facility has been delayed as compared to its initial estimated completion date. Management now expects the first phase of the planned Gas Treatment Facility to be operational by May 2009 (as compared to October 2008), the pipeline connecting the Group's facilities to the Intergaz pipeline to be operational by May 2009 (as compared to October 2008), and a gas off-take contract to be finalised by the time the planned Gas Treatment Facility is operational. However, failure to complete the planned Gas Treatment Facility and gas pipeline and to finalise a gas off-take contract in line with management's initial expectations could result in a substantial decrease or suspension in oil production by the Group and/or significant fines for continued oil production. Pursuant to the gas flaring permit (the "**Gas Flaring Permit**"), granted by the Ministry of Energy and Mineral Resources ("**MEMR**"), Zhaikmunai is permitted to flare all gas produced in association with its crude oil production until 31 December 2008. Zhaikmunai will therefore be required to extend the Gas Flaring Permit until such time as Zhaikmunai is able to treat its associated gas when the Gas Treatment Facility becomes operational. While Zhaikmunai has previously been able to obtain gas flaring permits, if Zhaikmunai is unable to extend the Gas Flaring Permit, Zhaikmunai could be subject to significant fines by the Kazakh authorities for unlawful gas flaring and/or be forced to suspend its crude oil production.

The failure to complete any of the Group's planned development projects in a timely manner would have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

The Group does not currently have the capacity to transport its crude oil production for export independently. The Group's crude oil production is currently transported from the Chinarevskoye Field to export markets via trucks owned and operated by a third party that delivers the crude oil to a rail terminal operated by Zhaiktrans LLP ("**Zhaiktrans**"), and will continue to be transported in such a manner until completion of the Group's crude oil pipeline and rail loading terminal. In addition, the Group will need to put in place arrangements for the transportation of its future gas, butane and propane production, which facilities will also require infrastructure owned by third parties.

Trucking

The Group currently relies on the trucks owned and operated by a third party, Zhaiktrans, to transport its crude oil production for export from the Chinarevskoye Field to Zhaiktrans's oil loading rail terminal near Uralsk. As a result, the Group's current success depends on Zhaiktrans fulfilling its responsibilities under its arrangement with the Group. The Group may encounter difficulties, such as delays and spills, transporting its crude oil using Zhaiktrans's trucks. Also, the Group's arrangement with Zhaiktrans may be terminated before completion of the Group's own crude oil pipeline, which would require Zhaikmunai to source alternative transportation that may not be available on commercially reasonable terms, or at all. Any such events could have an adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

Rail

Once the Group's crude oil is delivered to the Zhaiktrans oil loading rail terminal, it is then sent by rail to an oil refinery in Finland. Under current arrangements, the Group's crude oil production is delivered on a FCA Uralsk basis and the trader that purchases the Group's production arranges the method of transportation via rail from Uralsk to Finland. Although the cost of transportation is incurred by the trader, this cost is reflected in the price that the Group receives for its production (the "**Netback**"). Accordingly, costs associated with transporting oil production to its ultimate purchaser will have an effect on the revenues that the Group receives.

The availability of sufficient rail cars, which in Kazakhstan are owned by the Government or leased and owned by private operators, affects the cost of transport and therefore the Netback received by the Group. The rail cars that are leased and owned by private operators are generally more expensive than those owned by the Government, and consequently there is a high demand for Government-owned rail cars. Access to rail cars in the future may be limited, given the demand for Government-owned rail cars, and arrangements may need to be made with third-party operators that could prove costly. Insufficient or costly rail cars could have an adverse effect on the Netback received by the Group and therefore have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The viability of rail as a transport method for the Group depends heavily on Russia's transportation infrastructure since the rail cars must use the Russian railway system. The Russian government sets rail tariffs and may further increase these tariffs, as it has done in the past, generally on an annual basis. Legislation has been enacted in Russia that provides the framework for the privatisation of certain state-owned railway enterprises. If the privatisation of Russia's railways or other factors were to result in increased railway transportation costs in Russia, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

Crude oil pipelines

The Group's plans to connect its oil pipeline to crude oil trunk pipelines depend on its ability to reach agreements, arrangements or understandings with the third-party owners of these pipelines.

Zhaiktrans has agreed in principle to allow the Group to connect to Zhaiktrans's trunk crude oil pipeline at Uralsk, which is located approximately 100 kilometres from the Chinarevskoye Field. If the Group fails

to reach a definitive agreement with Zhaiktrans or if agreement is reached on unfavourable terms, the Group will not achieve the benefit of an improved Netback (see “*Business—Sales and Marketing*”), this could have an adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

In addition, Zhaikmunai has entered into a memorandum of understanding with AO “KazTransOil” (“**KTO**”), pursuant to which KTO has agreed in principle to allow Zhaikmunai to access KTO’s Atyrau-Samara crude oil pipeline at the Bolshoi Chagan pumping station, approximately 140 kilometres from the Chinarevskoye Field. This memorandum of understanding was valid until 1 January 2008 and will need to be renewed in order for Zhaikmunai to transport its future oil production through the KTO pipeline. Zhaikmunai may be unable to renew this agreement or KTO, and any third-party operators the Group deals with in the future, may impose on the Group unfavourable tariffs for the transportation of production, which could also affect the viability of such transportation routes. Such arrangements, existing or planned, could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

In addition, the Group’s transportation of crude oil by pipeline depends substantially on the intergovernmental agreement on crude oil transportation executed between Kazakhstan and Russia. The Group therefore depends on the maintenance of stable relations between Kazakhstan and Russia. Any political developments that destabilise this relationship could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

Transportation of dry gas, butane and propane

The Group’s gas production is currently flared in accordance with the Gas Flaring Permit. The Issuer anticipates that once the Gas Treatment Facility is completed and operational, the Group’s future dry gas production will be transported via a 17-kilometre gas pipeline linking the Chinarevskoye Field to the Orenburg—Novopskov gas pipeline operated by Intergaz. As there is no alternative route for the transportation of dry gas from the Chinarevskoye Field, if the Group is unable to agree favourable terms for the sale of its dry gas with KazRosGaz the Group will have to sell its gas production at unfavourable prices. This could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group expects that its future butane and propane production will be transported via trucks to its planned rail terminal as Rostoshi for onward delivery by rail. As the Group does not own its own fleet of trucks for the transportation of butane and propane, the Group will need to enter into transport arrangements with a third-party contractor. If the Group does not find a suitable contractor, it may not be able to produce or supply butane or propane as anticipated. In addition, similar to transportation for the Group’s crude oil production, onward transportation of the Group’s butane and propane production will depend on the Russian rail system and the availability of rail cars the risks associated with which are similar to those described above in relation to transportation of crude oil. Failure to obtain adequate transportation for its propane and butane production could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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 temporary permit granted by the Government. However, in order to pursue its water injection programme the Group will need to be granted a water use permit (“**Water Use Permit**”). The Group expects to finalise the terms of this permit with the relevant authority by mid-2008. If the Group does not obtain the necessary Water Use Permit, it may be unable to pursue its drilling and exploration strategy. In addition, as the Group’s production increases, the amount of water required by the Group for its operations will also increase, which may require the Group to apply for additional permits to access additional water sources. In the event the Group ceases to have access to the necessary amount of water or if the level of water available to it is curtailed, the Group’s ability to pursue certain 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, and the trading price of the GDRs.

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

The terms of the PSA and the Licence require the Group to share a proportion of its crude oil and gas production with the State, with such proportion to be paid by deliveries of crude oil or gas on an annual basis or, at the option of the State, deliveries of cash on a monthly basis. 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 State. Cost oil reflects the capital expenditures incurred by the Group in relation to its petroleum operations. Management expects that the capital expenditures necessary for Zhaikmunai's operation will decrease significantly following completion of its current planned development projects, as well as entry into the production phase of the PSA. Accordingly, the amount of crude oil production that may be deducted from the sharing arrangement is expected to similarly decrease, in which case the proportion of production subject to the Government's share (known as profit oil) will increase.

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

The Group may face unanticipated increased costs.

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

The Group relies on oil field suppliers and contractors to provide materials and services in conducting exploration and production. Any competitive pressures on the oil field suppliers and contractors, or substantial increase in the worldwide prices of commodities, such as steel, could result in a material increase of costs for the materials and services required by the Group to conduct its business. For example, due to high global demand and a limited number of suppliers, the cost of oil field services and goods has increased significantly in recent years and could continue to increase. 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 crude oil and gas sector. Although there have been no strikes in the history of the Group, industrial action, and the increased costs associated with such action, could occur.

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

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, the Issuer's Chief Executive for overall management of the Group's business. Mr Kessel has over 22 years' experience in the oil and gas industry.

The Group depends on the extensive contacts and relationships of its executives and Frank Monstrey, the chairman of the General Partner. Management personnel are provided pursuant to three agreements between Zhaikmunai and Probel Capital Management N.V. (“**Probel**”), Frans van der Schoot B.V. (“**VDS**”) and Amersham Oil, each of which are indirectly controlled by Frank Monstrey. The services provided under these agreements are integral to the management of the Group. Key personnel, such as Mr Kessel, may not remain with the Group and these companies may not continue to supply the services of these senior managers to the Group on similar terms, or at all. 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, and the trading price of the GDRs.

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 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 7% of Zhaikmunai’s staff as at 31 December 2007 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, and the trading price of the GDRs.

The Group expects to retain an increased number of skilled personnel to complete construction of its planned Gas Treatment Facility. If the Group is unable to hire appropriately trained and qualified personnel for this task, this will materially affect the success of the project. Factors critical to retaining the Group’s present personnel and to attracting additional highly qualified personnel include the Group’s ability to provide competitive compensation arrangements. Wage structures in Kazakhstan, though rising, remain lower than in industrialised nations and it may be difficult to attract and retain experienced and skilled personnel from outside Kazakhstan at wages that are acceptable to the Group. In addition, the Group operates in areas which are subject to extreme temperatures and climate. As such, it is difficult to attract and retain skilled management personnel at affordable rates.

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

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

Failure to obtain necessary equipment, and in particular failure to renew the Saipem drilling rig hire contract, could materially and adversely affect production.

The Group’s drilling and exploration activities rely on specific equipment obtained from third parties, such as drilling rigs. In particular, Zhaikmunai has entered into an agreement with Saipem S.p.A. (“**Saipem**”) for the supply and operation of land drilling rigs that are used for drilling the Group’s wells in the Chinarevskoye Field. Saipem may not fulfil its obligations under this agreement. Further, the Group may be unable to renew this agreement when it terminates. In either event, the Group may be unable to obtain comparable services from an alternative contractor at comparable cost. If the Group is unable to obtain necessary equipment, such as the drilling rigs supplied by Saipem, or if agreements or arrangements that are in place to secure such equipment are terminated or adversely modified, this would have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

West Kazakhstan 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, both in design, construction and maintenance. Since most of the equipment used by the Group is imported, maintenance costs are high, and there is a potential risk of delays while the equipment is being delivered. 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 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, and the trading price of the GDRs.

The Group intends to relocate the inhabitants of a village from within the Chinarevskoye Field and it may be unsuccessful in doing so.

In order for the Group to carry out its drilling and production activities in the Licence area in compliance with environmental law, the Group has obtained permission from the administrative office of West Kazakhstan to relocate approximately 300 residents of the village of Rozhkovo to new housing in Uralsk (to be paid for by the Group). It is possible that the administrative office could reverse its decision in the face of public disapproval or negative press comment, which could result in costs and delays to the Group. While the Group has been allocated a suitable parcel of land for the purposes of constructing a residential block of flats by the mayor of the city of Uralsk and has allocated US\$5 million to the building of such housing, unanticipated increases in building costs could result in additional costs to the Group. Further, while the residents of the village unanimously approved the terms of the relocation programme, the inhabitants of the village themselves may still refuse to leave the area as planned by the end of 2008, in which case the Group would need to pursue more costly alternative plans to access the reserves in the area. This may have an adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group has been subject to claims from land owners in relation to the construction of the Group's proposed oil pipeline.

Zhaikmunai was subject to a claim in connection with the construction of the Group's proposed oil pipeline. In November 2007, the Oblast court, third level, struck down an award granted by the court for the western district of Kazakhstan of approximately US\$120,000 to the land owner over whose land the Group's oil pipeline crossed. The claim has now been settled with the claimant. While management does not consider the claim to be material to the Group, if the claimant is ultimately successful and Zhaikmunai loses any further appeal, it is possible that other claimants whose land the pipeline crosses may submit similar claims of their own and seek further damages from the Group, potentially for similar sited amounts. The cumulative effect of such claims could potentially have a material adverse effect on the Group's business, prospectus, financial condition and results of operations, and the trading price of the GDRs.

The Group does not carry out the same financial statement close processes for interim financial reporting as for year end financial reporting which may adversely affect the Group's ability to prepare accurate interim financial information.

The processes that the Group has undertaken to close its financial reporting for interim periods are not as comprehensive as the processes that it has undertaken with respect to year end periods. During the course of its review of the Interim Combined Financial Information, the Group's independent auditor identified certain matters in such financial reporting for interim periods as a material weakness in the design or operation of the Group's internal controls in this respect. Under the applicable international standard, a material weakness is a weakness in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the consolidated financial information being reviewed may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. The Company's independent auditor considered these matters in determining the nature, timing and extent of the procedures it performed in its review of the Interim Combined Financial Information and such matters did not prevent the auditor from issuing the review report thereon.

Specifically, the Group's financial statement close processes for interim periods, in particular processes and controls relating to the timely and accurate capture and recording of transactions in accordance with IFRS, require improvements in order to avoid the risk that errors in amounts that would be material in relation to the interim financial information may occur. The Group has taken steps, and will continue to do so, to further improve its accounting systems and related internal controls. In particular, the Group has recruited additional personnel to assist in its accounting functions and financial reporting processes, and has initiated the alignment of its interim period financial reporting close procedures to those applied to its year end processes. If the Group is unable to remedy such deficiencies in its financial reporting procedures, it may not be able to prevent or detect a material misstatement of its interim financial information. Notwithstanding the above, the Company believes that its existing financial system is sufficient to ensure compliance with its continuing obligations as a listed entity with securities admitted to trading on the London Stock Exchange and in particular the FSA's Disclosure and Transparency Rules.

The Group may be unable to raise additional financing when necessary, which would adversely affect its ability to pursue its business strategy.

The Group may require additional equity or debt financing to satisfy its future capital investment commitments and liquidity needs. The Group's ability to arrange financing and the cost of financing will 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 the Group decides to raise additional funds by incurring debt, the Group may become more leveraged and subject to additional or more restrictive financial covenants and ratios. If the Group decides to raise additional funds by issuing new Common Units in the Issuer, existing holders of GDRs may be diluted. The Group's inability to procure sufficient financing for these purposes could materially and adversely affect the Group's ability to implement its business strategy and would have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group's significant leverage may 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 November 2007, the Group had US\$228.7 million in borrowings. In addition, on 12 December 2007, Zhaikmunai and (amongst others) BNP Paribas (Suisse) SA ("**BNP Paribas**") entered into a senior secured reducing facility agreement for up to an aggregate of US\$550 million (the "**BNP Paribas Facility**"), of which approximately US\$291 million had been drawn down as at 14 March 2008. See "*Operating and Financial Review—Borrowings—BNP Paribas Facility*". As a result, the risks normally associated with debt financing may affect the Group's business, prospects, financial position and operating results, and the trading price of the GDRs. 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 will reduce the funds available for working capital, capital expenditures and other general corporate purposes;
- 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 the Issuer, then the Group's cash flow may not be sufficient to repay all maturing debt. 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 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.

Advances under the BNP Paribas Facility bear interest at rates which vary depending on LIBOR. Additionally, during the period under review the Group has borrowed under facilities in respect of which interest rates are varied at the discretion of the lender (based on the lender's mandatory costs). For example, the interest rate under the BTA Facility (see "*Operating and Financial Review*") was increased by the lender from 12% to 15% in September 2007 (although this facility has been subsequently repaid in full). Under the BNP Paribas Facility, increases in LIBOR would increase the Group's interest expense, which could materially and adversely affect the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs. Such increases in interest rates could also materially and adversely affect the Group's cash flow and the ability to service debt.

The BNP Paribas Facility contains customary covenants, including restrictions on Zhaikmunai's ability to incur other indebtedness and to dispose of assets, which reduce Zhaikmunai's flexibility to conduct its operations and create a risk of default on debt if Zhaikmunai cannot satisfy its obligations.

In addition, the BNP Paribas Facility is secured by various security agreements. If Zhaikmunai were in breach of certain of its debt covenants, lenders could require Zhaikmunai to pay the then outstanding debt immediately, and, as the debt is secured, could sell the property securing such debt. The security interests under the BNP Paribas Facility (see "*Operating and Financial Review—Borrowings—BNP Paribas Facility*") are more onerous than under the BTA Facility and the Blavin Facility. The breach of covenants and the exercise by the lender of its rights under the BNP Paribas Facility could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

The crude oil that the Group exports is sold at prices quoted in US Dollars and cash payment to the Group is made in US Dollars. Approximately 15% of the Group's expenses for the year ended 31 December 2007 were incurred in Tenge. The Group does not maintain any currency hedging arrangements.

If the value of the US Dollar falls against the Tenge, then the Group will have less Tenge available to pay its Tenge expenses and its results (as translated into its functional currency, in Tenge) will be affected, as will all financial assets denominated in US Dollars. This could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group faces potential conflicts of interest.

The Group has engaged in, and may continue to engage in, transactions with related parties that could give rise to conflicts of interest. For example, the Group has engaged in transactions with companies controlled by and/or related to Frank Monstrey, the Chairman of the board of directors of the General Partner who, prior to the Global Offer, will indirectly control 100% of the Issuer, and on Admission will indirectly control a majority of the Common Units through his indirect control of Thyler and its Affiliates, including management services agreements with the Group. Conflicts of interest may continue to arise and the Issuer may not satisfactorily resolve any actual or potential conflict in the future. See "*Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates*".

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

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

Kazakhstan, the Kazakh insurance market only offers insurance against a limited range of risks associated with the Group's business, while reinsurance with an international insurance provider would substantially increase costs. 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, and the trading price of the GDRs.

Zhaikmunai maintains insurance covering certain risks associated with the operation of its wells and covering the wells in the event of fire, theft, acts of nature and other certain events. Separate cover is also maintained with respect to damage that may be caused by Zhaikmunai to third parties and environmental pollution. These insurance policies are with Kazakh insurance companies. The Group's insurance does not cover business interruption, key-man, terrorism or sabotage insurance. The proceeds of insurance applicable to covered risks may not be adequate to cover increased expenses relating to these losses or liabilities. Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage and this result could materially and adversely affect the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

Risk Factors Relating to the Crude Oil and Gas Industry

Any future decrease in crude oil prices could materially and adversely affect the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group's business depends heavily on prevailing crude oil prices. Crude oil sales are 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. The Group's revenues and net income fluctuate significantly with changes in crude oil prices. Although crude oil prices worldwide have increased significantly since 2001, such growth, or the existing level of crude oil prices, may not be maintained in the future. In addition, the BNP Paribas Facility provides that the Group maintains certain covenants related to cashflow which will be impacted by any fluctuation in oil prices. Any future declines (even relatively modest declines) in crude oil prices could materially and adversely affect the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

The Group's profitability is determined in large part by the difference between the income received for crude oil that the Group produces and its operating costs, as well as costs incurred in transporting and selling its crude oil. Therefore, lower crude oil prices may reduce the amount of crude oil that the Group is able to produce economically or may reduce the economic viability of the production levels of specific wells or of projects planned or in development because production costs would exceed anticipated income from such production. Furthermore, because the Group does not currently enter into hedging agreements whereby floor and/or ceiling price index collars are set for the price of crude oil that the Group sells, the Group has no contractual protection in the event that crude oil prices decrease from their current levels. Any decline in crude oil prices and/or any curtailment in the Group's overall production volumes could result in a reduction in net income, could impair the Group's ability to make planned capital expenditures and to incur costs necessary for the development of the Group's fields and could materially and adversely affect the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

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

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

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

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

The reserves data contained herein are estimates only and should not be construed as representing exact quantities. These estimates are based on production data, prices, costs, ownership, geological and engineering data, and other information assembled by the Issuer, and they assume, among other things, that the future development of the Group's crude oil fields and the future marketability of the Group's crude oil will be similar to past development and marketability. Many of the factors, assumptions and variables involved in estimating reserves are beyond the Issuer'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 Report) concerning the Group's reserves or production levels.

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

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

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

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

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

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

The Government can require oil producers in Kazakhstan to supply a portion of their crude oil production to domestic refineries to meet domestic energy requirements. Zhaikmunai has periodically received requests to deliver crude oil to oil refineries in Kazakhstan and in February 2008 delivered 4,000 tonnes of crude oil to the Atyrau refinery in Kazakhstan, the only time it has delivered any such oil. As the Atyrau refinery, which is located closest to and can be supplied from the Chinarevskoye Field, has capacity to process the Group's crude oil production, the risk that Zhaikmunai will be compelled by the Government to deliver a portion of its output for purposes of supplying domestic refineries will likely increase over time.

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

The Group may be unable to comply with its obligations under its hydrocarbon licences and related contracts.

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

In October 2007, Kazakhstan adopted legislation to amend the law "On Subsoil and Subsoil Use" ("**Subsoil Law**"). These amendments, which came into force on 3 November 2007, provide the Government with the right to initiate reviews of subsurface use contract terms and to unilaterally terminate subsurface use contracts in respect of deposits of "strategic importance".

Other provisions of Kazakh law provide that fines may be imposed and licences and hydrocarbon contracts may be suspended, amended or terminated if a licence holder fails to comply with its obligations under such documents or 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 the Licence and associated PSA, the Production Permit and the Gas Flaring Permit. If the Group were to fail to satisfy its obligations under these permits and consents, its rights to operate may be suspended, revoked or terminated. For example, although the PSA requires Zhaikmunai to use only Kazakh subcontractors, it has in the past used, and expects to continue to use, foreign subcontractors, which could prompt a claim for breach of the PSA by the State. Also, although the PSA requires Zhaikmunai to establish a liquidation fund and make annual contributions to the fund, management does not believe the requirement to make an annual contribution applies to Zhaikmunai, and therefore Zhaikmunai has not complied with these obligations. In addition, any antecedent breach under the Licence, the PSA, the Production Permit, and/or the Gas Flaring Permit, could result in the Group being ineligible for the permits it needs in the future, such as the production permits it will require following the expiry of the exploration phase in May 2008 (see "*Business—Licences and Contracts*") and the water use permit it will require in order to pursue its water injection programme (see "*—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*"). 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 Issuer'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 PSA contemplates an exploration phase and a production phase. Zhaikmunai will apply for an extension of the exploration phase of the Licence with respect to certain of its exploration activities in the eastern section of the Chinarevskoye Field in May 2008. If Zhaikmunai is unable to extend the exploration phase of the Licence, it will have to relinquish this part of the Licence area, which could cause Zhaikmunai to lose potential future resources and/or reserves. In addition, the Group may not be granted the necessary production licence from the Government or reach agreement on a development plan at the expiry of the exploration phase, each of which would adversely affect the Group's ability to pursue its strategy in this region of the Licence area. Any failure to obtain an extension of the exploration phase or any suspension, revocation or termination of any of the Licence, the PSA or hydrocarbon contracts or other material permits could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

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

In August 2007, the Government announced its intention to discuss the potential ratification of 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, would have an impact on environmental regulation in Kazakhstan. The effect of such ratification in other countries is still unclear; accordingly, potential compliance costs associated with the Kyoto Protocol are unknown. Nonetheless, the likely effect will be to increase costs for electricity and transportation, restrict emissions levels, impose added costs for emissions in excess of permitted levels, and increase costs for monitoring, reporting and financial accounting. As the Group's business involves incurring certain of these costs, increases in such costs could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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 that 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, and the trading price of the GDRs.

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 Group's subsoil licence. 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, and the trading price of the GDRs.

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. Recently, 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 Government has also recently approved legislation which empowers it to terminate existing subsoil licences in certain circumstances. The Licence could be suspended as a consequence of non-compliance with environmental regulations. See "*—Risk Factors*

Relating to the Republic of 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 and adversely affect the Group’s business, prospects, financial condition and results of operations and the trading price of the GDRs.

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

The PSA provides, in summary, that for the lifetime of the 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. While the Group’s tax obligations are clearly established in the PSA, some obligations may be imposed that are linked to other Kazakh tax regulations that could impose additional liabilities and lead to the imposition of substantial penalties and interest. See “—*Risk Factors Relating to the Republic of Kazakhstan—The Government has announced its intention to introduce a new oil production tax*”. Such regulation may not always be clearly determinable or applied in a consistent manner. In addition, the tax laws continue to evolve, and the rules implementing those changes are usually not established on a timely basis. Instances of divergent opinions among local, regional and national tax authorities are not unusual.

Under the PSA, Zhaikmunai is obligated to pay VAT at a rate of 16% on the supply of services in Kazakhstan. The Group may be unable to recover this input VAT or may suffer delays in the recovery of such input VAT depending upon payments by the relevant counterparty. Failure to recover such input VAT may have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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 court. The uncertainty of application, including retroactive application, 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, and the trading price of the GDRs.

The Group operates in a highly competitive industry.

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

Risk Factors Relating to the Republic of Kazakhstan

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, and the trading price of the GDRs.

Kazakhstan’s president, Nursultan Nazarbayev, has been in office since Kazakhstan became an independent sovereign state in 1991. Since 1991, Kazakhstan has pursued a programme of political and economic

structural reform designed to establish a free market economy through the privatisation of state enterprises and deregulation of the economy. In addition, under President Nazarbayev's leadership, the foundations of a market economy have taken hold, including privatisation of state assets, liberalisation of capital controls, tax reforms and pension system development. As with any economy in transition, such reforms may not continue and may not achieve their intended aims.

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

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

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

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

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

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

In August 2007, at a regular meeting of the Cabinet of Ministers, Prime Minister Karim Masimov announced the Government's disapproval of the delayed production by Agip KCO, the operator at the Kashagan oil field and a subsidiary of ENI. The Government suggested that the operator failed to meet certain provisions of Kazakh environmental laws and threatened to revoke the operator's permits to operate. A settlement reached in January 2008 resulted in the terms of the production sharing agreement

being revised in favour of KazMunaiGas such that the share interest of KazMunaiGas doubled and the share interests of the other members of the consortium decreased. Although the Issuer believes that Zhaikmunai is in compliance with its obligations under the PSA and applicable Kazakh law, the Government could raise similar complaints, even without merit, about Zhaikmunai's operation of the Chinarevskoye Field. In addition, the Government recently approved legislation providing the Government with the right to initiate reviews of subsurface use licence terms and to unilaterally terminate subsurface use licences in respect of deposits of "strategic importance". These amendments came into force on 3 November 2007. See "*Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan*". Any complaints by the Government or the invocation by the Government of the new subsoil law provision in relation to the Chinarevskoye Field would have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

The laws and regulations of Kazakhstan relating to foreign investment, subsoil use, licensing, companies, customs, currency, capital markets, pensions, insurance, banking, taxation and competition are still developing and are uncertain. Many such laws provide regulators and officials with substantial discretion in their application, interpretation and enforcement. Furthermore, the judicial system may not be fully independent of social, economic and political forces. Court decisions can be difficult to predict and enforce, and the Group's best efforts to comply with applicable law may not always result in compliance as determined by regulators and/or the courts. Furthermore, because the 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 Subsoil Law is relatively new, there are few precedents that would make the consequences of a breach more predictable. For example, Agip KCO, the operator developing the Kashagan oil field on behalf of a consortium of Western oil companies, was accused by the Government in August 2007 of breaching certain provisions of Kazakh environmental law. See "*—The Group is exposed to the risk of adverse sovereign action by the Government*".

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

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. The ongoing rights of the Group under its subsoil use contracts and licences (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 its subsoil use contracts and 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.

The Government holds a pre-emption right in respect of any transfer of an interest in an entity with a subsoil use licence in Kazakhstan.

Article 71 of the Subsoil Law provides that the Government has a pre-emptive right to purchase certain subsoil use rights or indirect or direct interest in companies having subsoil use rights for sale. This pre-emptive right permits the Government to purchase any such subsoil use rights or equity interests being offered for sale on terms no less favourable than those offered by other purchasers. The relevant government authority may terminate a subsoil use contract if a transaction takes place in violation of this law. These provisions apply to Kazakh and overseas entities. The exact scope of the law is uncertain and no precedent exists to indicate how it may be applied. It is unclear whether the right of pre-emption can be exercised on transfers that have occurred without notice to the relevant authority and whether such prior transactions can be unwound. The pre-emptive right has been waived by the Government with respect to the issue by the Issuer of the new Common Units pursuant to the Global Offer and to subsequent sales of the GDRs, as well as the Reorganisation Arrangement between Scoulton, Amery and Claremont. However, the pre-emptive right has not been waived with respect to any other issuances or sales of new GDRs and therefore any future issuance or sale of new GDRs or the sale of, or granting of security over, the Group's assets will require a waiver of such pre-emption rights from the Government. Such a waiver may not be granted in a timely manner or at all.

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

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

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

The authorities in Kazakhstan can, and do from time to time, inspect the Group's compliance with licensed terms and the relevant laws. Fines may be imposed and licences may be suspended, restricted or terminated if the holder of a licence fails to comply with licence requirements or the relevant laws. For instance, recently, the Government claimed that the operator at the Kashagan oil field had breached certain provisions of its licence and applicable law, and consequently suspended the operator's licence. In addition, the Government recently approved legislation providing the Government with the right to initiate reviews of subsurface use contract terms and to unilaterally terminate subsurface use contracts in respect of deposits of “strategic importance”. These amendments came into force on 3 November 2007. See “*Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan*” and “*—The Group is exposed to the risk of adverse sovereign action by the Government*”. Although the Issuer believes that Zhaikmunai is in compliance with its obligations under the PSA and applicable Kazakh law, Zhaikmunai could potentially face similar Government action, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

There are Kazakh tax risks associated with the GDRs.

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.

Kazakhstan tax law defines all income which may be taxed in Kazakhstan under applicable double tax treaties as income from a Kazakhstan source. Since double tax treaties signed with certain countries contain provisions that entitle Kazakhstan authorities to tax gains from the disposal of GDRs, GDR holders resident in these countries may be subject to Kazakh tax on such income. It remains to be seen whether this newly introduced provision will be applied to increase the tax burden of treaty country residents, as compared to other non-resident persons.

In addition, if a GDR holder exercises a right to convert GDRs into Common Units of the Issuer, then gains from further disposal of such Common Units can be taxable in Kazakhstan. Paragraph 3 of Article 178 of the Kazakh Tax Code states that certain income is deemed to be Kazakh source income and this includes “capital gains from...the realisation of shares issued by non residents...if more than 50% of the value of the shares...or assets of the non resident legal entity comprises property in...Kazakhstan”.

Furthermore, there is a risk that the Kazakhstan tax authorities may take into account economic similarities between GDR holders and holders of Common Units and attempt to subject GDR holders to tax as constructive owners of Common Units. In this case, gains from the disposal of GDRs can be taxed in Kazakhstan in the same way as gains from the disposal of Common Units of non-residents as discussed above. Due to the lack of existing precedent or practice, the Issuer is unable to assess the likelihood of such challenge by the tax authorities or probability of its success.

If income earned by GDR holders or holders of Common Units is subject to Kazakhstan taxation, then the acquirer and transferor will be subject to Kazakhstan registration, tax reporting and tax payment

requirements. The Kazakhstan legislation envisages certain administrative and criminal sanctions for non compliance with these requirements. Furthermore, amendments to Kazakh tax laws would replace the current self-assessment mechanism for paying capital gains tax with a system of withholding tax at source for gains on sales of securities deriving more than 50% of their value from Kazakh assets. The rate of this withholding tax would be 20% and GDR holders who subsequently purchase GDRs would become the tax agents responsible for withholding and paying tax. Failure to pay these taxes under the proposed law would allow the State to assess such tax on the Kazakh asset comprising the property underlying the securities sold (that is to say, the Zhaikmunai).

The above summary is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of GDRs, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. This summary only addresses the position of investors who do not have any connection with Kazakhstan other than a holding of GDRs. Also, it assumes that the Issuer and all GDR holders are not resident in Kazakhstan for tax purposes. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of GDRs, 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.

The Government has announced its intention to introduce a new oil production tax.

On 30 November 2007, the Deputy Finance Minister of Kazakhstan announced plans to introduce a new oil production tax. The announcement stated that a draft of the new tax law would be submitted for parliamentary approval in the first quarter of 2008 and that the new tax would likely come into force in 2009. The announcement stated that the new tax would be based on output and world oil prices rather than export volumes, although no specific details as to the potential size of the tax were given. The announcement stated that the new tax would apply to companies working within production sharing agreements, such as the PSA. On 20 February 2008, Kazakh Prime Minister Karim Masimov told a meeting of tax officials in Astana that the State would in future abandon its policy of signing production sharing agreements with foreign companies developing Kazakhstan's hydrocarbon reserves. Mr Masimov did, however, acknowledge that the state would continue to honor PSAs already agreed. Mr Masimov indicated the state would consider an increase in respect of subsoil use taxes, but will abandon production-sharing agreements on new deals as a type of contract for subsoil use. To date, production sharing agreements in Kazakhstan have been exempt from a similar rent tax on oil production which is based on world oil prices but calculated on the basis of export volumes. If the new tax is introduced and applied to oil producers working within existing production sharing agreements, such as Zhaikmunai, the Group's crude oil production would likely be subject to the new tax. Depending on the amount of tax payable, the Group's revenues could be adversely affected, and the new tax could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, and the trading price of the GDRs.

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

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

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

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

The shareholder of the General Partner will have significant influence over the Issuer.

Immediately following the Global Offer, Thyler will be the sole shareholder of the General Partner and one of its Affiliates, Claremont, will be the beneficial owner of 90.9% of the Common Units, including 75% of the total number of GDRs. Accordingly, Thyler will be able to control the removal and appointment of the directors of the General Partner, with the exception of the Independent Non-Executive Directors. Claremont will also be able to prevent the removal of ZGL as the general partner of the Issuer, and effectively control all matters requiring approval of holders of Common Units (including those matters which require a special resolution of such holders), including the payment of distributions. Thyler and its Affiliates, which are indirectly controlled by Frank Monstrey, the chairman of the board of directors of the General Partner, will therefore exercise substantial influence over the Issuer's business and affairs and may take actions that favour their interests over those of the Issuer.

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, which in turn could have an adverse effect on the trading price of the GDRs. In addition, the Issuer may be directed by Thyler and its Affiliates to make acquisitions and/or carry out investments contrary to the best interests of the Issuer and of its minority limited partners.

The Issuer has entered into a relationship agreement ("**Relationship Agreement**") with Thyler and Claremont that is intended to allow the Issuer 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, the Issuer 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 following the Global Offer Thyler and its Affiliates take actions that favour their interests over those of the Issuer, the Issuer's business, prospects, financial position or results of operations and the trading price of the GDRs may be materially adversely affected.

The Issuer's organisational, ownership and operational structure may create significant conflicts of interest that may be resolved in a manner which is not always in the best interests of the Issuer or the best interests of GDR holders as a whole.

The Group's organisational, ownership and operational structure involves a number of relationships that may give rise to conflicts of interest between the Issuer and GDR holders, on the one hand, and Thyler and its Affiliates (including Claremont) on the other. In certain instances, the interests of Thyler and its Affiliates which are involved in the Group's business may differ from the interests of the Issuer and GDR holders, including with respect to the types of decisions made, the method in which Zhaikmunai is operated, the reinvestment of capital generated by hydrocarbon sales, the use of leverage when making capital investments, the provision of senior management services and the appointment of outside advisers and service providers. In particular, Frank Monstrey, who is the chairman of the board of directors of the General Partner, indirectly controls 100% of the General Partner and, following the Global Offer, will indirectly control 90.9% of the Common Units, including 75% of the total number of GDRs, and is therefore able to exert considerable influence over the management of the General Partner and, consequently, the Issuer. As the indirect controller of the General Partner and a majority of the GDRs, Mr Monstrey will be able to control the removal and appointment of the directors of the General Partner with the exception of the Independent Non-Executive Directors (where Claremont has undertaken not to vote on any such resolution). Accordingly, Mr Monstrey will therefore exercise substantial influence over the Issuer's business and affairs and may take actions that favour the interests of Claremont, Thyler and/or the Affiliates.

The limited partnership agreement contains various provisions that modify the fiduciary duties that might otherwise be owed to the Issuer and GDR holders when such conflicts arise. These changes may be detrimental to GDR holders because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty and permit the General Partner to take into account the interests of third parties, including Thyler and its Affiliates, when resolving conflicts of interest. As a result of these modifications, it is possible that conflicts of interest may be resolved in a manner that is not always in the best interests of the Issuer or the best interests of GDR holders.

Risk Factors Relating to the GDRs and Common Units

Holders of GDRs will have limited rights to enforce the Partnership Agreement unless they instruct the Depositary how to act or dematerialise their GDRs and hold Common Units.

Under Isle of Man Law, a limited partnership's general partner manages or controls the limited partnership's business or affairs. Limited partners are not entitled to vote on matters relating to the management of the Issuer's business or affairs, although they may exercise their contractual rights under the Issuer's partnership agreement ("**Partnership Agreement**"). Although holders of Common Units have certain limited rights in relation to the management of the Issuer under the Partnership Agreement, GDR holders themselves are not party to the Partnership Agreement. Therefore, GDR holders must instruct the Depositary as to how to exercise the rights attached to the underlying Common Units. GDR holders may therefore face delays in exercising their rights under the Partnership Agreement. See "*—Voting rights of GDR holders are limited by the terms of the Deposit Agreement*".

The Depositary may not seek, in the absence of any instructions from GDR holders, to enforce the various rights of GDR holders under the Partnership Agreement or to ensure that the General Partner complies with its obligations under the Partnership Agreement. If the Depositary, as a limited partner in the Issuer, does not enforce the obligations of the General Partner under the Partnership Agreement, GDR holders will only be able to do so if they become limited partners themselves. This would require GDR holders to dematerialise their GDRs in exchange for holding Common Units directly in the Issuer. Any such dematerialisation may result in delays and/or costs to the relevant GDR holder in enforcing its contractual rights, which could have an adverse effect on the trading price of the GDRs.

Future sales, or the real or perceived possibility of sales, of a significant number of GDRs in the public market could adversely affect the prevailing trading price of the GDRs.

The Issuer cannot predict the effect, if any, that sales of the GDRs, or the availability of the GDRs for future sale, will have on the market price of the GDRs, but the availability of GDRs that are eligible for public sale could adversely affect the trading price of the GDRs.

There is currently no trading market for the GDRs or the Common Units.

Prior to the Global Offer, there has been no trading market for the GDRs. There is no assurance that a trading market for the GDRs will develop or be sustained after the Global Offer, or that the price at which the GDRs will trade in the public market subsequent to the Global Offer will not be lower than the Offer Price. If no trading market develops for the GDRs, investors may experience difficulty selling the GDRs. In addition, there is no trading market for the Common Units represented by the GDRs, nor does the Group intend to apply for the listing or admission to trading of the Common Units on any stock exchange. As a result, any holder of GDRs electing to cancel their GDRs and withdraw the Common Units represented by such GDRs will have significant difficulty disposing of such Common Units.

GDRs may be subject to market price volatility and the market price of GDRs may decline disproportionately in response to adverse developments that are unrelated to the Issuer's operating performance.

The market has from time to time experienced significant price and volume fluctuations that are not closely related to the operating performance of particular companies. Factors including oil prices, war, increased competition, fluctuations in the Issuer's operating results, the regulatory environment, availability of reserves and general market conditions could have an adverse effect on the trading price of the GDRs.

Voting rights of GDR holders are limited by the terms of the Deposit Agreement.

GDR holders will have no direct voting rights with respect to the Common Units represented by the GDRs. Instead, GDR holders will have a right to instruct the Depositary how to exercise those rights, subject to the provisions of the Deposit Agreement. However, there are practical limitations on the ability of GDR holders to exercise voting rights due to additional procedural steps involved in the Issuer's communication with GDR holders. For example, GDR holders will not receive notices of meetings directly from the Issuer, but from the Depositary, which has undertaken to deliver to GDR holders, as soon as practicable after receipt of the same by the Depositary, notices of meetings, copies of voting materials that it receives from the Issuer and a statement as to the manner in which instructions may be

given by GDR holders. As a result, the process of exercising voting rights may take longer for GDR holders than for holders of Common Units. In addition, there is a possibility that a GDR holder will not receive voting materials or otherwise learn of a meeting in time to enable that GDR holder to return voting instructions to the Depositary in a timely manner. In the event that the Depositary does not receive voting instructions from a GDR holder either because no voting instructions were returned to the Depositary or because the voting instructions were incomplete, illegible or unclear, or if the GDR holder fails to confirm its ownership interest and identify the ultimate beneficial owner, if required, of the GDRs, a discretionary proxy may be designated by the Issuer to exercise the voting rights of such GDR holder. No such discretionary proxy will be appointed with respect to any matter as to which the Issuer informs the Depositary that it does not wish such proxy to be given or that such matter materially and adversely affects the rights of holders of GDRs. GDR holders who wish to take such action directly may request the cancellation of their GDRs and take delivery of the underlying Common Units.

USE OF PROCEEDS

The gross proceeds to the Issuer from the Global Offer are expected to be US\$100 million and the net proceeds to the Issuer from the Global Offer are expected to be approximately US\$92 million, after deduction of Managers' commissions and fees and expenses payable by it relating to the Global Offer.

The Issuer intends to use the net proceeds received from the Global Offer for the following purposes:

- funding of capital expenditures; and
- general corporate purposes.

Until the net proceeds of the Global Offer received by the Issuer are used in the manner described above, such net proceeds will be invested in appropriate short-term investments.

DISTRIBUTION POLICY

Neither the Issuer (since its formation), nor Zhaikmunai has made cash distributions in respect of their respective partnership interests or participatory interests, as the case may be. The Issuer's current policy is to use any profits for the development of its business or for mandatory prepayments under the BNP Paribas Facility, rather than for cash distributions. As a result, it does not expect to pay any distributions in the foreseeable future. Payment of future distributions, if any, will be at the discretion of the General Partner, taking into account its financial performance, cash flows, the results of the investment projects currently under way and constraints under the Partnership Agreement and any credit facilities to which it may be party at such time.

The Partnership Agreement permits distributions to be made only out of profits if the Issuer has sufficient cash on hand to make the distribution. In addition, distributions cannot be paid if this would result in the Issuer becoming insolvent or being unable to pay its debts as they fall due or if, in the opinion of the General Partner, the distribution would or might reasonably be expected to leave the Issuer with insufficient funds to meet any future contingent obligations. The BNP Paribas Facility restricts any distributions whilst any amount is outstanding thereunder.

CAPITALISATION AND INDEBTEDNESS

The Issuer was formed on 29 August 2007 as an Isle of Man limited partnership to hold, indirectly, all of the partnership interests in Zhaikmunai. As at 28 March 2008, the Issuer, on a stand-alone basis, had no indebtedness.

The following table sets forth the cash and cash equivalents, current portion of long-term borrowings and capitalisation of Claydon and Jubilata, as at 30 November 2007, and on an adjusted basis to reflect (i) the further drawdown of US\$20 million and full repayment of US\$242 million under the BTA Facility, (ii) the repayment of US\$6.7 million under the Blavin Loan, (iii) the drawdown of US\$298 million under the BNP Paribas Facility and (iv) the receipt of the net proceeds of the Global Offer in an amount of US\$100 million less fees and expenses payable by the Issuer in connection therewith of US\$8 million. This information should be read in conjunction with the Combined Financial Information and the related notes thereto beginning on page F-2 of this Prospectus.

	<u>As at 30 November 2007</u>	
	<u>(US\$ millions)</u>	
	<u>Actual</u>	<u>As adjusted</u>
Cash and cash equivalents	5.113	97.113
Current portion of long-term borrowings	38.096	—
Total non-current debt	199.445	306.866
Share capital/Partnership equity ⁽¹⁾	0.05	92.000
Total capitalisation	<u>237.546</u>	<u>398.866</u>

-
- (1) This shows the share capital of Claydon and Jubilata prior to the Global Offer and, as adjusted, the partnership equity of the Issuer having given effect to the Global Offer. The partnership equity of the Issuer is presented net of fees and expenses incurred in connection with the Global Offer in accordance with IFRS.

Except as described herein and in “*Operating and Financial Review—Borrowings*”, there have been no material changes since 30 November 2007.

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 MEMR, the NBK and other public sources, including the NBK's Annual Reports for 2005 and 2004 and the NBK Statistical Bulletin dated January 2008, December 2007 and December 2006.

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, 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.

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 and most oil from Kazakhstan is currently delivered to international markets by pipelines through Russia to shipping points on the Black Sea. The opening of the CPC pipeline in 2001 substantially increased the crude oil export capacity of Kazakhstan.

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

In May 2003, President Nazarbayev approved a new Caspian Sea development programme for the period to 2015, which called for new offshore blocks (or potential oil fields) to be auctioned between 2003 and 2010. Under Kazakhstan law, the Government is authorised to approve the specific list of blocks to be auctioned and the MEMR 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 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. The Issuer has submitted an application for waiver of such pre-emption right by the relevant governmental authorities in connection with the Global Offer but has not received a response to its application. As at the date of this Prospectus, no formal waiver has been received.

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 KazMunaiGas doubled and the share interests of the other members of the consortium decreased. The settlement also required the other members of the consortium to pay US\$5.0 billion to NC KMG until the end of the concession in 2041. See *“Risk Factors—Risks Relating to the Republic of Kazakhstan—The Group is exposed to the risk of adverse sovereign action by the Government”*. In addition, on 3 November 2007 additional amendments to the 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 subsoil use rights”*.

Oil Supply and Demand

As at 31 December 2006, Kazakhstan ranked ninth in the world by oil reserves and eleventh in the world by oil and gas reserves. Kazakhstan is the second largest oil producer (after Russia) among the former Soviet Republics and has the Caspian region's largest recoverable crude oil reserves. According to the BP Statistical Review, Kazakhstan's proven oil and gas reserves were 39.8 billion barrels and 105.9 trillion cubic feet, respectively, as at 31 December 2006.

Between 1999 and 2006, Kazakhstan's oil production grew at a compounded annual growth rate of approximately 12.4%. In 2006, the country produced 54.3 million tonnes of crude oil, and from January to August 2007 production amounted to 36.5 million tonnes. The Government has stated that it expects production to increase to 90 million tonnes per year by 2010 and 150 million tonnes per year by 2015. Most of this growth is expected to come from the Tengiz, Karachaganak and Kashagan fields.

Kazakhstan produced approximately, 59.4 million tonnes of oil and gas condensate in 2004, 61.9 million tonnes of oil and gas condensate in 2005 and 65.0 million tonnes of oil and gas condensate in 2006.

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).

In 2006, the three refineries together processed a combined average of approximately 11.7 million tonnes (234,000 bpd) of crude oil (approximately 3.9 million tonnes per year (78,000 bpd) at Pavlodar, 3.7 million tonnes per year (75,000 bpd), at Atyrau, 4.0 million tonnes per year (81,000 bpd) at Shymkent).

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 proven reserves located in the Karachaganak field. Another important gas field, Amangeldy, is situated in the south of the country and is being developed by KazTransGas, a subsidiary of NC KMG.

Gas production in Kazakhstan has increased significantly since 1999 when the Government passed a law requiring subsoil users (primarily oil companies) to include gas utilisation projects in their development plans. As a result, gas production in 2000 doubled compared to 1999, reaching 314 billion cubic feet, the highest level since independence in 1991. Production increased to 905.4 billion cubic feet in 2006. According to the 15-year development strategy of the MEMR, Kazakhstan expects to increase its gas production to 1.85 trillion cubic feet per year by 2010, and to 2.80 trillion cubic feet per year by 2015.

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. Since Kazakhstan is essentially landlocked, the pipelines have to transit through neighbouring countries to reach international markets. The exploitation of Kazakhstan's hydrocarbon resources has been assisted by the development of the hydrocarbon transportation infrastructure in the region:

- In 2004, approximately 22.5 million tonnes (450,000 bpd) of crude oil were shipped through the CPC pipeline and approximately 15 million tonnes per year (300,000 bpd) of crude oil were shipped through the UAS pipeline out of total exports of approximately 48.9 million tonnes (978,000 bpd);
- In 2005, approximately 30.5 million tonnes (610,000 bpd) of crude oil were shipped through the CPC pipeline and approximately 15.2 million tonnes per year (310,000 bpd) of crude oil were shipped through the UAS pipeline out of total exports of approximately 52.4 million tonnes (1.1 million bpd); and
- In 2006, a total of 31.1 million tonnes of crude were shipped through the CPC pipeline, while from January to August 2007 there was an increase of 6.6% in the volume of oil transportation through the CPC pipeline as compared to the previous year with some 22.1 million tonnes being transported.

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.

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 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. The Baku-Tbilisi-Ceyhan pipeline project, which cost approximately US\$4.0 billion, is designed to transport up to approximately 50 million tonnes per year by 2010. BP is the largest stakeholder in this project. In May 2005, construction of the pipeline was completed and the pipeline began operating in July 2006. The Baku-Tbilisi-Ceyhan pipeline is expected to be largely dedicated to production from the Azeri-Chirag-Gunashli fields in the Azerbaijan sector of the Caspian Sea but to the extent there is available capacity, the Baku-Tbilisi-Ceyhan pipeline may be used to transport Kazakhstan crude oil shipped across the Caspian Sea to Baku by tanker. Kazakhstan is now in discussions with Azerbaijan for access.

In December 2005, China and Kazakhstan put into operation the 614-mile Atasu-Alashankou pipeline, forming part of the Atasu-Dushantsty pipeline. The initial capacity of the Atasu-Alashankou pipeline is approximately 10 million tonnes (200 thousand bpd) per year, with a projected increase up to 20 million tonnes per year.

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

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

Major Oil and Gas Projects in Kazakhstan

TCO

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

The Tengiz field is located in the southeastern part of the Pre-Caspian Basin on the northeastern edge of the Caspian Sea. It was discovered in 1979 in the Atyrau region. The Tengiz field has estimated recoverable reserves of between 750 million tonnes (5.5 billion barrels) and 1,125 million tonnes (8.3 billion barrels) of oil. In 2004, 13.7 million tonnes (276,000 bpd) of oil were produced at the Tengiz field, as compared to 13.6 million tonnes (274,000 bpd) in 2005, and 20.0 million tonnes (403,000 bpd) in 2006. The output of the Tengiz field is shipped through the CPC pipeline. Future shipments are also expected to be shipped through the Baku—Tbilisi—Ceyhan pipeline.

Karachaganak Project

The Karachaganak field is a large gas-oil-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 consortium includes affiliates of ENI SpA, BG Group, Chevron and LUKOIL Overseas. BG Group and ENI SpA are the project operators. The output of the Karachaganak field is expected to be shipped through the CPC pipeline.

The field holds an estimated 1.2 billion tonnes of liquid hydrocarbons and 1.3 trillion cubic metres of gas. In 2006, Karachaganak's total production was approximately 24.4 million tonnes (approximately 492,000 bpd) oil and condensate and 10.4 million cubic metres per day of gas.

North Caspian Project

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

State Pre-Emption Rights

The Subsoil Law contains pre-emption rights for the State in connection with any transfer of subsoil use rights and/or any transfer of the shares or participation interests in a legal entity directly or indirectly controlling another entity with subsoil use rights. See *“Regulation in Kazakhstan—Regulation of mineral rights in Kazakhstan—Regulation of subsoil use rights”*.

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 a share 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 sector by production.

Oil and condensate production for 2006

Company Production	Foreign Investors	('000 tonnes)
1. TCO (Tengizchevroil)	Chevron Texaco, ExxonMobil, LukArco	13,318
2. KPO (Karachaganak)	Eni, BG, ChevronTexaco, LUKOIL	10,380
3. KazMunaiGas EP	Listed on the LSE	9,550
4. Aktobemunaigas	CNPC	5,901
5. Mangistaumunaigas	Central Asia Petroleum	5,741
6. PKZ Kumkol	CNPCI (acquired PKZ)	3,684
7. Turgai Petroleum	LUKOIL, CNPC	3,414
8. KazGerMunai	CNPCI (through PKZ)	2,883 ⁽¹⁾
9. Karazhanbasmunai	Citic	2,324 ⁽²⁾
10. Kazakhoil Aktoby	LUKOIL	1,016

Note: The table does not include Kashagan, which is still under development.

Source: KazMunaiGas EP.

Gas production for 2006

Company Production	Foreign Investors	('000 cubic metres)
1. TCO (Tengizchevroil)	Chevron Texaco, ExxonMobil, LukArco	6,910
2. KPO (Karachaganak)	Eni, BG, ChevronTexaco, LUKOIL	11,921
3. KazMunaiGas EP	Listed on the LSE	1,180
4. Aktobemunaigas	CNPC	2,920
5. Mangistaumunaigas	Central Asia Petroleum	420
6. PKZ Kumkol	CNPCI (acquired PKZ)	359
7. Turgai Petroleum	LUKOIL, CNPC	253
8. KazGerMunai	CNPCI (through PKZ)	471 ⁽¹⁾
9. Karazhanbasmunai	Citic	18 ⁽²⁾
10. Kazakhoil Aktoby	LUKOIL	447

Source: KazMunaiGas Exploration Production.

(1) 50% now to KazMunaiGas EP.

(2) 50% now to KazMunaiGas EP.

Alongside investment by international and national oil companies, foreign exploration and production companies, such as PetroKazakhstan and Nelson Resources (which launched their Kazakh operations in 1996 and 2000, respectively), have built positions as Kazakh-focused oil producers. Recently, numerous smaller companies, which have been attracted by development opportunities and the region's existing infrastructure, have shown renewed interest, particularly in western Kazakhstan. Examples of companies in this peer group include, among others, Arawak Energy, Aurado Energy, BMB Munai, Big Sky Energy, Canargo Energy, Caspian Holdings, Transmeridian and Victoria Oil and Gas.

The recent push by oil companies to secure access to reserves has led to a rapid increase in global mergers and acquisitions activity. Kazakhstan has seen its share of consolidation with the acquisition by CNPC International of PetroKazakhstan in October 2005 followed by LUKOIL's acquisition of Nelson Resources in December 2005 and the acquisition of 50% of KazGerMunai by KazMunaiGas in April 2007 and 50% of CITIC Canada Energy Limited by KazMunaiGas in December 2007. Further activity is expected as companies compete for licences, acreage and producing properties in oil-rich regions of the world. See also “*Regional Overview of the Oil and Gas Industry—State Pre-emption 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, all subsoil reserves belong to the State. The MEMR (currently 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). Subsoil use rights may be terminated by the MEMR if licence holders 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—Licences and Contracts*”.

Regulation of subsoil use rights

There have been three main phases of subsoil use regulation in Kazakhstan:

- from Kazakhstan’s independence in 1991 to August 1994;
- the licensing-contractual regime from August 1994 to August 1999, which has two sub-phases: (i) August 1994 to January 1996, and (ii) January 1996 to August 1999; and
- the contractual regime, which commenced in August 1999.

The Subsoil Law and the 1999 Amendments

The current legal framework for the regulation of subsoil use rights in Kazakhstan was established with the adoption of the Subsoil Law on 27 January 1996. Under the Subsoil Law, the subsoil and any useful minerals contained therein are owned by the State. In August 1999, the 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 MEMR to grant these rights contractually, without first having to issue a licence (which was required under the previous regulatory framework). In practice, subsoil use rights are typically granted following a tender process.

The 2004-2005 Amendments to the Subsoil Law

The 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 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 (the “**2004-2005 Amendments**”). The 2004-2005 Amendments provide a pre-emption right to the State (through the Government) in connection with any transfer of subsoil use rights and/or any transfer of the shares or participation interests in a legal entity directly or indirectly controlling another legal entity with subsoil use rights, if the core business of the controlling entity is related to subsoil use in Kazakhstan (“**Government Pre-Emption Right**”). This gives 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 Government Pre-Emption Right applies retroactively to all existing contracts, as well as prospectively to future contracts. The 2004-2005 Amendments do not contain detailed procedures that the Government must

follow to exercise the Government Pre-Emption Right. As a result, the process remains unclear. The Government has yet to exercise its pre-emption right pursuant to this provision to date. However, an inter-departmental commission was established by decree to consider the pre-emption right of the Government in situations when subsoil use rights and/or the shares or participation interests of any subsoil user are offered for sale and to make recommendations to the Government. It is the Government that will then make a decision whether to exercise the Government Pre-Emption Right. The decree did not establish detailed guidelines to sellers on the procedures for notifying the commission about transactions that might trigger the Government's Pre-Emption Right or the deadline for the Government to exercise this right.

Other provisions in the 2004-2005 Amendments include a requirement that subsoil users purchase goods and services from Kazakh producers, provided such goods and services comply with the applicable national and/or international standards and a prohibition on the purchase of goods and services by subsoil users from foreign organisations where there are comparable Kazakh goods and services available.

The 2004-2005 Amendments also create a regulatory regime to enable subsoil users to pledge their subsoil use rights and clarify the legal status of a transfer of pledged rights.

The 2007 Amendments to the Subsoil Law

In October 2007, Kazakhstan adopted new legislation amending the Subsoil Law (the "**2007 Amendments**"). The 2007 Amendments came into force on 3 November 2007. The revisions provide the Government with the right to initiate reviews of subsurface use contract terms and to introduce amendments and/or additions to subsoil use contracts in circumstances where the activities of the subsoil user in deposits of "strategic importance" lead to material changes in the economic interests of the state which jeopardise national security.

In addition, under the 2007 Amendments, the MEMR is provided with the following new grounds for unilateral termination:

- if within two months of receipt of the MEMR's notice of amendments and/or additions to the terms and conditions of the subsoil use contract, the subsoil user does not consent in writing to negotiate such amendments and/or additions to the terms and conditions of the contract or refuses to negotiate;
- if within four months of receipt of the subsoil user's consent to negotiate amendments and/or additions to the terms and conditions of the contract, the parties fail to come to an agreement on such amendments and/or additions to the terms and conditions of the contract; and
- if within six months following the date on which an agreed decision on the restoration of the economic interests of the state was reached, the parties do not sign the amendments and/or additions to the terms of the contract.

The MEMR also has the right, before adopting the decision to terminate the subsoil contract, to demand an immediate termination of the subsoil operations by notifying the subsoil user, after which the subsoil user is required to immediately carry out such demand. The MEMR also has the right under the 2007 Amendments to unilaterally terminate a subsoil contract where the subsoil user's operations in a deposit of strategic significance lead to material changes in the economic interests of the State which jeopardise national security.

The 2007 Amendments have retroactive effect in respect of previously concluded subsoil production and/or production and exploration contracts which are deemed to be of strategic importance. The Government has yet to issue a list of the subsoil deposits which it deems to be of strategic importance. In addition, there is an absence of specific criteria identifying what encompasses threats to the national security of the State.

The MEMR and other regulatory authorities

General

The State plays a role in three areas of subsoil management. Firstly, the Government is responsible for organising and managing state-owned reserves, outlining subsoil allotments, defining the list of commonly occurring minerals, defining the procedures for the conclusion of contracts, approving model contracts and appointing the "competent authority". Secondly, the competent authority (currently, the MEMR) has the power to execute and implement subsoil use contracts. Finally, local executive authorities have

responsibility for, among other things, granting land to subsoil users, supervising the protection of the land and participating in negotiations with subsoil users for environmental and social protection.

The MEMR

The MEMR is the Ministry designated by the Government to enter into subsoil use contracts. In addition, the Subsoil Law provides that the MEMR, as the Competent Authority with respect to subsoil use contracts for exploration and production of minerals in general and from technogenic mineral formations, is responsible for:

- organising tenders of subsoil use rights for exploration and production of minerals;
- executing and registering subsoil use contracts;
- monitoring compliance with the terms of subsoil use contracts;
- issuing permits for the transfer of subsoil use rights and registration of transactions involving pledges of subsoil use rights; and
- suspending and terminating subsoil use contracts in accordance with the procedures set forth in the Subsoil Law.

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 Trade, which monitors compliance with the requirement that goods and services are procured through the tender process and from Kazakh businesses if such goods and services meet Kazakh and international standards;
- the Ministry of Emergency Situations, which, among other things, supervises mining operations;
- the Committee on State Control of Emergency Situations and Industry Safety (under the Ministry of Emergency Situations) (the “**CSCES**”), which among other things, supervises health and safety matters;
- various governmental authorities responsible for the approval of construction projects and the use of water and land resources;
- the Committee for State Sanitary and Epidemiological Supervision of the Ministry of Public Health, which is responsible for monitoring compliance with health standards;
- the Ministry of Labour and Social Protection of the Population, which is responsible for investigating labour disputes and complaints from individual employees and which monitors compliance with the obligations of subsoil users to give preference in hiring, including to employ a certain minimum percentage of, Kazakh nationals;
- the governmental agency for standardisation, metrology and certification, which is responsible for testing equipment used for weighing ore and measuring zinc content;
- regional and municipal regulatory authorities, which are responsible for registering properties, pledges and mortgages; and
- national and regional tax authorities.

Natural use permits

The concept of a natural use permit (“**NUP**”) was developed as a means for the state to regulate pollution. An NUP is a special permit that grants a subsoil user a temporary right to pollute the environment, including emissions into the atmosphere and the discharge of waste substances into surface and underground waters. NUPs contain the conditions governing the use of the environment as well as payments associated with such use. The obligation to obtain an NUP arises under subsoil use contracts concluded with the MEMR. Companies using the environment (polluting, discharging waste, etc.) are required to obtain an NUP on an annual basis. Depending on the quantity of emissions into the

atmosphere, an NUP is to be issued either by a regional department of environmental protection or by the MEP together with regional departments of environmental protection establish the environmental fees and amounts payable for waste, emissions and discharges.

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**”). The Issuer does not currently possess WUPs for its activities at the Chinarevskoye Field. See “*Risk Factors—The Group requires significant water supplies in order to conduct its business and failure to obtain such water may adversely affect its business*”. WUPs can be withdrawn if the terms of special water use specified in the relevant WUP are breached. Such terms include monitoring the quality of underground water, submitting statistical reports and monitoring reports, complying with requirements relating to water protection during mining operations and regular checking of equipment. If any of Zhaikmunai’s circumstances relating to its water use change (for example, in relation to the drilling of new wells, the quality of underground water or limits on water extraction), Zhaikmunai is obliged to agree such changes with the relevant governmental agencies, such as the regional department of environmental protection, the regional sanitary and epidemiological service, the regional water economy department and Yuzhkaznedra. The term of a WUP may be extended subject to compliance with requirements specified within the relevant WUP.

Enforcement

Article 116 of the Environmental Code (dated 9 January 2007) (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 116 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;
- file with the competent body, offers on termination of a subsoil use contract in certain circumstances.

Statute of limitations on proceedings

The time limit for bringing proceedings for breach of environmental requirements is governed by the general limitation provisions under Kazakh law under Article 178 of the Civil Code which provides for a three-year limitation period. This limitation does not apply to criminal prosecutions in connection with breaches of environmental requirements.

Environmental compliance

Zhaikmunai is subject to a variety of Kazakh environmental laws, regulations and requirements that govern air emissions, water use and disposal, waste management, impacts on wildlife, as well as land use and reclamation. In addition, the PSA specifically requires that Zhaikmunai’s operations be carried out in compliance with applicable Kazakh environmental laws and regulations. Kazakh oil and gas companies are generally required to contribute to a liquidation fund. See “*Risk Factors—The Group may be unable to comply with its obligations under its hydrocarbon licences and related contracts*”.

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 MEMR 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 revocation of the subsoil use contract.

Under Kazakh law Zhaikmunai is obliged to obtain an annual permit for the contamination of the environment and must observe all requirements set out in such permit. Zhaikmunai is also required to apply to the MEP for an environmental permit specifying maximum levels of air emissions, waste water disposal and municipal and industrial waste permitted to be discharged by Zhaikmunai.

Every five years, Zhaikmunai submits a five-year emissions forecast to the MEP and other associated agencies for review and approval. Zhaikmunai revises these forecasts annually to account for any change in its operations and circumstances.

According to the AMEC Earth & Environmental UK Ltd. (“AMEC”) environmental, health and safety report dated September 2007 and commissioned by Zhaikmunai, the overall environmental status of the Chinarevskoye Field and the level of environmental compliance of Zhaikmunai’s operations are considered to be of a high standard. While the history of exploration of the field dates back to the 1960s, all known historical wells have been de-commissioned and recultivated in accordance with Kazakh environmental requirements. The subsequent operational history of the field has been short and of a limited extent. As a result, no significant legacy issues or existing contamination was identified during the assessment.

AMEC identified several environmental issues and potential associated liabilities. For example, AMEC noted that the volumes of gas flared by Zhaikmunai exceed permissible levels. The Group expects to be assessed a penalty of approximately US\$2.5 million in respect of this excess gas flaring for 2007 and expects to be assessed a similar penalty in 2008. AMEC also noted that the Group has been cited by the MEP for failure to hold the requisite regulatory approval that would allow the Group to inject process water to depth. The Group expects to obtain the requisite approval by mid-2008. Finally, AMEC noted that while Zhaikmunai’s exploratory drilling practice employing drilling slurry pits to manage drilling arisings complies with current Kazakh legislation and project approvals, recently enacted Kazakhstan legislation requires future exploratory drilling campaigns to be “mud pit free”. Consequently, the Group anticipates additional expenditures of approximately US\$1.5 million in the years 2008 and 2009 will be needed for the provision of an adequate and approved drilling waste storage polygon. This polygon would typically be associated with four dedicated groundwater monitoring wells and a programme of ongoing monitoring and waste management.

Health and safety compliance

Oil and gas operations within Kazakhstan are governed by the CSCES with respect to industry-specific health and safety requirements. Furthermore, the Main Oil & Gas Inspection Regulations of 1996 set out mandatory standards that such operations should adhere to through approved documentation. As part of the health and safety assessment conducted in August 2007, AMEC confirmed that Zhaikmunai complied with health and safety protocols 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 requirements applicable to oil and gas companies operating in Kazakhstan, which are regulated by state authorities, including the Ministry of Labour and Social Protection of the population. In addition, the PSA requires that Zhaikmunai’s operations be carried out in conformity with applicable health and safety requirements. As required by Kazakhstan regulations, Zhaikmunai receives health and safety certification once every three years.

Anti-monopoly regulation

The Competition Committee is responsible for the supervision of competition matters relating to the oil and gas industry. It regulates the competitive behavior of legal entities that are not natural monopolies and supervises legal entities that hold dominant positions in a particular commodity market.

The Competition Committee maintains a register of legal entities having a dominant position in the market. Under the Law on “Competition and Restriction of Monopolistic Activity” dated 7 July 2006, a legal entity is deemed to occupy a dominant position if its market share is equal to or exceeds a threshold

of 35%. The Competition Committee is responsible for creating and enforcing regulations on mergers, acquisitions, corporate reorganisations and liquidations. The following transactions may be effected only after obtaining written approval from the Competition Committee:

- the creation of a new company (or group of companies) whose market share will exceed 35% of the relevant market;
- a reorganisation, which includes a merger, consolidation or change in the organisational form of a company or a group of companies having a dominant position;
- the acquisition of more than 25% of the voting shares in a company;
- the acquisition or use of more than 10% of the tangible assets of a company;
- the acquisition by a legal entity of rights allowing it to direct the business activities of another company or to perform the functions of its managerial authority; and
- participation by the same legal entity on the executive authorities or boards of directors of two or more companies.

For transactions in any of the last four categories, approval by the Competition Committee is required if the total value of the assets of all persons participating in the relevant transaction or the total volume of goods produced by the entities involved for the preceding financial year is more than 1.5 million times the monthly calculation index (MCI) (approximately US\$13 million).

If any of these transactions is completed without the consent of the Competition Committee, it may be invalidated on the grounds that it creates or strengthens a dominant position of an entity or restricts competition. In addition, the Kazakhstan law provides for civil, administrative and criminal liability for breach of competition laws. See *“Risk Factors—Risk Factors Relating to the Republic of Kazakhstan—Thyler’s acquisition of Zhaikmunai could be challenged by the Kazakh anti-monopoly authority”*.

BUSINESS

OVERVIEW

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

The Chinarevskoye Field, approximately 324 square kilometres in size, is located in the province of Batys Kazakhstan, near the border between Kazakhstan and Russia, and close to several major pipelines. The Chinarevskoye Field is Zhaikmunai's sole source of production and production growth. According to management estimates based on data included in the Ryder Scott Report, as at 1 July 2007, the estimated gross proven plus probable hydrocarbon reserves at the Chinarevskoye Field were 397.2 million boe, of which 161.1 million bbl was crude oil and condensate, 57.4 million bbl was LPG and 178.7 million boe was sales gas. Management has also estimated, based on the Ryder Scott Report, that the Chinarevskoye Field contains approximately 359 million boe of possible hydrocarbon reserves.

In September 2004, Thyler completed its acquisition of Scoulton, the general partner of the Issuer and majority owner of Zhaikmunai. A new management team was installed in Zhaikmunai and a new strategy focused on accelerating investment in drilling and field infrastructure, as well as improving the quality of Zhaikmunai's reserves. From September 2004 to 31 December 2007, the Group invested approximately US\$386 million in drilling and field infrastructure. Zhaikmunai increased its crude oil production from 205,784 bbl in the third quarter of 2004 to 481,596 bbl in the fourth quarter of 2007 and, according to management estimates based on reserve reports prepared by Ryder Scott, increased its estimated gross proven plus probable hydrocarbon reserves from 198.5 million boe in 2004 to 397.2 million boe in 2007. Zhaikmunai produced approximately 1,065,000 bbl of crude oil in 2006 and approximately 1,848,000 bbl of crude oil in 2007.

Zhaikmunai's operational facilities are located in the Chinarevskoye Field and consist of 15 existing wells and four exploration wells under drilling, an oil processing facility capable of processing 400,000 tonnes per annum of crude oil, multiple oil gathering and transportation lines, a gas powered electricity generation system, warehouse facilities and an employee field camp.

In May 1997, Zhaikmunai was granted an exploration and production licence with respect to the Chinarevskoye Field. Zhaikmunai's licence area covers the entire Chinarevskoye Field and comprises seven oil and gas horizons. In October 1997, Zhaikmunai entered into the PSA with the Government. 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. The PSA also includes a minimum work programme, which includes a minimum capital investment requirement of US\$125 million. To date, Zhaikmunai has met all of its capital investment obligations under the PSA.

Zhaikmunai began its first test crude oil production in October 2000 and began commercial production on 1 January 2007. Gas sales are expected to begin upon the first unit of Zhaikmunai's planned Gas Treatment Facility becoming operational, expected to occur in May 2009. Zhaikmunai currently sells all of its crude oil in the export market. Zhaikmunai transports its crude oil production by truck to a rail loading terminal near Uralsk located approximately 100 km from the Chinarevskoye Field, where it is currently sold to a trader on the basis of FCA Uralsk at a discount of US\$13.63 per barrel to Brent crude. The crude oil is subsequently transported by rail to an oil refinery located in Finland.

To date, all of Zhaikmunai's revenues have been generated by its crude oil sales. Zhaikmunai had revenues of US\$97.2 million in the first eleven months of 2007 compared to revenues of US\$52.0 million in the first eleven months of 2006 and EBITDA of US\$59.2 million in the eleven months ended 30 November 2007 compared to EBITDA of US\$32.2 million in the eleven months ended 30 November 2006.

Zhaikmunai is constructing an oil pipeline from the Chinarevskoye Field to the rail connection near Uralsk, along with a new receiving oil loading terminal at this connection, which will allow Zhaikmunai to deliver its oil directly to the loading terminal. The Group has also commissioned the construction of the Gas Treatment Facility with two (increasing to four) gas treatment units for full utilisation of the associated gas produced by the Group, which is essential for its continued crude oil production, and the treatment of gas condensate to produce dry gas for sale from 2009. For the remainder of 2008 to the end of 2018, the Group's expected total capital expenditure is estimated to be US\$1.1 billion, including

approximately US\$537.8 million on new drilling and well workovers, US\$348.5 million on the planned Gas Treatment Facility and US\$32.0 million on the oil and gas pipelines.

STRENGTHS

The Issuer believes that the key strengths of the Group are as follows:

- *Strong reserve base.* According to management estimates based on the Ryder Scott Report, as at 1 July 2007 the estimated gross proven plus probable hydrocarbon reserves at the Chinarevskoye Field were 397.2 million boe. These estimated reserves comprise proven crude oil reserves of 56.3 million bbl and 104.8 million bbl of probable crude oil reserves, together with 59.3 million boe of proven gas reserves and probable gas reserves of 118.8 million boe and 20.5 million bbl of proven LPG reserves and probable LPG reserves of 36.9 million bbl.
- *Upside potential of existing possible reserves.* Management estimates, based on the Ryder Scott Report, that the Chinarevskoye Field has possible hydrocarbon reserves of approximately 358.7 million boe. Zhaikmunai is permitted under the terms of the PSA to undertake further exploration of the Chinarevskoye Field until May 2008. According to management estimates based on data included in reserves reports prepared by Ryder Scott, since 1 January 2004 Zhaikmunai has increased its proven hydrocarbon reserves from 28 million boe to 137 million boe, as at 1 July 2007. Based on its track record to date and Zhaikmunai's drilling expertise, management believes that Zhaikmunai is well positioned to continue converting possible reserves into probable reserves and probable reserves into proven reserves.
- *Strong track record within the Chinarevskoye Field.* Zhaikmunai has a strong track record of successful exploration and production within the Licence area. Constructive analysis by Zhaikmunai personnel of 3-D seismic surveys covering the entire Chinarevskoye Field has allowed Zhaikmunai to position wells effectively. Every well drilled since Zhaikmunai entered into the PSA has yielded commercially viable amounts of hydrocarbons, with no dry wells drilled to date. Since 2004, management has introduced Western-standard drilling rigs and competition among drilling contractors to further improve drilling efficiency and control costs, increased the number of production wells drilled from six to 16, and drilled a further four exploration wells. Further, crude oil production increased from an average of 2,210 bpd in 2004 to an average of 5,063 bpd in 2007.
- *High quality crude oil.* The crude oil produced by Zhaikmunai is a high quality "sweet" crude oil with an average API gravity of 41°-41.5° and a low sulphur content of approximately 0.4%. The high quality of its crude oil allows Zhaikmunai to sell its crude oil at a smaller discount to Brent crude than other oil producers in the region.
- *Advantageous location.* Zhaikmunai's facilities are located in western Kazakhstan approximately 60 kilometres from the Russian border, which reduces overall transportation distances from the Group's production operations to ultimate purchasers of its oil in European markets. In addition, Zhaikmunai's operations are located close to various transportation routes, being 17 kilometres from the Orenburg-Novoposkov gas pipeline and less than 100 kilometres from rail links and the Atyrau-Samara oil pipeline. Zhaikmunai's location provides reduced transportation distances and access to flexible transportation links, each of which allows it to benefit from reduced transportation costs.
- *Beneficial terms under the PSA.* Zhaikmunai benefits from a relatively low tax and royalty payment burden under the PSA, the terms of which have been "grandfathered" from the signing of the PSA in 1997. As such, the terms of the PSA allow Zhaikmunai to predict the Government's share of production revenue with reasonable certainty. Royalty taxes on production range from 3% to 7% on crude oil and between 4% and 9% on gas. 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 crude oil production or an equivalent amount in monetary terms) thereby allowing for recovery of capital expenditures incurred by the Group in relation to its petroleum operations.
- *Strong management team.* The Group benefits from management with significant experience in the oil and gas sector in general, and Kazakhstan in particular. The Issuer's Chief Executive Officer has more than 22 years of experience in the oil and gas industry, including approximately 11 years experience working in emerging markets for the Gaz de France group. In addition, Zhaikmunai has introduced experienced senior managers in key departments, including geology, drilling, production and engineering, with an average experience of 18 years in the oil and gas industry.

STRATEGY

The Group intends to maintain Zhaikmunai as an exploration and production oil and gas company focused on the Chinarevskoye Field. The Group's goals are to maximise the conversion of its existing probable reserves into proven 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:

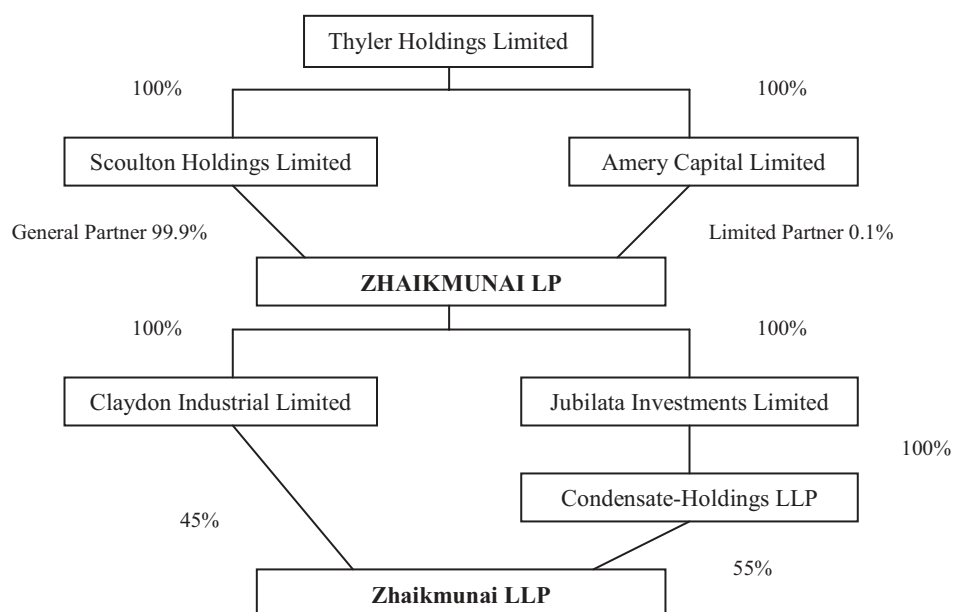
- *Increase oil production.* The Group intends to increase Zhaikmunai's annual crude oil and condensate production, which, according to Ryder Scott, is expected to peak in 2012 at an average of approximately 54,000 bpd as compared to an average of 2,900 bpd produced in 2006. This increase is expected to be achieved by increasing the number of wells drilled per year and enhancing oil recovery methods, as well as extending the hydrocarbon production areas of the Chinarevskoye Field following completion of exploration activities. For example, Zhaikmunai drilled five production wells and four exploration wells in 2007 and plans to drill an average of 11 to 12 wells per year through 2011.
- *Improve existing reserve base.* Increases in drilling and improvements in oil recovery techniques are expected to improve the Group's ability to convert probable and possible reserves into proven and probable reserves. Using the existing 3-D seismic mapping of the Chinarevskoye Field and its understanding of the geological features of the Licence area, Zhaikmunai plans to continue positioning wells effectively to improve the probability of converting possible reserves into probable reserves and probable reserves into proven reserves. In addition, significant exploration potential exists in the reservoirs located in the Chinarevskoye Field, which the Group plans to exploit to increase its reserve base.
- *Monetise gas reserves.* A substantial portion of the Group's reserves comprise gas. To monetise these reserves, the Group intends to build the Gas Treatment Facility and associated projects at a cost of approximately US\$366 million. The facility is expected to process both associated gas and wet gas from gas condensate reservoirs. The processing of associated gas is expected to enable the Group to cease flaring crude oil gas production, while the capability to treat wet gas is expected to allow the Group to start the development of the Licence area's gas condensate fields. The planned Gas Treatment Facility will also include an associated gas-fired power plant with an output of 15 megawatts that is expected to provide the field site with all required electricity. The first treatment unit is expected to become operational by May 2009, with the second treatment unit expected to come on-line by October 2009. A second phase of construction, comprising a further two treatment units and two additional power plants, is expected to be completed in 2010. Zhaikmunai has signed an agreement to construct by the end of 2008 a 17-kilometre gas pipeline linking the Chinarevskoye Field to the Orenburg-Novopskov gas pipeline. According to Ryder Scott, raw gas and LPG production is expected to peak in 2013 at 4.0 billion cubic metres and 1.1 billion cubic metres, respectively.
- *Improve flexibility of transportation links.* The Group plans to significantly improve its transportation infrastructure for crude oil through two key development projects, thereby reducing transportation risks and costs. Firstly, the Group has laid and pressure tested its own crude oil pipeline that will connect the Chinarevskoye Field with a rail loading terminal currently under construction near Uralsk. Management believes the pipeline will offer a more secure delivery method which will improve efficiency, reduce the risks of oil spills and result in lower costs through economies of scale. The crude oil pipeline and rail loading terminal will cost approximately US\$82.0 million with the first phase of construction of the rail terminal expected to be completed by June 2008. Secondly, management intends to connect the crude oil pipeline to an export pipeline operated by a third party, which would permit Zhaikmunai to transport its crude oil directly from the Chinarevskoye Field to its ultimate purchasers. Zhaikmunai has signed a memorandum of understanding with the operator of this pipeline for this purpose and, subject to this being renewed, management expects that the crude oil pipeline will connect to the export pipeline by the end of 2008.

HISTORY AND ORGANISATIONAL STRUCTURE

The Issuer was formed in August 2007 as an Isle of Man limited partnership. On Admission, the Issuer will hold, indirectly, all of the partnership interests in Zhaikmunai. Scoulton currently owns 99.9% of the Issuer's partnership interests, with the remaining partnership interests held by Amery. Each of Scoulton and Amery are owned by Thyler, which is indirectly controlled by Frank Monstrey, the chairman of the General Partner. In consideration for the issue of partnership interests in the Issuer (representing 99.9%

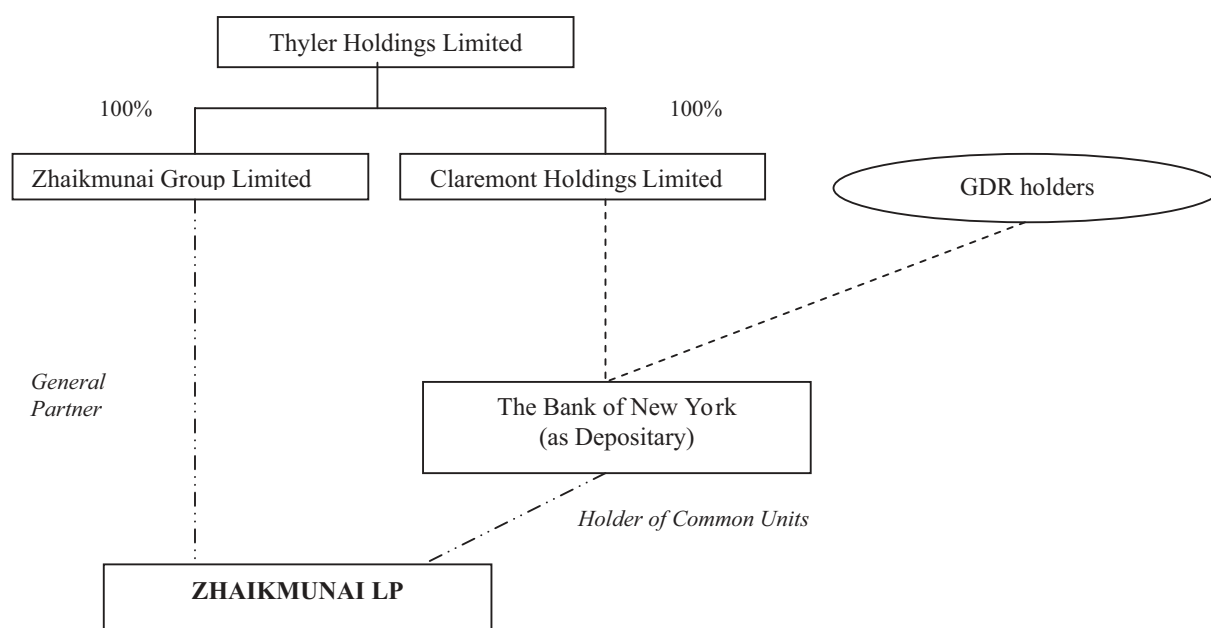
of the Issuer's partnership interests), Scoulton became the general partner of the Issuer, with Amery becoming a limited partner in the Issuer (with an interest of 0.1% of the Issuer's partnership interests). As the general partner of the Issuer, Scoulton holds the interests in Jubilata and Claydon on behalf of the Issuer.

Zhaikmunai was formed in March 1997 as a Kazakh limited partnership and was granted the Licence in May 1997 and entered into the PSA in October 1997. In September 2004, Thyler acquired 100% of Scoulton, which in turn indirectly held 100% of the partnership interests in Zhaikmunai. Following the acquisition of Scoulton, Zhaikmunai's senior management changed. An organisation chart setting out the Issuer's ownership and the holding of its interest in Zhaikmunai as at the date of this Prospectus is set out below.



Scoulton, Amery and ZGL entered into an agreement to amend and restate the Partnership Agreement. The amendment of the Partnership Agreement is conditional upon Admission. Pursuant to such amendment, Scoulton's partnership interests will be split into a general partner interest and a limited partner interest (such limited partner interest representing approximately 99.9% of the Issuer's partnership interests). The limited partner interests will be converted into 100,000,000 Common Units immediately prior to Admission following the transfer of the limited partner interests to the Lead Manager in connection with the Global Offer. Prior to such conversion, Scoulton will agree to sell its limited partner interests to the Lead Manager, as part of the Global Offer, and to Claremont through the Lead Manager, as part of the Reorganisation Arrangement. With effect from Admission, Scoulton will withdraw as the general partner of the Issuer and ZGL will become the new General Partner of the Issuer. A description of ZGL as the General Partner is set out in "*Management and Corporate Governance*". For further details about the intra-group reorganisation, see "*Related Parties and Related Party Transactions—Partnership Agreement*".

The following organisation chart sets out the Issuer's proposed ownership structure and the general partner on Admission:



The Issuer's registered office and principal offices are in Douglas, Isle of Man. The headquarters of Zhaikmunai are located in Uralsk, Kazakhstan.

OPERATIONS

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

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



Chinarevskoye Field

History of Operations

Oil and gas operations in the Chinarevskoye Field began during the Soviet era with the drilling of nine wells. Hydrocarbons were discovered in the Biski and Afoninski reservoirs in 1991. The discovery of the Tournaisian reservoir was made in 1992. In 1997, Zhaikmunai entered into the Licence and the PSA and commenced exploration activities in the Chinarevskoye Field. Three of the wells that were drilled during Soviet times were reactivated between 2000 and 2002. In 2003, Zhaikmunai discovered the Givetian accumulation and in 2004 the Lower Permian reservoir was successfully tested. An oil treatment facility was built and commissioned in July 2006. In 2007, crude oil was discovered in the Bashkirian formation and well results continue to be analysed.

In 2004, new senior management was installed 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 SPE and WPC standards. According to management estimates based on data included in the Ryder Scott reserves report of 2004, Zhaikmunai had approximately 28 million boe of proven reserves. Zhaikmunai's primary exploration effort from 2004 to 2006 was dedicated to the Tournaisian horizon. Zhaikmunai commissioned a further independent engineer's reserves report from Ryder Scott in 2006. As a result of increased drilling and improved geological data, in 2006 management estimated that, based on the reports of Ryder Scott, Zhaikmunai had increased its proven reserves by 370% to 135 million boe and its probable reserves by 6.7% to 181.2 million boe (each as compared to 2004). Over this period, crude oil production increased from an average of 2,210 bpd in 2004 to an average of 5,063 bpd in 2007. According to the Ryder Scott Report, as at 1 July 2007, the estimated gross proven plus probable hydrocarbon reserves at the Chinarevskoye Field were 397.2 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 expects to continue exploration activities in the North Biski and Afoninski, Lower Permian, Tournaisian and South Tournaisian reservoirs and the Givetian accumulations until the

expiry of its current exploration permit in May 2008, at which time it will either request a production permit in respect of these areas, seek an extension of its exploration permit or relinquish parts of its Licence area to the state.

Oil and Gas Reserves

The following table sets forth Zhaikmunai's gross proven, probable and possible hydrocarbon reserves at the Chinarevskoye Field based on data included in reserves reports by Ryder Scott in 2004, 2006 and 2007:

Gross Reserves	2004⁽¹⁾ (as at 1 January)	2006⁽¹⁾ (as at 1 January)	2007 (as at 1 July)
<i>Proven</i>			
Crude oil condensate (mmbbl)	28.8	60.9	56.3
Plant products (mmbbl)	0	16.5	20.5
Gas (mmboe) ⁽²⁾	0	58.0	59.9
Total (mmboe)⁽²⁾	28.8	135.4	136.7
<i>Probable</i>			
Crude oil condensate (mmbbl)	88.7	106.9	104.8
Plant products (mmbbl)	26.5	20.1	36.9
Gas (mmboe) ⁽²⁾	54.5	54.2	118.8
Total (mmboe)⁽²⁾	169.7	181.2	260.5
<i>Possible</i>			
Crude oil condensate (bbl)	87.7	82.1	149.5
Plant products (bbl)	55.4	33.7	53.2
Gas (mmboe) ⁽²⁾	113.9	97.9	156.0
Total (mmboe)⁽²⁾	257.0	213.7	358.7

(1) Based on reserves data included in Ryder Scott reserves reports from 2004 and 2006, which has been amended by management to correct for a double counting of LPG. See "*Presentation of Financial and Other Information—Presentation in this Prospectus*".

(2) Management has converted the dry gas reserves data from cubic feet to boe of dry gas and excluded the gas to be flared by the end of 2008. See "*Presentation of Financial and Other Information—Presentation in this Prospectus*".

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 Ryder Scott Report.

Gross Reserves (mboe)	Proven	(% of 1P)	Probable	(% of Probable)	Possible	(% of Possible)	Total
North Tournaisian	45.5	33.2	61.6	23.6	50.2	14.0	157.2
South Tournaisian	14.9	10.8	33.0	12.6	27.3	7.6	75.2
Biski Afoninski	56.9	41.5	106.0	40.7	247.9	69.1	410.8
Givetian Ardatovski	13.0	9.5	42.6	16.3	20.7	5.8	76.3
Givetian Mulinski	6.6	4.8	17.2	6.6	12.6	3.5	36.3
Total	136.7	100	260.4	100	358.7	100	755.8

The amount of possible reserves is calculated as a best estimate for each individual accumulation. In accordance with SPE reserves classifications, Ryder Scott assigned the volumes of crude oil that can be recovered from accumulation through water-flooding in the Tournaisian reservoir to the categories of probable and possible reserves. See "*Risk Factors—Risk Factors Relating to the Crude Oil and Gas Industry—The level of the Group's crude oil and gas reserves, their quality and production volumes may be lower than estimated or expected*". The added potential resulting from enhanced oil recovery has therefore not been used to estimate the amount of proven reserves. Studies prepared by the research institute KaspiMunaiGaz in 2006 and PM Lukas in 2007 confirmed the possibility of significant

improvement of oil recovery through water-flooding in the northeastern part of the Tournaisian reservoir. The Group began water injection testing at the end of 2007 and plans to implement the use of water-injection treatment in 2008.

Management believes that there is potential for the Group to exceed the reserves estimates included in the Ryder Scott Report. Two new oil discoveries were made in the Bashkirian horizon and the southern Tournaisian reservoir in 2007 and 2006, respectively, which were not included in Ryder Scott's reserve estimation. In addition, management considers the recovery factors used to calculate the Group's hydrocarbon reserves to be conservative, and that the recovery rates stated by Ryder Scott of 32.2% of crude oil for the Tournaisian reservoir and 22% of crude oil for the Givetian reservoir may potentially be exceeded by higher recovery ratios achieved by water injection techniques that could maintain reservoir pressure. Studies and simulations commissioned by the Group suggest that recovery rates in the Tournaisian reservoir could increase to 40%.

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 and 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 and Afoninski and Givetian Ardatovski reservoirs.

See Annex I "*Competent Person's Report—Geology*" for further geological information concerning the Chinarevskoye Field.

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. 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 reviews all available data and appoints contractors to further review seismic information and undertake individual drilling programmes.

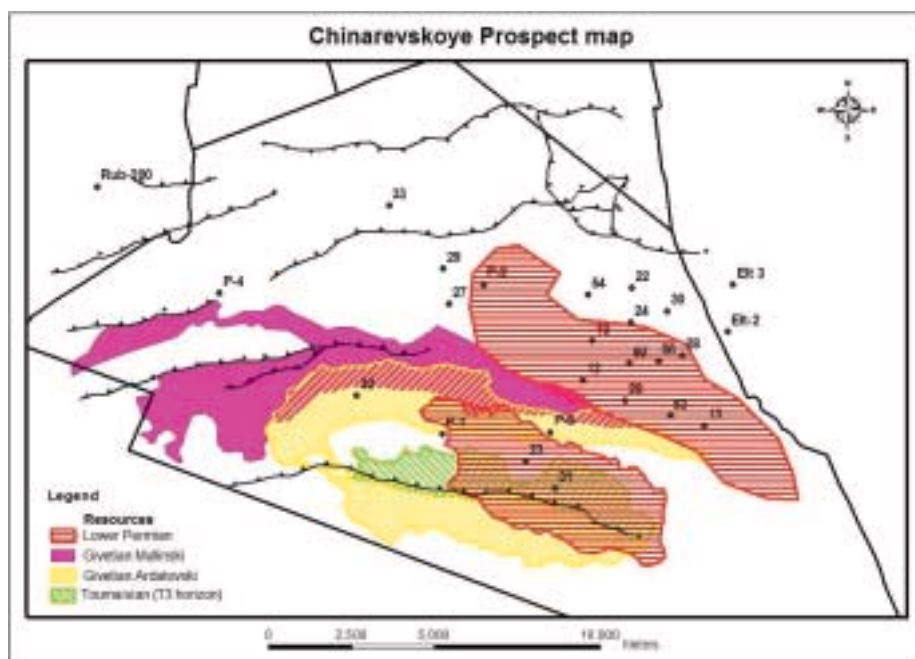
The Group has mapped several new prospects in the Licence area, including the Biski and Afononski (gas condensate), Tournaisian (oil and gas condensate), Lower Permian (oil) and South Tournaisian (gas condensate) reservoirs and the Givetian accumulation (oil in Mulinski and gas condensate in Ardatovski). 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 358.7 million boe as at 1 July 2007, 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 proven and probable reserves.

In addition, Zhaikmunai has implemented an appraisal work programme to increase its probable reserves. Water injection tests have begun in the Tournaisian reservoir to determine the estimated increase of oil recovery in accordance with the reports of KaspiMunaiGaz and PM Lukas, two additional appraisal wells are expected to be drilled in the Givetian reservoir and two appraisal wells are expected to be drilled in the southern and western accumulations of the Tournaisian reservoir. In total, Zhaikmunai expects to drill 38 wells in the Tournaisian reservoir to fully develop these reserves between the years 2008 to 2013.

In addition to the reported reserves as of 1 July 2007, Ryder Scott has estimated the remaining resources identified, but not yet drilled in the Chinarevskoye Field. Ryder Scott estimates that the overall exploration potential of such resources through a summation of best estimates is 143.5 million boe.

PROSPECTIVE RESOURCES RELATE TO UNDISCOVERED ACCUMULATIONS AND, ACCORDINGLY, ARE HIGHLY SPECULATIVE. A POSSIBILITY EXISTS THAT THE PROSPECTS WILL NOT RESULT IN THE SUCCESSFUL DISCOVERY OF ECONOMIC RESOURCES, IN WHICH CASE THERE WOULD BE NO COMMERCIAL DEVELOPMENT.

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



Source: Ryder Scott Report.

Zhaikmunai drilled four new exploration wells in 2007. The new exploration wells are expected to enable Zhaikmunai to evaluate the potential of its unexploited reservoirs. All of these exploration wells have been located so as to additionally target one or two of the remaining exploration prospects. If such resources are successfully appraised, Zhaikmunai believes that a significant portion of such resources could be transferred into reserves.

From October 2007, test production of such wells was reduced to one month (previous practice was to test produce each well for up to three months). Zhaikmunai is reducing the period of such test production in part to reduce the amount of gas flared during such test production. The additional expenses necessary to implement the recommended exploration programme amounts to US\$8.7 million.

Production and Facilities

Oil Production

Eight wells are currently producing from the Tournaisian reservoir. Between the time of Thyler's acquisition of Scoulton in September 2004 and 31 December 2006, a total of 2,146,753 bbl of crude oil was produced from this area. In 2007, a total of 1,848,022 bbl of crude oil was produced, with an average crude oil output of 5,063 bpd. Management expects that Zhaikmunai will increase its average crude oil output to approximately 11,590 bpd by the end of 2008. The following table sets forth certain data regarding crude oil production for the period specified for the Chinarevskoye Field, together with management's targets for wells to be drilled and crude oil production to be achieved by 2011:

Year ended	2004*	2005*	2006*	2007*	2008†	2009†	2010†	2011†
Production wells	0	0	1	8	18	29	41	55
Average crude oil production (bpd) . . .	2,429	2,265	2,918	5,063	8,311	19,390	37,774	50,676
Total production (mm boe) (crude oil/condensate, gas, LPG)	887	827	1,065	1,848	3,034 ⁽¹⁾	14,296	29,636	41,334

* In these years all associated gas produced was flared.

† Estimated.

(1) This amount reflects the delay in construction of the Gas Treatment Facility. See "Risk Factors—Risk Factors Relating to the Group's Business—The Group's planned development projects, including its planned gas treatment facility and increased capacity in the oil treatment facility, are subject to risks related to delay, non-completion and cost overruns which could result in a suspension of crude oil production."

The crude oil extracted from the Chinarevskoye Field has an average API gravity of 41°-41.5° and sulphur content of approximately 0.4%. Primary benchmark crudes 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 degrees API and with 0.4% sulphur). The quality of the crude oil extracted allows Zhaikmunai to sell its crude oil at a smaller discount to Brent crude than other oil producers in the region.

Gas, Propane and Butane Production

The Chinarevskoye Field contains significant gas reserves. The Group plans to monetise these gas reserves by building the Gas Treatment Facility and by implementing a gas utilisation concept prepared by NIPI Neftegaz Institute. The Gas Treatment Facility will be built by KSS and is designed to process associated gas and gas condensate. In relation to its construction of the Gas Treatment Facility, KSS has entered into a consortium with Exterran Energy Solutions, L.P. (“**Exterran**”), which will provide the engineering and manufacturing of the main equipment for the Gas Treatment Facility, while KSS will provide project management and construction services. KSS is subject to significant monetary penalties if it does not complete the Gas Treatment Facility within the time frames specified in its contract with Zhaikmunai. See “*Additional Information—Material Contracts—Gas Treatment Facility Agreement*”.

Gas processed by the Group’s treatment units will be used to produce dry gas and butane and propane for sale in addition to providing feed stock for power generation to cover Zhaikmunai’s power requirements. Assuming completion of the Gas Treatment Facility, Ryder Scott estimates Zhaikmunai’s dry gas and LPG production will peak in 2013 at 3.2 billion cubic metres and 1.1 billion cubic metres, respectively.

Zhaikmunai currently does not produce gas for commercial purposes, but produces a small amount of gas condensate during production tests. Gas produced in association with Zhaikmunai’s oil production is currently flared at the location of the oil processing facility station. Under the terms of the PSA, Zhaikmunai is permitted to flare gas until the end of 2008, by which time the Gas Treatment Facility is expected to be operational. As the facility will not be operational by 1 January 2009, Zhaikmunai will be subject to significant fines by the Government if it continues to flare gas without obtaining an extension of the gas flaring permit and may be forced to cease crude oil production in such circumstances. Zhaikmunai has previously been able to obtain gas flaring permits for its operations and its management believes that it should be able to obtain the necessary extension to its permit to allow continued operations. See “*Risk Factors—Risk Factors Relating to the Group’s Business—The Group’s planned development projects, including its planned gas treatment facility and increased capacity in the oil treatment facility, are subject to risks related to delay, non-completion and cost overruns which could result in a suspension of crude oil production*”.

Crude Oil Facilities

Zhaikmunai’s oil facilities consist of an oil processing facility capable of processing 400,000 tonnes per annum of crude oil, as well as multiple oil gathering and transportation lines within the Licence area. Zhaikmunai’s on-site storage facilities currently allow storage of 5,000 cubic metres. Additional storage capacity of approximately 20,000 cubic metres of crude oil is expected to become available once the planned rail terminal at Rostoshi is completed. The Group plans to construct an additional oil treatment unit with a capacity of up to 800,000 tonnes per year, to be completed by mid-2009. In addition, Zhaikmunai has facilities for loading crude oil into trucks for transportation from the field site.

Drilling Facilities

The Group contracts with third parties who perform drilling operations in the Chinarevskoye Field. As of the date of this Prospectus, Saipem and UNGG provide drilling services to the Group and there are four drilling rigs operated by these contractors. Management believes that it will need to add a fifth rig for drilling in 2009 and 2010. The average time required to drill new vertical wells is approximately three months in the Tournaisian reservoir and four months in the Devonian, Biski and Afoninski reservoirs. Exploration wells cost an average of US\$10 million each to drill, while the cost of production wells range from an average of US\$6.5 million to drill in the Tournaisian reservoir to US\$8.5 million to drill in the Biski and Afoninski reservoirs.

From mid-2008, Zhaikmunai expects to commence drilling of horizontal wells for water injection in Tournaisian reservoir as well as for production wells in the Devonian reservoirs. The costs for such horizontal wells have been estimated to be approximately 30% higher than those for similar vertical wells.

Zhaikmunai drilled five production wells and four exploration wells in 2007 and plans to drill an average of 11 to 12 wells per year through 2011. Zhaikmunai currently has 19 wells, of which eight wells are

producing, four wells are in test operation, three wells are currently undergoing workover operations and four wells are under drilling. In addition, a further eight wells were drilled on the Chinarevskoye Field during the Soviet era, but each of these has been plugged and abandoned.

The following table sets out the actual number of wells drilled since Thyler's acquisition of Scoulton in September 2004, together with the number of wells management anticipates will be drilled through 2011:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Number of exploration wells drilled	1	1	2	4	0	0	0	0
Number of production wells drilled	<u>0</u>	<u>0</u>	<u>1</u>	<u>5</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>14</u>
Total wells	<u>1</u>	<u>1</u>	<u>3</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>14</u>

Capital Investments

Oil Pipeline and Rail Loading Terminal

On 5 June 2006, Zhaikmunai entered into an agreement with KSS for the construction of an oil pipeline and railway loading terminal. See “*Additional Information—Material Contracts—KSS Oil Pipeline Contract*”. The pipeline has been laid and pressure tested and will link the Chinarevskoye Field directly to the Group's planned railway loading terminal at a rail connection located at Rostoshi, near Uralsk. Management estimates that the oil pipeline has an initial maximum annual throughput capacity of 2.0 million tonnes (depending on the installed pump capacity). The maximum capacity is expected to increase to 3.0 million tonnes by the end of 2009 due to the planned increase in pump capacity. The rail loading terminal is expected to be able to receive all crude oil produced by Zhaikmunai. The first phase of construction of the rail loading terminal, which is expected to be completed by the end of June 2008, will have a capacity of 500,000 tonnes per annum of crude oil. The second phase of construction of the rail loading terminal, which is expected to be completed by the end of 2009, is expected to have a capacity of 2.5 million tonnes per annum of crude oil and gas condensate.

Management estimates the combined cost for the planned oil pipeline and rail loading terminal to be approximately US\$82.0 million and that the introduction of the oil pipeline will reduce the cost of transporting crude oil from the Chinarevskoye Field to the Rostoshi rail terminal from the current price of approximately US\$22 per tonne to approximately US\$9 per tonne.

Management is also considering whether to expand the planned rail loading terminal to accommodate up to 500,000 tonnes per year of LPG to be loaded onto rail cars. Alternatively, the Group may construct a separate on-site LPG rail loading terminal at Rostoshi.

Gas Pipeline

Zhaikmunai has reached agreement with InterGaz to construct a 17-kilometre gas pipeline linking it to the Orenburg—Novopskov gas pipeline. The estimated cost of this pipeline is US\$27 million, including costs for construction of the pipeline and metering stations at field and pipeline connection sites. Maximum annual throughput of this gas pipeline is expected to be 4.0 billion cubic metres. Management expects the pipeline to be operational by May 2009.

Gas Treatment Facility

On 10 August 2007, Zhaikmunai entered into an agreement with KSS for the construction of the Gas Treatment Facility that is expected to process associated gas and gas condensate. See “*Additional Information—Material Contracts—Gas Treatment Facility Agreement*”. For this purpose, KSS has entered into a consortium with Exterran, which will provide engineering and manufacturing of main equipment for the Gas Treatment Facility, while KSS will provide project management and construction services.

Construction of the Gas Treatment Facility is expected to involve two phases. The first phase of construction, which is expected to be completed by October 2009, involves construction of two gas treatment units and is expected to cost approximately US\$182 million. The first unit is expected to have the capacity to treat 200 million cubic metres of associated gas per year and is expected to be operational by May 2009. Treatment of associated gas is expected to commence following the first phase of the Gas Treatment Facility becoming operational, which is expected to be May 2009. The second unit is expected to have the capacity to treat 1.5 billion cubic metres of gas per year with the ability to treat a combined

stream of associated gas and gas condensate. Both units will be equipped with sweetening and sulphur recovery units to improve the quality of the gas. The Gas Treatment Facility is also expected to include an associated gas-fired power plant with an output of 15 megawatts that is expected to provide the field site with all required electricity. The power plant is expected to be constructed as part of the first phase of the Gas Treatment Facility, and to be completed by May 2009. KSS is subject to significant monetary penalties if it does not complete the facilities within the time frames specified in its contract with Zhaikmunai. See “*Additional Information—Material Contracts—Gas Treatment Facility*”. Two additional power plants are also expected to be built in the second phase of construction, which is expected to be completed in 2010.

The second phase of construction is expected to commence following approval by the Government of Zhaikmunai’s proposed development plan to produce gas from the Biski and Afoninski reservoir, which is expected in the second half of 2008. Zhaikmunai intends to enter into contracts to construct two additional gas treatment units, each with a capacity to treat 1.5 billion cubic metres of gas per year. Assuming completion of each of the four gas treatment units, the Group would have capacity to treat up to 4.7 billion cubic metres of gas per year. Management estimates that the second phase of construction will cost approximately US\$183 million. Ryder Scott estimates that Zhaikmunai’s raw gas production will peak at 4.0 billion cubic metres per annum in 2013.

The Group proposes to install a condensate stabilisation unit for the Gas Treatment Facility, which would be able to stabilise 800,000 tonnes of condensate each year. The Group is in discussions with potential contractors for its construction.

See “*Risk Factors—Risk Factors Relating to the Group’s Business—The Group’s planned development projects, including its planned gas treatment facility and increased capacity in the oil treatment facility, are subject to risks related to delay, non-completion and cost overruns which could result in a suspension of crude oil production*”.

LICENCES AND CONTRACTS

Zhaikmunai’s authorisation to conduct operations in the Chinarevskoye Field was granted pursuant to the Licence issued by the Government on 26 May 1997 and the PSA entered into with the Government 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. Having completed its exploration in the northeastern Tournaisian reservoir, approval to commence commercial production in this area was granted in March 2007 pursuant a letter issued by the MEMR in March 2007 (“**Production Permit**”). To commence production under the Production Permit, Zhaikmunai was required to submit a development plan to the State Committee for Field Development (“**Development Plan**”). Zhaikmunai’s Development Plan was approved on 17 November 2006. Zhaikmunai has also continued its exploration activities in other parts of the Licence area, pursuant to permissions under the PSA (the “**Exploration Contract**”), which expire in May 2008. Zhaikmunai also obtained two permits to flare gas until 31 December 2008 from the territorial body of the Geology Committee of the MEMR in June and July 2006 respectively.

The Licence and the PSA

The Licence and the the PSA are currently valid until May 2033. The Licence and the PSA are 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 lasted three years, but was extended twice and now runs until May 2008. Each exploration period included minimum work programme (“**MWP**”) requirements equating to a total minimum expenditure for the duration of the PSA and the Licence of US\$125.5 million. Pursuant to the terms of the PSA, Zhaikmunai relinquished approximately 15% of the Licence area after the first exploration phase as it was not considered to be commercially significant. Zhaikmunai had completed all of its technical and financial commitments under the MWP by the end of 2006.

The duration of the production phase for the northeastern Tournaisian reservoir is 25 years. Prior to the commencement of commercial production from the Tournaisian reservoir, Zhaikmunai produced and sold crude oil extracted during test production of the Chinarevskoye Field. Zhaikmunai must also comply with the terms of the Exploration Contract, Production Permit and Development Plan during this period. The content of the Development Plan and the terms of the Exploration Contract and the Production Permit are set out in greater detail below.

As part of the MWP, four wells were required to be drilled as part of the first exploration phase and a further nine wells were required to be drilled during the second exploration phase. Each well was successfully drilled. Four additional exploration wells have been spudded in 2007 to assess more completely the hydrocarbon-bearing potential of the Licence area before the end of the exploration phase in May 2008. To date, all of the wells drilled by Zhaikmunai have resulted in a commercially viable amount of hydrocarbons being drilled, with no dry wells encountered.

The PSA includes several amendments. The first amendment, executed in 2000, restated certain environmental commitments and amended the provision in the PSA regarding government share and royalty payments, in addition to specifying the manner in which Zhaikmunai was to reimburse the State 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, set out the requirements of the MWP during the exploration phase. The third amendment, dated 29 June 2002, again amended the provision relating to royalty payments, in addition to amending certain other clauses under which Zhaikmunai is required to make payments to the Government. This amendment also provided that 15% of the Licence area was to be relinquished following the first phase of the exploration period (previously the PSA provided that Zhaikmunai was to relinquish 25% of the Licence area). The fourth amendment, dated 12 January 2004, extended the term of the PSA to 26 May 2031 and extended the exploration phase to May 2006. The fifth amendment extended the exploration phase to the current expiry date, 26 May 2008, and pursuant to the 25-year duration of the production phase, extended the term of the PSA to 26 May 2033. As a result of the grant of the Production Permit, in July 2007 Zhaikmunai submitted a proposal to the MEMR to amend the PSA to determine the date of commencement of commercial production. As the production phase under the PSA is of a duration of 25-years, this will also determine the expiry of the PSA. As at the date of this Prospectus, the approval of this amendment is outstanding. The earliest expiry of the PSA is December 2031.

Exploration Contract

Zhaikmunai's commitments during the exploration phase must be completed by May 2008. Thereafter, Zhaikmunai may seek a further extension of the Exploration Contract and/or request a production permit in respect of the North Biski and Afoninski reservoirs, the Lower Permian, Tournaisian and South Tournaisian reservoirs and the Givetian accumulation. The primary commitments of Zhaikmunai to the Government during the exploration phase are: (i) to acquire a 3-D seismic survey; (ii) to drill a minimum of 13 exploration wells, of which three wells can be future production wells; (iii) to drill a water disposal well; and (iv) to perform four production tests in wells in the Lower Permian reservoir.

As at the date of this Prospectus, the only outstanding work commitment under the Exploration Contract remains the completion of one test in the Lower Permian reservoir. Zhaikmunai expects to satisfy this obligation within the required time under the Exploration Contract.

Development Plan

Following the discovery of reserves, the PSA requires Zhaikmunai to submit a development plan to the State Committee of Investment (the "SCI"). Following the appraisal and exploration of the north eastern Tournaisian reservoir and completion of the test production period at the end of 2006, Zhaikmunai received approval for the plan of development of the north eastern Tournaisian reservoir from the SCI. The Development Plan was prepared to accelerate production in the primary contract period by developing existing reserves and establishing the most productive well locations.

The main requirements of the Development Plan include: (i) drilling 32 additional production and water injection wells; (ii) full gas utilisation of associated gas by the end of 2008; and (iii) 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.

Production Permits

In March 2007, the MEMR granted Zhaikmunai the Production Permit. The Production Permit relates to the northern part of the Tournaisian reservoir.

Gas Flaring Permit

Zhaikmunai submitted its programme for burning and utilising associated gas at the Chinarevskoye Field to the MEMR on 15 June 2006. The programme was approved and annual limits for gas flaring were

increased to 3,120 million cubic feet on the condition that quarterly reports on the programme would be presented to the regional environmental agency. Zhaikmunai operates under a gas flaring permit for 2008 and intends to acquire an extension of the permit for 2009.

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 hydrocarbon 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 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 State’s share was limited to 1% of Zhaikmunai’s hydrocarbon production during the exploration phase of the Tournaisian reservoir (i.e. prior to 1 January 2007).

The share that the State receives is calculated by first 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.

Annual Crude Oil Production levels (tonnes)		State Share of Profit Oil applicable to crude oil at a level of
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%

Annual Gas Production levels (1,000m ³)		State Share of Profit Gas applicable to Gas at a level of
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%

If Zhaikmunai pays cash in lieu of delivery of the required hydrocarbon amount to the State, the price (in US Dollars) is determined to be that which Zhaikmunai would have received for a similar volume of hydrocarbons at connection to a trunk pipeline, on the basis of an arm's length transaction, less transportation costs to the trunk pipeline. To date, Zhaikmunai has paid approximately US\$9.4 million to the State pursuant to its obligations under the PSA (including US\$6.3 million in respect of Profit Oil and royalties in 2007).

Tax—General

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. During the exploratory phase for the Tournaisian horizon, which ended on 31 December 2006, Zhaikmunai was able to fully off-set its capital investments against its sales of crude oil which resulted in negligible current income tax expense (relating to non-oil and gas revenue). Consequently, until 31 December 2006, the Group's income tax expense was fully deferred and reported as a deferred tax liability. For the purposes of corporate income tax from 1 January 2007, the Group considers its revenue from crude oil sales related to the Tournaisian horizon as taxable revenue and its expenses related to the Tournaisian horizon as deductible expenses, except those expenses which are not deductible in accordance with the tax legislation of Kazakhstan. This has resulted in a current charge to income tax expense in the eleven months ended 30 November 2007 rather than the previous deferral. 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%. 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%. Under the PSA, the exploration phase for the remainder of the Chinarevskoye Field will expire in May 2008. Assets related to the other horizons will depreciate in the same manner as those described above for the Tournaisian reservoir. See "*Risk Factors—Risk Factors Related to the Crude Oil and Gas Industry—The Group is subject to an uncertain tax environment that may lead to disputes with regulatory authorities*".

Corporate Income Tax

Zhaikmunai makes monthly payments of corporate income tax at a fixed rate of 30% of Zhaikmunai's taxable income for each year of commercial production during the term of the PSA.

Discovery Payments

Zhaikmunai must declare each new discovery of a crude oil horizon that leads to commercial production and pay US\$500,000 to the Government in respect of these discoveries. Zhaikmunai has budgeted US\$2.5 million for such discoveries of crude oil in 2008.

Reimbursement of Historic Expenses

Zhaikmunai is required to reimburse the Government for its costs (totalling an amount of US\$25 million) for exploratory work done prior to the grant of the Licence in equal quarterly instalments during the production phase of the PSA.

Required Expenditures

Zhaikmunai is obliged to spend no less than 1% of annual capital expenditure towards training personnel. If this amount exceeds what is actually required for the training of personnel, Zhaikmunai must use the

balance towards financing secondary education in Kazakhstan. In 2006, Zhaikmunai expensed US\$881,000 to train personnel. In addition, Zhaikmunai makes accruals for the abandonment of facilities. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term interest rates for emerging market debt adjusted for risks specific to the Kazakhstan market.

Liquidation Fund

The PSA requires Zhaikmunai to establish a liquidation fund in the amount of US\$12 million and to make annual contributions to the fund of US\$100,000 per year during the exploration phase and US\$452,000 per year during the production phase. Management does not believe the requirement to make an annual contribution to the fund applies to Zhaikmunai and Zhaikmunai has not complied with these obligations.

TRANSPORTATION

Overview

The crude oil produced by Zhaikmunai is transported from the Chinarevskoye Field by infrastructure owned and operated by third parties. See *“Risk Factors—Risk Factors Relating to the Group’s Business—The Group relies on transportation systems owned and operated by third parties which may become unavailable. The Group may be unable to access these or alternative transportation systems”*. Zhaikmunai has, however, commissioned the building of its own crude oil pipeline and a rail loading facility, which are expected to make transportation of Zhaikmunai’s production less costly, safer and more efficient.

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

Transportation of Crude Oil

The principal transportation options for the export of the Group’s crude oil are rail car and pipeline. The Group is currently able to deliver its crude oil at Uralsk for onward delivery organised by its appointed trader. The following summarises the available points for such onward delivery:

Rail

Zhaikmunai currently transports crude oil by trucks leased from Zhaiktrans from the Chinarevskoye Field to the nearby city of Uralsk, where it is loaded at an oil loading terminal owned by Zhaiktrans onto rail cars provided by third parties for export. The Group’s crude oil is currently transported by rail to a refinery in Finland. By transporting its production by rail, Zhaikmunai does not encounter any dilution of the quality of its crude oil, and is therefore able to obtain a higher price for its production in the export market. Zhaikmunai is constructing its own rail loading terminal at Rostoshi, near Uralsk, which it expects to become operational by the end of June 2008. This new rail loading facility is located at the end of Zhaikmunai’s own oil pipeline running from the Chinarevskoye Field. The terminal is expected to provide Zhaikmunai with additional flexibility and allow Zhaikmunai to transport its crude oil by rail using its own facilities (rather than those owned by third parties).

Pipeline

Zhaikmunai’s oil pipeline from the Chinarevskoye Field has been laid and pressure tested, and the Group is negotiating to connect this oil pipeline with one of two trunk pipelines operated by third parties—the Zhaiktrans pipeline and the KTO pipeline. There is currently no quality bank adjustment mechanism for exports carried by the trunk pipelines that are accessible to Zhaikmunai and operated by third parties. In the absence of appropriate agreement as to the quality of the Group’s crude oil, Zhaikmunai could therefore receive a lower price for its production than the quality of its oil would otherwise demand. See *“—Sales and Marketing”*.

The following map details existing and planned major pipeline routes in the region:



- ***Zhaiktrans Pipeline (Uralsk to Samara)***

The Zhaiktrans Pipeline is owned by Zhaiktrans and runs from Uralsk to the Russian city of Samara. This crude oil pipeline was built during the Soviet era, was never commissioned and is not currently operational. The pipeline has a base throughput capacity of 1 million tonnes per year, which may be increased to 3 million tonnes per year by using the pump capacity within Zhaikmunai's own oil pipeline.

Zhaikmunai is negotiating with Zhaiktrans to allow Zhaikmunai to connect its own crude oil pipeline to the Zhaiktrans pipeline at Uralsk. As Zhaikmunai's pipeline crosses the Zhaiktrans pipeline at Uralsk, Zhaikmunai believes that it can connect Zhaikmunai's crude oil pipeline with the Zhaiktrans pipeline without significant technical difficulty. The costs of such connection are included in the budget for the pipeline.

Zhaikmunai is negotiating with KTO and Zhaiktrans to deliver crude oil to the Zhaiktrans pipeline at Uralsk for export to Black Sea ports in return for receiving Siberian Light oil at a Black Sea ports FOB basis, which will then be sold by Zhaikmunai to its trader. The transportation costs for delivery within the Zhaiktrans pipeline to Samara have been estimated at US\$15.50 per tonne, and transportation costs from Samara to the Black Sea ports are based on official tariffs set by Transneft, the Russian state rail monopoly. If discussions are successful, management expects Zhaikmunai to begin making deliveries to the Zhaiktrans pipeline in the fourth quarter of 2008. See "*Sales and Marketing*".

- ***KTO Pipeline (Atyrau to Samara)***

The KTO pipeline lies approximately 100-120 kilometres west of the Chinarevskoye Field and is owned and operated by KTO. This pipeline runs from the Caspian city of Atyrau to Samara and further through the Russian Transneft transportation system and has an annual throughput capacity of 15 million tonnes.

Zhaikmunai has signed a memorandum of understanding with KTO which, if renewed and a formal agreement is reached, would allow Zhaikmunai to also connect its crude oil pipeline to the KTO pipeline at the Bolshoi Chagan pumping station (which is south of Uralsk). However, due to the distance from Bolshoi Chagan to the Chinarevskoye Field (approximately 140 kilometres) and the existence of ongoing discussions to access the Zhaiktrans pipeline, the Group believes that transportation through the Zhaiktrans pipeline is preferable.

Transportation of Dry Gas, Butane and Propane

The Group currently flares all associated gas produced during oil production in accordance with the Gas Flaring Permit, and does not currently sell any gas products. Assuming the first phase of the planned Gas Treatment Facility is completed and operational as expected by October 2008, the Group's future gas production is expected to be transported by a 17-kilometre gas pipeline linking the Chinarevskoye Field

to the Orenburg-Novopskov gas pipeline. This pipeline is expected to be built by Zhaikmunai pursuant to a letter of intent between Zhaikmunai and InterGaz signed in 2006. The connection of the planned gas pipeline is expected to be made prior to commencement of operations at the Gas Treatment Facility. The planned gas pipeline is expected to have a maximum annual throughput of 4.5 billion cubic metres and the cost of both the pipeline and associated metering stations at field and pipeline connection sites is included within the budget for the Gas Treatment Facility. Negotiations for the sale of the Group's annual dry gas output have been initiated with KazRosGaz, a joint venture between KazMunaiGaz and Gazprom. As the gas will be sold at the point of entry to the pipeline, the Group will not be liable for any additional transportation tariffs.

Following completion of the planned Gas Treatment Facility, the Group plans to engage third-party contractors to transport its butane and propane products by truck to the Group's rail loading terminal under construction at Rostoshi. Such butane and propane will then be delivered by rail car to its ultimate purchaser.

SALES AND MARKETING

Pursuant to the PSA, Zhaikmunai is permitted to export 100% of its oil and gas production. Until Zhaikmunai completes its Gas Treatment Facility, it will only sell crude oil and condensate. The Group intends to sell crude oil, gas condensate, dry gas, propane and butane commencing in 2009 and intends to continue to sell its hydrocarbon products in the export market.

Due to the Chinarevskoye Field's close proximity to the Russian border (approximately 60 kilometres from Uralsk) and other export sale destinations in Europe, as well as relatively low transportation costs from the field to the Uralsk export terminal, management believes that the Group is able to achieve a relatively higher Netback for its export production as compared to other producers in Kazakhstan. Zhaikmunai currently has no obligation to provide any crude oil to oil refineries within Kazakhstan, which might otherwise be required to be delivered at prices below market level. See *"Risk Factors—Risk Factors Relating to the Crude Oil and Gas Industry—The Government has the ability to require the Group to make deliveries of crude oil to domestic refineries and these may be at prices that are nationally below international prices"*.

The Group currently delivers all of its crude oil on the basis of FCA Uralsk, the price being based on the market price for Brent crude oil less a discount of US\$13.63 per barrel of crude oil for rail fees, transportation costs, quality differentials and traders fees incurred in order to deliver the crude oil from Uralsk to its ultimate destination at a refinery in Finland. Sales are made pursuant to annual tenders which are awarded to an oil trader based on the most favourable terms and conditions offered to the Group. This trader then contracts with the ultimate purchasers for the provision of the Group's crude oil products. The Group does not enter into contracts for crude oil products with its ultimate customers. If Zhaikmunai enters into swap agreements with KTO as discussed in *"—Transportation"*, whereby the Group's crude oil is delivered into the Zhaiktrans pipeline at Uralsk in return for delivery to Zhaikmunai of Siberian Light oil at Black Sea ports, the Group will use a trader to sell the Siberian Light oil on the Group's behalf.

The Group expects to sell processed gas in 2009, assuming the first phase of the Gas Treatment Facility is operational by May 2009, as expected. Deliveries of the gas would be made to KazRozGas at the Group's connection to the Orenberg-Novopskov. Prices for the Group's gas products are expected to be negotiated annually with KazRozGas. Propane and butane are expected to be sold through a trader in a similar manner to crude oil sales.

The current transportation costs of Zhaikmunai's crude oil are summarised in the table below, with an indication of the anticipated comparative prices when using alternative pipeline transportation through the Uralsk—Samara oil pipeline and ultimately to the Black Sea ports. Management believes that an increase in Netback for Zhaikmunai of approximately US\$4.00/bbl can be achieved if Zhaikmunai's crude oil is shipped through the Uralsk-Samara oil pipeline.

Illustrative Netback Comparison		US\$/bbl/tonne	Rail	Pipe
Brent Price*		US\$/bbl	60.0	60.0
Siberian Light (FOB Black Sea discount to Brent FOB)		US\$/bbl	0.0	1.0
Zhaikmunai crude (FCA Uralsk) discount to Brent FOB**		US\$/bbl	13.6	0.0
Net Price		US\$/bbl	46.4	59.0
Conversion factor		T/bbl	7.7	7.4
Net Price		US\$/T	356.3	438.4
Uralsk-Samara pipeline KTO***		US\$/T	0.0	15.5
Transportation Samara pipeline to destination***		US\$/T	0.0	19.9
Port Fees***		US\$/T	0.0	2.6
Oil Trader Fee****		US\$/T	0.0	10.9
Netback		US\$/T	356.3	389.5
Conversion Factor		T/bbl	7.7	7.7
Netback		US\$/bbl	46.4	50.7

Note: In the above table, under the pipe scenario, oil is exchanged for Siberian Light, which has a bbl/tonne conversion factor of 7.43x. However, transport costs are incurred at Zhaikmunai crude conversion factor of 7.68x.

* Illustrative example based on US\$60 / bbl pricing for Brent crude oil.

** Actual 2008 Zhaikmunai discount.

*** Cost proposals received.

**** Estimated at US\$1.50/bbl.

ENVIRONMENTAL MATTERS

One of the Group's key strategic priorities is for Zhaikmunai to comply with applicable local and international standards for environmental protection. Zhaikmunai prepares and submits to authorities a yearly action plan in accordance with Kazakh environmental regulations. In addition, Zhaikmunai has started to implement World Bank environmental standards for its operations and expects to achieve compliance with these standards in the next five to ten years.

Zhaikmunai's environmental protection policies include the following key objectives: (i) cease gas flaring following completion of the planned Gas Treatment Facility; (ii) remediate or recultivate areas impacted by petroleum hydrocarbons, particularly abandoned wells and mud pits; (iii) provide training to employees and contractors to understand its environmental policies and minimise environmental damage; (iv) monitor the impact of Zhaikmunai's operations on the environment; (v) put in place emergency procedures to deal with the environmental impact of any spillage; and (vi) utilise associated production gas to produce low cost power as part of its Gas Treatment Facility.

The village of Rozhkovo, with a population of approximately 300 residents, is currently situated within the exploration zone of the Chinarevskoye Field. In order for the Group to successfully pursue its drilling and exploration activities in the Licence area and to carry out activities in compliance with environmental law, the Group has sought to relocate the residents of the village of Rozhkovo to new housing to be built at Uralsk and to subsequently demolish the village. After a series of consultations with the residents of Rozhkovo in 2006, the residents of the village unanimously approved the terms of the relocation programme. Zhaikmunai also obtained permission from the administrative body of western Kazakhstan in December 2006 regarding the relocation and demolition programme.

As part of the relocation, Zhaikmunai has undertaken to construct a building in Uralsk that would accommodate each of the 90 families that are presently living in Rozhkovo. The relocation committee would further assist the residents with their relocation needs on an individual basis. The relocation and demolition programme is estimated to cost approximately US\$5 million and is expected to be completed by the end of 2008. See "*Risk Factors—Risk Factors Relating to the Group's Business—The Group intends to relocate the inhabitants of a village from within the Chinarevskoye Field and it may be unsuccessful in doing so*".

Zhaikmunai plans to move the field camp site from its present location in order to comply with environmental regulations that prohibit living quarters from being within a certain distance of hydrogen sulphide emissions, which are caused by Zhaikmunai's gas flaring operations. Management expects to complete the transfer of the field camp in by early 2009 at a cost of approximately US\$2.5 million.

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 number of people (full-time equivalents) employed by the Group as of the periods indicated:

Location	As at 31 December			
	2007	2006	2005	2004
Chinarevskoye Field	329	310	160	120
Uralsk	130	120	90	60
Total	459	420	250	180

Zhaikmunai has not experienced any work stoppages, strikes or similar actions in the past and considers its relations with its employees to be good.

Zhaikmunai spends at least 1% of its annual capital expenditure towards the personnel training. If this amount exceeds what is actually required for the training of personnel, Zhaikmunai uses the balance towards the financing of secondary education.

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

LITIGATION

Except as described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering the 12 months prior to the date of this Prospectus, which may have or have had in the previous 12 months significant effects on the Group's financial position or profitability.

In October 2007, the owner of a portion of the land across which the oil pipeline has been laid was awarded approximately US\$120,000 by the district court of western Kazakhstan. The court held that Zhaikmunai's activities in the relevant portion of land violated the terms of its lease with the owner, and that these activities caused damage to the claimant for which the claimant was entitled to compensation. Zhaikmunai appealed the decision, and on 15 November 2007, the relevant court of appeal overturned the decision of the court of first instance and returned the case for a rehearing. This claim has now been settled with the claimant. While management does not consider the damages originally awarded to be material to the Group, if the claimant is ultimately successful, it is possible that other lessors whose land the pipeline crosses may submit similar claims of their own and seek damages. The cumulative effect of such claims could potentially have a material effect on the Issuer's financial position or profitability. See "*Risk Factors—Risk Factors Relating to the Group's Business—The Group has been subject to claims from land owners in relation to the construction of the Group's proposed oil pipeline*".

INSURANCE

The Group insures some of its risks under insurance contracts with BTA Assurance and London Almaty Insurance, which includes the following types of insurance coverage:

- assets insurance, including coverage of wells and coverage of damage and/or loss to assets in the case of fire, acts of nature, explosion and theft;
- insurance for associated with the operation of wells, which includes coverage of environmental damage done thereby;
- general third-party liability insurance;
- employer's liability insurance; and
- environmental insurance, for which there is a cap of KZT127.9 million.

The types of coverage structure, limits and quality of the Issuer's insurance programme are comparable with other Kazakh oil companies of a similar size to the Issuer. The General Partner has also arranged directors' and officers' liability insurance and public offer of securities insurance (in respect of the Global Offer) through a third-party insurer.

Under current Kazakh law, since 1 July 2005 all employers are obliged to insure against their liability for damage to the health and life of employees when carrying out their work duties. The Issuer maintains insurance provided by London Almaty Insurance which insures against Zhaikmunai's liability for damage to the health and life of employees caused by on-the-job accidents occurring during the terms of the insurance policy. Under the policy, the limit of liability is KZT509.6 million which is in line with legislation.

In addition, pursuant to the Law "On Mandatory Environmental Insurance" dated December 2005 the Issuer maintains insurance for its environmentally hazardous activities. The limits of liability and other insurance terms are established in line with this legislation. In addition, since the Issuer owns certain vehicles and facilities the operation of which is potentially liable to cause damage to third parties, it is also obliged by Kazakhstan legislation to insure against its liability in connection with such vehicles and facilities on a yearly basis.

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*".

SELECTED COMBINED FINANCIAL INFORMATION

The combined financial information included in this Prospectus beginning on page F-2 were prepared in accordance with IFRS except that the financial information is prepared on a combine basis and therefore does not comply with the requirements of IAS 27. In all other respects, IFRS have been applied.

The Issuer was formed on 29 August 2007, following the periods under review. Consequently, the selected combined financial information set forth below shows the selected historical combined financial information of Claydon and Jubilata, who together own 100% of Zhaikmunai, for the periods indicated.

The selected combined financial information as of 30 November 2007, and for the eleven-month periods ended 30 November 2007 and 2006 have been derived from the Interim Combined Financial Information included elsewhere in this Prospectus. The selected combined financial information for the years ended 31 December 2006, 2005 and 2004, and as of those dates has been derived from the Annual Combined Financial Information included elsewhere in this Prospectus. The unaudited interim combined information for the eleven-month period ended 30 November 2007 is not necessarily indicative of the results that may be expected for the year ended 31 December 2007. The information set out below has been prepared on the basis described in the Combined Financial Information. The Combined Financial Information includes all adjustments which management considers necessary for a fair presentation of the Group's combined financial position and results of operations for the periods covered.

Potential investors should read the following selected combined financial information in conjunction with the information contained in "*Capitalisation and Indebtedness*", "*Operating and Financial Review*" and the Combined Financial Information and the related notes thereto contained elsewhere in this Prospectus.

COMBINED INCOME STATEMENT

	Year ended 31 December			Eleven months ended 30 November	
	2006	2005	2004	2007	2006
	(unaudited)				
	(US\$ millions)				
Sales of crude oil	58.565	32.393	23.198	97.158	51.954
Cost of sales	(26.080)	(15.974)	(8.937)	(32.933)	(20.232)
Gross Profit	32.485	16.419	14.261	64.225	31.722
General and administrative expenses	(6.891)	(2.457)	(1.271)	(9.392)	(5.650)
Selling and oil transportation expenses	(4.042)	(2.069)	(1.667)	(7.061)	(3.540)
Finance costs	(2.194)	(1.760)	(2.044)	(4.822)	(2.195)
Foreign exchange gain (loss)	0.586	(0.759)	2.390	6.074	(0.218)
Profit before income tax	19.944	9.374	11.669	49.024	20.119
Income tax expense	(6.973)	(3.465)	(4.038)	(15.642)	(7.061)
Net Income	12.971	5.909	7.631	33.382	13.058

COMBINED CASH FLOWS

	Year ended 31 December			Eleven months ended 30 November	
	2006	2005	2004	2007	2006
	(unaudited)				
	(US\$ millions)				
Net cash flow from operating activities	37.425	20.701	18.169	61.016	31.452
Net cash flow used in investing activities	92.851	24.477	12.158	171.225	79.092
Net cash flow from/(used in) financing activities . .	54.840	6.065	(6.616)	112.318	47.422

COMBINED BALANCE SHEET

	As at 31 December			As at 30 November (unaudited)
	2006	2005	2004	2007
	(US\$ millions)			
ASSETS				
Non-Current Assets				
Property, plant and equipment.....	135.850	60.904	47.821	280.192
Advances for equipment and construction works.....	14.231	3.471	—	70.085
	150.081	64.375	47.821	350.277
Current Assets				
Inventories.....	3.014	1.345	0.193	2.232
Trade receivable.....	5.580	2.142	2.094	11.969
Prepayments and other current assets.....	5.787	1.030	1.478	13.419
Cash and cash equivalents.....	2.832	3.236	1.079	5.113
	17.213	7.753	4.844	32.733
TOTAL ASSETS	167.294	72.128	52.665	383.010
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital.....	50	50	50	50
Retained earnings and translation reserve.....	28.142	14.472	9.678	63.459
	28.192	14.522	9.728	63.509
Non-Current Liabilities				
Long-term borrowings.....	93.799	30.887	18.556	190.579
Abandonment and site restoration liabilities.....	1.214	0.622	0.460	1.860
Due to Government of Kazakhstan.....	8.094	7.332	7.600	8.866
Deferred tax liability.....	15.867	8.489	5.067	25.999
	118.974	47.330	31.683	227.304
Current Liabilities				
Trade payables.....	12.890	3.266	1.303	43.441
Current portion of long term-borrowings.....	5.099	6.123	9.405	38.096
Income taxes payable.....	—	—	—	5.847
Other current liabilities.....	2.139	0.887	0.546	4.813
	20.128	10.276	11.254	92.197
TOTAL EQUITY AND LIABILITIES	167.294	72.128	52.665	383.010

OPERATING AND FINANCIAL REVIEW

The following review is intended to assist in the understanding and assessment of the trends and significant changes in the Group's results of operations and financial condition. As a result of the Issuer not being the owner of Claydon and Jubilata prior to 30 November 2007, reference herein to the Group's results of operations and financial condition, its income statement, balance sheet and cashflows and similar expressions during the periods under review refer to such matters relating to the Group excluding the Issuer and such references are based upon the Combined Financial Information, which does not take into account the Issuer's results of operations and financial condition. Investors should read the following discussion of the Group's results and financial condition together with the Combined Financial Information and the notes thereto included elsewhere in this Prospectus. Historical results may not indicate future performance. The forward-looking statements contained in this review are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. Factors that may cause such a difference include, but are not limited to, those discussed in "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors".

Overview

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

Since 2004, when the principals of the Group installed new management at Zhaikmunai, the Group's sales, expenses and profit before income tax has increased overall as a result of increased crude oil production due to the Group's investments in infrastructure and an accelerated drilling programme. The primary factors affecting the Group's results of operations are (i) crude oil prices and the average realised price received by Zhaikmunai for its crude oil, (ii) the amount of crude oil produced by the Group for a given period, (iii) the costs the Group incurs to produce its crude oil, (iv) finance costs incurred by the Group under its borrowings and (v) amounts payable pursuant to the PSA (see "*Primary Factors Affecting Results of Operations*"). The Group currently has a US\$550 million credit facility with BNP Paribas, of which US\$291 million was outstanding as of the date hereof. These funds have been used in repaying previous financing, which was primarily used for drilling operations and the capital investment programme, including construction of the Group's crude oil pipeline, its rail loading terminal and the Gas Treatment Facility (see "*Liquidity and Capital Resources —Capital Expenditures*" and "*Business—Capital Investments*").

The following table sets forth Group's sales of crude oil, cost of sales, gross profit and profit before income tax for the eleven months ended 30 November 2007 and 2006 and for the years ended 31 December 2006, 2005 and 2004:

	Eleven months ended 30 November		Year ended 31 December		
	2007	2006	2006	2005	2004
	(unaudited) (US\$ millions)		(US\$ millions)		
Sales of crude oil	97.158	51.954	58.565	32.393	23.198
Cost of sales	(32.933)	(20.232)	(26.080)	(15.974)	(8.937)
Gross profit	64.225	31.722	32.485	16.419	14.261
Profit before income tax	49.024	20.119	19.944	9.374	11.669

Basis of Presentation

The Issuer was formed on 29 August 2007. It is proposed that beneficial interest in Zhaikmunai and its holding companies, Claydon, Jubilata and Condensate, will be transferred to the Issuer with effect from 28 March 2008. As this event is intended to occur after the periods under review, the Issuer is not able to prepare, in accordance with IFRS, consolidated financial statements for such periods. Consequently, the Combined Financial Information has been prepared specifically for the purpose of this Prospectus and has been prepared on a basis that combines the results of operations and financial position of Claydon, Jubilata and their subsidiaries which include Zhaikmunai, being all members of the Group other than the Issuer, by applying the principles underlying the consolidation procedures of IAS 27 for each of the three years ended 31 December 2006, 2005, 2004, and as of those dates, and for the eleven-month periods ended 30 November 2007 and 2006, and as of those dates. The Combined Financial Information has therefore been prepared in accordance with IFRS except that the financial information is prepared on a combined

basis and therefore does not comply with the requirements of IAS 27. In all other respects, IFRS have been applied. The underlying financial statements of Claydon, Jubilata, Condensate and Zhaikmunai, used in the preparation of the Combined Financial Information, have been prepared using consistent accounting policies and in accordance with the principles of IFRS. On combination of such financial statements, internal transactions between Claydon, Jubilata and their respective subsidiaries have been eliminated.

The interim condensed consolidated financial information for the eleven months ended 30 November 2007 have been prepared in accordance with IAS 34 except as described in the Annual Combined Financial Information and should be read in conjunction with the Group's annual combined financial information for the year ended 31 December 2006.

Presentation of financial statements for the Issuer for the year ending 31 December 2008 will be similar to the form of presentation used in the Combined Financial Information, except that future financial statements will represent the consolidated financial position and results of operations of the Group, rather than the combined position and results of Claydon, Jubilata, Condensate and Zhaikmunai only.

Primary Factors Affecting Results of Operations

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

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

Due to the high quality of its oil (see "*Business—Strengths*"), Zhaikmunai sells its crude oil on the basis of the Brent crude oil price on a shipment basis of FCA Uralsk. The table below sets out the average price for Brent crude oil on which Zhaikmunai has based its sales for the eleven months ended 30 November 2007 and 2006 and for the years ended 2006, 2005 and 2004:

	Eleven months ended 30 November		Year ended 31 December		
	2007	2006	2006	2005	2004
	(US\$/bbl)		(US\$/bbl)		
Weighted average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	74.04	63.15	67.83	51.26	37.60

Zhaikmunai, however, delivers its crude oil to its customer, an oil trader, on a FCA Uralsk shipment basis (see "*Business—Sales and Marketing*" for a description of these sales and shipment basis) who then on-sells the crude oil to its ultimate customer. During the periods under review, the trader has sold and delivered Zhaikmunai's crude oil to a customer located in Finland. The price Zhaikmunai receives for its crude oil consequently takes into account a discount for the trader's transportation costs of the crude oil from Uralsk to Finland and the trader's fee. The discount is negotiated on an annual basis and fixed, subject to adjustments in transportation costs, each year for the following year. Zhaikmunai's discount for the sale of its crude oil for sales generated for 2007 was US\$12.53 per barrel. This discount was temporarily increased to US\$13.08 per barrel from 1 August 2007 to 31 December 2007 to compensate Zhaikmunai's customer for small transportation losses occurring during the first half of 2007. With effect from 1 January 2007, the discount increased to US\$13.63.

The table below sets out Zhaikmunai's average Netback for crude oil sales for the eleven months ended 30 November 2007 and 2006 and for the years ended 2006, 2005 and 2004.

	Eleven months ended 30 November		Year ended 31 December		
	2007	2006	2006	2005	2004
	(US\$/bbl)		(US\$/bbl)		
Average Netback for crude oil sales	61.71	50.77	55.4	38.6	26.5

The discount negotiated is a fixed amount per barrel, comprising rail transportation tariffs in Kazakhstan and Russia and the cost of leasing railcars to transport the crude oil and, to a lesser extent, the discount takes into account quality differentials in the oil and the profit margin retained by the trader. The full

breakdown of this discount is not disclosed to Zhaikmunai. Transportation costs have risen as rail tariffs have increased with increases in the commodity price of crude oil. The Group's sales contract stipulates that any increase in rail tariffs is borne by the Group. In addition, Russian rail tariffs are priced in Swiss francs and Kazakh rail tariffs are priced in Tenge, whereas Zhaikmunai's oil prices are quoted and settled in US Dollars. Consequently if the US Dollar depreciates or appreciates against the Swiss franc or the Tenge, Zhaikmunai's Netback is reduced or increases, respectively. However, as the volume of Zhaikmunai's crude oil sales has increased, Zhaikmunai has been able to negotiate a reduction in the discount as the trader's costs are more competitive at higher purchased volumes.

If Zhaikmunai delivers its crude oil to the Zhaiktrans pipeline at Uralsk in consideration for Siberian light oil, and subsequently sells such Siberian light oil FOB Black Sea ports to the trader for onward sale and shipment, management estimates that the Group's Netback will improve by approximately US\$3.50 per barrel (see "*Business—Transportation*").

Crude oil production. All crude oil produced by Zhaikmunai is sold and virtually no inventory is recorded. Consequently, the volume of crude oil produced by the Group directly affects its revenues. The table below illustrates Zhaikmunai's production for the eleven months ended 30 November 2007 and 2006 and for the years ended 31 December 2006, 2005 and 2004.

	<u>Eleven months ended 30 November</u>		<u>Year ended 31 December</u>		
	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total crude oil production ('000 bbl).....	1,590,113	978,995	1,065.2	826.8	288.0
Average crude oil production (bpd)	4,760	2,930	2,900	2,300	2,400
Increase (decrease) in production from previous period (bbl/d).....	611,889	N/A	600	(100)	N/A
Increase (decrease) in production from previous period (%)	63	N/A	26	(6)	N/A

Zhaikmunai's production growth has been primarily driven by its growing drilling programme. Management intends to drill an average of 11 to 12 new production wells per year between 2008 and 2011 which it believes will significantly increase crude oil production in the future. As the Chinarevskoye Field is still in the early stages of development, management expects to be able to further increase production. Well workovers and acid treatment of several wells, both of which allow for more efficient production, as well as the drilling of six new production wells in 2006 and 2007, are also expected to improve crude oil production.

Cost of sales. As crude oil prices are based on quotation pricing, Zhaikmunai's ability to control costs is critical to its profitability. Zhaikmunai's cost of sales principally comprise depreciation for oil and gas properties, well workover costs and royalties (see "*—Royalties, Government Share and Taxes payable pursuant to the PSA*" below). To a lesser extent, during the periods under review, cost of sales has included management costs and payroll and related taxes. Depreciation costs, during the periods under review, have represented as a percentage of total cost of sales, 16% and 49% for the eleven months ended 30 November 2007 and 2006 and 56%, 63% and 78% for the years ended 31 December 2006, 2005 and 2004, respectively. Such costs fluctuate according to the level of Zhaikmunai's proved developed reserves, the volume of crude oil it produces and the net book value of its oil and gas properties (see "*—Summary of Critical Accounting Policies*" below for an explanation of this accounting policy). As the Group continues with its capital investment programme, management expects depreciation costs to increase as the Group's proved developed reserves are expected to remain broadly constant while its production and the value of its fixed assets increases. 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, 19% and 8% for the eleven months ended 30 November 2007 and 2006 and 7%, 6% and 3% for the years ended 31 December 2006, 2005 and 2004, respectively. Management expects such costs to increase in absolute terms but to decrease as a percentage of cost of sales as it continues with its drilling programme. The increase in 2007 of such costs as a percentage of cost of sales was due to an accelerated well workover programme occurring until November 2007. Other cost of sales during the periods under review have included management costs (which have been paid pursuant to management services agreements with Affiliates of Thyler (see "*Related Parties and Related Party Transactions*")) and labour costs, each of which have significantly increased as a result of the increase in the number of personnel contracted and/or employed by Zhaikmunai as well as through increases in

salaries. Management expects that labour costs will increase faster than overall growth in Kazakhstan, although any consequent increases in these costs are expected to be partially offset by productivity growth.

Interest expense and capitalised finance costs. Interest expense on borrowings consisted of interest on Zhaikmunai's working capital facilities only; finance costs related to the financing of significant construction projects are capitalised in accordance with IAS 23 (see "*Basis of Presentation*" above). Had the Group expensed all borrowing costs during the periods under review, the finance costs set out in the Financial Information would increase by US\$1.380 million, US\$1.910 million and US\$5.859 million for the years ended 31 December 2006, 2005 and 2004, respectively. The Group has entered into a facility agreement with BNP Paribas which refinanced its previous fixed rate borrowings and to finance future expenses and working capital. The facility agreement provides for variable rate loans in aggregate principal amount not exceeding US\$550 million available in three tranches. See "*Liquidity and Capital Resources*" for a description of the terms of such facility agreement. As at the date of this Prospectus, the Group has drawn down US\$291 million under the BNP Paribas Facility and has applied US\$247 million in repayment of its previous facilities.

Royalties, Government Share and Taxes payable pursuant to the PSA. Zhaikmunai operates its production and sales of crude oil pursuant to the PSA. The PSA has, during the periods under review, and will continue to have, an effect, both positive and negative, on Zhaikmunai's results of operations as a result of (i) the beneficial tax rates available to Zhaikmunai, (ii) increasing royalty expenses payable to the State and (iii) the share of profit oil that Zhaikmunai pays 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. During the exploratory phase for the Tournaisian horizon, which ended on 31 December 2006, Zhaikmunai was able to fully off-set its capital investments against its sales of crude oil which resulted in negligible current income tax expense (relating to non-oil and gas revenue). Consequently, until 31 December 2006, the Group's income tax expense was fully deferred and reported as a deferred tax liability. For the purposes of corporate income tax from 1 January 2007, the Group considers its revenue from crude oil sales related to the Tournaisian horizon as taxable revenue and its expenses related to the Tournaisian horizon as deductible expenses, except those expenses which are not deductible in accordance with the tax legislation of Kazakhstan. This has resulted in a current charge to income tax expense in the eleven months ended 30 November 2007 rather than the previous deferral. 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%. 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%. Under the PSA, the exploration phase for the remainder of the Chinarevskoye Field will expire in May 2008. 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 amount of crude oil and gas produced, with the royalty rate increasing as the amount of hydrocarbons produced increases. In addition, Zhaikmunai is required to deliver a share of its monthly production to the State (or make a payment in lieu of such delivery). The share to be delivered to the State also increases as annual production levels increase. See "*Business—Licences and Contracts*" for a description of these amounts. Pursuant to the PSA, the Group is currently able to effectively deduct a significant proportion of production from the sharing arrangement (known as cost oil) that it would otherwise have to share with the Government. Cost oil reflects the deductible capital and operating expenditures incurred by the Group in relation to its operations. During the periods under review, royalties and government profit share have represented, as a percentage of total cost of sales, 14% and 3% for the eleven months ended 30 November 2007 respectively; 9% and 2% for the eleven months ended 30 November 2006 respectively; 8% and 2% for the year ended 31 December 2006, respectively; 3% and 2% for the year ended 31 December 2005, respectively; and 4% and 2% for the year ended 31 December 2004, respectively. The increases in 2007 reflect the current trend. Management expects both Government share and royalties to increase as Zhaikmunai's production grows.

Current Trading Information and Prospects

The current trading of Zhaikmunai since 30 November 2007 has been in line with management's expectations. Since 30 November 2007, Zhaikmunai's scheduled drilling activity at existing producing fields has progressed according to plan. Results for the year ending 31 December 2007 may be strengthened by slightly higher than expected production levels and continuing strong oil prices.

The Group entered into a facility agreement with BNP Paribas on 12 December 2007 for a US\$550 million credit facility (see “—*Borrowings*” for a description of the terms of any such facility). In March 2008, Zhaikmunai drew down US\$291 million for the principal purpose of repaying all outstanding debt (including accrued and unpaid interest) under the BTA Facility and Blavin Loan and will continue to draw down thereunder to fund the Group’s capital investment programme.

Summary of Critical Accounting Policies

The Group’s significant accounting policies are more fully described in note 4 to the Annual Combined Financial Information included elsewhere in this Prospectus. 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 other outside 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.

Depreciation of oil and gas properties

The level of the Group’s oil and gas reserves are a material factor in its computation of depreciation expense relating to its oil and gas properties. The Group uses proved developed reserves, as reported on by an independent appraiser (Ryder Scott), to calculate the depletion rates for such depreciation expense. Oil and gas properties represented substantially all of the Group’s property, plant and equipment during the periods under review.

Depreciation of oil and gas properties are calculated by the Group using the unit-of-production method except in the case of assets that have a useful life shorter than the lifetime of the field, in which case the straight line method is applied. With respect to the unit-of-production method, a depletion rate is computed by dividing the volume of oil and gas produced during the relevant period by the total estimated proved reserves. This depreciation rate is applied to the unamortised cost of oil and gas properties, resulting in the depreciation amount. Depreciation does not apply to the value of Zhaikmunai’s fixed assets under construction until such fixed assets are commissioned. The unamortised costs of proved oil and gas properties include all capitalised costs net of accumulated amortisation (see “—*Property, Plant and Equipment*” below).

The Group estimates its reserves of oil and gas in accordance with the methodology of the SPE. In estimating its reserves under SPE methodology, the Group uses long-term planning prices which are also used by management to make investment decisions about the 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 principally 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. The Group has included in proved reserves only those quantities that are expected to be produced during the Licence period. An increase in the Group’s licence periods and corresponding increase in reported reserves would generally lead to lower depreciation expense and could materially affect net income. A reduction in proved developed reserves will increase depreciation expense (assuming constant production), reduce net income and could also result in an immediate write-down of the property’s book value. Given the relatively small number of producing fields, it is possible that any changes in reserve estimates year on year could significantly affect prospective depreciation expense.

Property, Plant and Equipment

Abandonment and site restoration (decommissioning)

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, it must recognise in full a provision for such decommissioning, on a discounted basis, provided that a reasonable estimate of that provision can be made. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. 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.

Management monitors whether any changes occur to the estimated timing or amount of the decommissioning liability, or to the discount rate. Any such changes result in a change in the measurement of the related decommissioning liability and are added to, or deducted from, the cost of the related asset in the period during which the change was detected. If deducted from the cost of the asset the amount deducted cannot 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. 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. To date, no charges have been incurred for impairment.

Borrowing Costs

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

Description of key financial terms

Sales of crude oil during the period under review is affected by the Group's volume of crude oil production, the market price for crude oil and the discount to the market price incurred by the Group for its crude oil. Following the completion of the Gas Treatment Facility, the Group expects to generate further revenue from sales gas and LPG from mid-2009. The Combined Financial Information present sales of crude oil gross of any portion required to be delivered to the State under the terms of the PSA since, during the periods under review, it has elected to settle its obligations to the State in cash. Consequently the incurrence of any such obligation is reported as an expense in cost of sales (see "*—Government profit share*" below). If it elects, in the future, to settle such obligation by the delivery of crude oil to the State, its sales of crude oil, and therefore revenue, will be affected. See "*Business—Licences and Contracts—State Share*".

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

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

Selling and oil transportation expenses principally comprise the costs incurred in transporting crude oil by truck from the Chinarevskoye Field to the Zhaiktrans terminal at Uralsk, which is the point of sale at which the trader who currently purchases Zhaikmunai's crude oil becomes responsible for transportation. Going forward, completion of the oil pipeline is expected to reduce the Group's transportation costs linking Chinarevskoye Field with the rail terminal in Uralsk.

Comparison of the eleven months ended 30 November 2007 and 2006

The table below sets forth the line items of the Group's income statement for the eleven months ended 30 November 2007 and 2006 in US Dollars and as a percentage of sales of crude oil.

	Eleven months ended 30 November 2007 (US\$ millions)	% of sales of crude oil	Eleven months ended 30 November 2006 (US\$ millions)	% of sales of crude oil
		(unaudited)		
Sales of crude oil	97.158	100	51.954	100
Cost of sales	(32.933)	34	(20.232)	39
Gross Profit	64.225	66	31.722	61
General and administrative expenses	(9.392)	10	(5.650)	11
Selling and oil transportation expenses	(7.061)	7	(3.540)	7
Finance costs, net	(4.822)	5	(2.195)	4
Foreign exchange gain	6.074	6	(0.218)	<1
Profit before income tax	49.024	50	20.119	39
Income tax	(15.642)	14	(7.061)	14
Net Income	33.382	36	13.058	25

Sales of crude oil increased by US\$45.204 million, or 87%, to US\$97.158 million in the eleven months ended 30 November 2007 from US\$51.954 million in the eleven months ended 30 November 2006. This was due primarily to an increase in Zhaikmunai's crude oil production from 978,995 bbl in the eleven months ended 30 November 2006 to 1,677,152 bbl in the eleven months ended 30 November 2007 as a result of the drilling of new production wells and increased workovers of existing wells.

The Group increased its sales volumes by 564,510 bbl, or 55.3%, in the eleven months ended 30 November 2007 as compared to the first eleven months in 2006. During such period the Group increased its production wells from one to five. The following table shows the Group's sales of crude oil and sales volumes for the eleven months ended 30 November 2007 and 2006:

	Eleven months ended 30 November	
	2007	2006
Sales of crude oil (US\$ millions) (unaudited)	97.158	51.954
Sales volumes (gross of cost oil) (bbl)	1,673.117	1,021.577

The increase in sales of crude oil was contributed to by the increase in the market price on which Zhaikmunai based its sales during the eleven months ended 30 November 2007 as compared to 2006. Such increase was partly off-set by an increase in the discount. The table below shows changes in the commodity price of Brent crude oil and changes in the discount and the Netback received by the Group for its crude oil for the eleven months ended 30 November 2007 and 2006:

	Eleven months ended 30 November	
	2007	2006
Weighted average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	74.04	63.15
Weighted average discount to Brent (US\$/bbl)	12.73	12.38
Average netback (US\$/bbl)	61.31	50.77

Cost of sales increased US\$12.701 million, or 63%, to US\$32.933 million in the eleven months ended 30 November 2007 from US\$20.232 million in the eleven months ended 30 November 2006. The increase was principally due to increases in: (i) well workover costs; (ii) costs related to repair, maintenance and other services; (iii) royalties; and (iv) rent and operation of oil separation units. Well workover costs increased US\$4.838 million to US\$6.396 million in the eleven months ended 30 November 2007, from US\$1.558 million in the eleven months ended 30 November 2006 due to an additional four exploration wells undergoing maintenance in the eleven months ended 30 November of 2007 compared to the eleven months ended 30 November 2006. This also led to an increase in costs related to repair, maintenance and other services of US\$2.010 million to US\$4.195 million in the eleven months ended 30 November 2007, from US\$2.185 million in the eleven months ended 30 November 2006. Royalties increased to

US\$4.755 million from US\$1.823 million as a result of the increase in crude oil production. This represents an average royalty rate of 5% of total revenues for the eleven months ended 30 November 2007, compared to 3.5% for the eleven months ended 30 November 2006. The remaining increase in the Group's cost of sales was principally due to costs associated with Zhaikmunai's rental of oil separation units (used to separate crude oil and gas condensate), which increased to US\$2.453 million in the eleven months ended 30 November 2007 from US\$463,000 in the eleven months ended 30 November 2006 as a result of an increase from the rental of one gas separation unit in the eleven months ended 30 November 2006, compared to four units in the eleven months ended 30 November 2007.

Such increases were partially off-set by a decrease of depreciation of US\$4.543 million, or 46%, to US\$5.376 million in the eleven months ended 30 November 2007 from US\$9.919 million in the eleven months ended 30 November 2006. This was a result of a significant increase in proven developed reserves, from approximately 5.6 mboe in 2006 to 28.5 mboe in 2007, used in the calculation of the depletion rate. The amount of crude oil produced as a percentage of proved developed reserves was therefore reduced, resulting in a lower depletion rate being applied to Zhaikmunai's oil and gas properties.

General and administrative expenses increased by US\$3.742 million, or 66%, to US\$9.392 million in the eleven months ended 30 November 2007 from US\$5.650 million in the eleven months ended 30 November 2006. This increase was primarily the result of an increase in professional services, management fees and payroll and related tax costs. Costs of professional services increased by US\$567,000, or 506%, from US\$112,000 in the eleven months ended 30 November 2006 to US\$679,000 in the eleven months ended 30 November 2007 as a result of increased management services provided. Management costs increased by US\$119,000, or 7%, from US\$1.666 million in the eleven months ended 30 November 2006 to US\$1.785 million in the eleven months ended 30 November 2007 as a result of an increase in the number of people contracted by the Group through arrangements with related parties. Payroll and related tax costs increased by US\$834,000, or 72%, from US\$1.154 million to US\$1.988 million due to a higher administrative headcount.

Selling and oil transportation expenses increased by US\$3.521 million, or 99%, to US\$7.061 million in the eleven months ended 30 November 2007 from US\$3.540 million in the eleven months ended 30 November 2006. The increase in these costs was mainly due to an increase in the volume of crude oil transported, from an average of 3,059 bpd in the eleven months ended 30 November 2006 to an average of 5,009 bpd in the eleven months ended 30 November 2007, and slightly increased associated transportation costs caused by higher trucking costs.

Finance costs increased by US\$2.627 million, or 120%, to US\$4.822 million in the eleven months ended 30 November 2007 from US\$2.195 in the eleven months ended 30 November 2006. This was due to a significant increase of US\$2.599 million in interest expense on borrowings paid by Zhaikmunai caused by an overall increase of US\$132.311 million in the amount drawn on its credit facility with BTA during the period. Zhaikmunai paid an interest rate of 12% on this facility from January 2007 until September 2007, when the interest rate was raised to 15%. A significant proportion of the increased borrowing costs were capitalised.

Foreign exchange gains were US\$6.074 million in the eleven months ended 30 November 2007, compared to a loss of US\$218,000 in the eleven months ended 30 November 2006, due to fluctuations in the value of the US Dollar against the Tenge. This represents the translation of Zhaikmunai's US Dollar denominated assets and liabilities into Tenge, its functional currency, as well as foreign exchange gains and losses on US Dollar denominated transactions realised throughout the year.

Profit before income tax increased by US\$28.905 million, or 144%, to US\$49.024 million in the eleven months ended 30 November 2007 from US\$20.119 million in the eleven months ended 30 November 2006 as a result of the foregoing.

Income tax expense increased by US\$8.581 million, or 122%, to US\$15.642 million in the eleven months ended 30 November 2007 from US\$7.061 million in the eleven months ended 30 November 2006 as a result of the foregoing. Of this, only US\$6.454 million was reported as a current income tax expense, with the remaining US\$9.188 million accruing as a deferred tax liability.

Net income increased by US\$20.324 million, or 156%, to US\$33.382 million in the eleven months ended 30 November 2007 from US\$13.058 million in the eleven months ended 30 November 2006 as a result of the foregoing.

Comparison of the years ended 31 December 2006 and 2005

The table below sets forth the line items of the Group's income statement for the years ended 31 December 2006 and 2005 in US Dollars and as a percentage of sales of crude oil.

	Year ended 31 December 2006 (US\$ millions)	% sales of crude oil	Year ended 31 December 2005 (US\$ millions)	% sales of crude oil
Sales of crude oil	58.565	100.0	32.393	100.0
Cost of sales	(26.080)	44.5	(15.974)	49.3
Gross Profit	32.485	55.5	16.419	50.7
General and administrative expenses	(6.891)	11.8	(2.457)	7.6
Sales and transportation	(4.042)	6.9	(2.069)	6.4
Finance costs, net	(2.194)	3.7	(1.760)	5.4
Foreign exchange (loss)/gain	0.586	1.0	(0.759)	2.3
Profit before income tax	19.994	34.1	9.374	28.9
Income tax	(6.973)	11.9	(3.465)	10.7
Net Income	12.971	22.1	5.909	18.2

Sales of crude oil increased by US\$26.172 million, or 81%, to US\$58.565 million in 2006 from US\$32.393 million in 2005 due primarily to increased production of crude oil as a result of the drilling of new production wells and improved maintenance of existing wells as well as increases in crude oil prices.

The Group increased its sales volumes during test production by 238,400 bbl, or 29%, in 2006 as compared to 2005. During such period the Group added a second oil producing well. The following table shows the Group's sales of crude oil and sales volumes for the years ended 31 December 2006 and 2005:

	Year ended 31 December	
	2006	2005
Sales of crude oil (US\$ millions)	58.565	32.393
Sales volumes (gross of cost oil) (bbl)	1,065,200	826,800

The increase in sales of crude oil was contributed to by the increase in the market price on which Zhaikmunai based its sales during 2006 as compared to 2005. The table below shows changes in the commodity price of Brent crude oil and changes in the discount and the Netback received by the Group for its crude oil for the years ended 31 December 2006 and 2005. The decrease in the discount to Brent crude oil was primarily due to a decrease in rail tariffs in Russia:

	Year ended 31 December	
	2006	2005
Weighted average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl)	67.83	51.26
Weighted average discount to Brent (US\$/bbl)	12.43	12.66
Average netback (US\$/bbl)	55.40	38.60

Cost of sales increased by US\$ 10.106 million due primarily to (i) increases in crude oil production and associated increases in depreciation, (ii) well workover costs, (iii) royalties and (iv) payroll and related expenses. Depreciation increased by US\$4.470 million, or 44%, to US\$14.590 million in 2006 from US\$10.120 million in 2005. The increases were due mainly to higher average balances of oil and gas production assets and a higher depletion rate. The depletion rate increased due to increased oil production and constant proved developed reserves during such periods. Well workover costs increased by US\$794,000, from US\$909,000 in 2005 to US\$1.703 million in 2006. Royalties increased by US\$1.526 million, or 273%, to US\$2.085 million in 2006 from US\$559,000 in 2005 due to increased oil production. This represents an average royalty rate of 3.5% of total revenues in 2006, compared to an average of 1.7% of total revenues in 2005. An increase in payroll and related tax costs of US\$804,000, from US\$865,000 in 2005 to US\$1.669 million in 2006 was caused by higher salaries and increases in the number of employees from 250 in 2005 to 420 in 2006. Such increases were partially off-set by a decrease in management fees from US\$1.800 million in 2005 to US\$697,000 in 2006. This resulted from a decrease in operational management services provided.

General and administrative expenses increased by US\$4.434 million, or 180%, to US\$6.891 million in 2006 from US\$2.457 million in 2005. This increase was primarily the result of an increase in (i) management fees, (ii) payroll and related tax costs and (iii) training costs. Management fees increased by US\$1.756 million in 2006 from US\$55,000 in 2005, primarily as a result of a change in the nature of management services provided, from operational services to administrative services and legal services and accounting services. Training costs (which increase as crude oil production increases) increased by US\$626,000, from US\$255,000 in 2005 to US\$881,000 in 2006. Payroll and related tax costs increased US\$508,000, from US\$773,000 to US\$1.281 million due to higher salaries and increases in the number of employees from 250 in 2005 to 420 in 2006.

Selling and oil transportation expenses increased by US\$1.973 million, or 95%, to US\$4.042 million in 2006 from US\$2.069 million in 2005. The increase in these costs was due to an increase in volume of crude oil sold and transported, from an average of 2,265 bpd in 2005 to an average of 2,918 bpd in 2006, as well as increased costs for use of the rail loading terminal which rise with the volume of crude oil loaded as well as associated trucking costs.

Finance costs increased by US\$434,000, or 25%, to US\$2.194 million in 2006 from US\$1.760 million in 2005. The increase was due primarily to an increase of US\$258,000 in interest expense on borrowings in relation to Zhaikmunai's credit facility with BTA, under which the level of borrowings increased from US\$37.010 million in 2005 to US\$98.898 million in 2006. A significant proportion of the increased borrowing costs were capitalised.

Foreign exchange gains were US\$586,000 in 2006, while foreign exchange losses were US\$759,000 in 2005. Foreign exchange gains and losses were due to fluctuations in the value of the US Dollar and the Tenge.

Profit before income tax increased by US\$10.570 million, or 113%, to US\$19.944 million in 2006 from US\$9.374 million in 2005 as a result of the foregoing.

Income tax expenses increased by US\$3.508 million, or 101%, to US\$6.973 million in 2006 from US\$3.465 million in 2005 as a result of the foregoing. Of this, only US\$9,000 was reported as a current income tax expense, with the remaining US\$6.964 million accruing as a deferred tax liability (as Zhaikmunai was not required to pay such tax under the terms of the PSA).

Net income increased by US\$7.062 million, or 120%, to US\$12.971 million in 2006 from US\$5.909 million in 2005 as a result of the foregoing.

Comparison of the years ended 31 December 2005 and 2004

The table below sets forth the line items of the Group's income statement for the years ended 31 December 2005 and 2004 in US Dollars and as a percentage of sales of crude oil.

	Year ended 31 December 2005 (US\$ millions)	% of sales of crude oil	Year ended 31 December 2004 (US\$ millions)	% of sales of crude oil
Sales of crude oil	32.393	100.0	23.198	100.0
Cost of sales	(15.974)	49.3	(8.937)	38.5
Gross Profit	16.419	50.7	14.261	61.5
General and administrative expenses	2.457	7.6	(1.271)	5.5
Sales and transportation	(2.069)	6.4	(1.667)	7.2
Finance costs, net.	(1.760)	5.4	(2.044)	8.8
Foreign exchange (loss)/gain	(0.759)	2.4	2.390	10.3
Profit before income tax	9.374	28.9	11.669	50.3
Income tax.	(3.465)	10.7	(4.038)	17.4
Net Income	5.909	18.2	7.631	32.9

Sales of crude oil increased by US\$9.195 million, or 40%, to US\$32.393 million in 2005 from US\$23.198 million in 2004 due primarily to the increase in crude oil produced during test production, well workovers and the increase in market price for crude oil.

The Group increased its sales volumes by 538,800 bbl, or 187%, in 2005 as compared to 2004 resulting from well workovers in existing wells. The following table shows the Group's sales of crude oil and sales volumes for the years ended 31 December 2005 and 2004:

	Year ended 31 December	
	2005	2004
Sales of crude oil (US\$ millions).....	32,393	23,198
Sales volumes (gross of cost oil) (bbl)	826,800	288,000

The table below shows changes in the commodity price of Brent crude oil and changes in the discount and the Netback received by the Group for its crude oil for the years ended 31 December 2005 and 2004. The average market price on which Zhaikmunai based its sales in 2006 contributed to the increased sales of crude oil but was set off partially by an increase in the discount. The increase in the discount was due to an increase in rail tariffs in Russia and the appreciation of the US Dollar to the Swiss franc (in which currency such rail tariffs are denominated):

	Year ended 31 December	
	2005	2004
Weighted average Brent crude oil price on which Zhaikmunai based its sales (US\$/bbl).....	51.26	37.60
Weighted average discount to Brent (US\$/bbl)	12.66	11.10
Average netback (US\$/bbl)	38.60	26.50

Cost of sales increased US\$7.037 million, or 79%, to US\$15.974 million in 2005 from US\$8.937 million in 2004, as a result of (i) increased crude oil production and associated increases in depreciation, (ii) well workover costs and (iii) management fees. Depreciation increased by US\$3.149 million, or 45%, to US\$10.120 million in 2005 from US\$6.971 million in 2004. The increases were due mainly to higher average balances of oil and gas production assets and increased oil production. The depletion rate increased due to increased oil production and constant proved developed reserves. Well workover costs related to maintenance and repairs increased US\$666,000 million, from US\$243,000 in 2004 to US\$909,000 in 2005. Management fees for geological studies were US\$1.800 million in 2005 and nil in 2004 as a result of the commencement of the provision of management services in 2005.

General and administrative expenses increased by US\$1.186 million or 93%, to US\$2.457 million in 2005 from US\$1.271 million in 2004. This increase was primarily the result of an increase in payroll and related tax costs and sponsorship costs, as well as an increase in bank charges. Payroll and related tax costs increased by US\$413,000, from US\$360,000 to US\$773,000 due to an increase in the number of employees from 180 in 2004 to 250 in 2005. Sponsorship costs increased US\$74,000, from US\$142,000 to US\$216,000 as a result of Zhaikmunai's sponsorship of community sports programmes. Bank charges increased by US\$216,000, from US\$51,000 to US\$267,000.

Selling and oil transportation expenses increased by US\$402,000, or 24%, to US\$2.069 million in 2005 from US\$1.667 million in 2004. The increase in these costs was due to higher sales volumes and associated transportation costs.

Finance costs decreased by US\$284,000, or 14%, to US\$1.760 million in 2005 from US\$2,044 million in 2004. This decrease was primarily due to the capitalisation of borrowing costs.

Foreign exchange losses were US\$759,000 in 2005, while foreign exchange gains were US\$2.390 million in 2004. Foreign exchange gains and losses were due to fluctuations in the value of the US Dollar and the Tenge.

Profit before income tax decreased by US\$2.295 million, or 20%, to US\$9.374 million in 2005 from US\$11.669 million in 2004 as a result of the foregoing.

Income tax expense decreased by US\$573,000, or 14%, to US\$3.465 million in 2005 from US\$4.038 million in 2004 as a result of the foregoing. Of this, only US\$6,000 was paid, with the remaining US\$3.459 million accruing as a deferred tax liability (as Zhaikmunai was not required to pay such tax under the terms of the PSA).

Net income decreased by US\$1.722 million, or 23%, to US\$5.909 million in 2005 from US\$7.631 million in 2004 as a result of the foregoing.

Liquidity and Capital Resources

General

Zhaikmunai's principal sources of funds are cash from operations and amounts available under its existing credit facilities. Its liquidity requirements primarily relate to meeting ongoing debt service obligations and to funding capital expenditures and working capital requirements.

Future drawings under existing credit facilities will be available only if, among other things, the financial and other covenants contained in those facilities are complied with. The ability to meet these financial covenants will depend on the Group's results of operations, which may be affected by factors beyond its control.

Cash Flows

The following table sets forth the Group's cash flow statement data for the eleven months ended 30 November 2007 and 2006 as well as for the years ended 31 December 2006, 2005 and 2004.

	Eleven months ended 30 November		Year ended 31 December		
	2007	2006	2006	2005	2004
	(US\$ millions) (unaudited)		(US\$ millions)		
Net cash flow from operating activities	61.016	31.452	37.425	20.701	18.169
Net cash flow used in investing activities	171.225	79.092	92.851	24.477	12.158
Net cash flow from/(used in) financing activities . .	112.318	47.422	54.840	6.065	(6.616)

Net cash flows from operating activities

Net cash flows from operating activities were US\$61.016 million in the eleven months ended 30 November 2007 and US\$31.452 million in the eleven months ended 30 November 2006. Before changes in working capital, in the eleven months ended 30 November 2007, cash flow from operating activities increased principally due to an increase in profit before income tax. Changes in working capital in the eleven months ended 30 November 2007 were primarily a result of increases in (i) trade payables due to extended payment terms, (ii) prepayments and other current assets resulting from a larger number of "long lead" contracts requiring advance payments for drilling materials and supplies and (iii) trade receivables related to volume increases under oil trading contracts.

Net cash generated from operating activities was US\$37.425 million in 2006, compared to US\$20.701 million in 2005. Before changes in working capital, cash flow from operating activities in 2006 increased primarily due to an increase in profit before income tax. Changes in working capital in 2006 were a result of an increase of trade payables (such as invoices for supplies) due to higher production activity which were partially off-set by increases in (i) inventories, (ii) trade receivables and (iii) prepayments and other current assets, each of which were due to increased levels of investment and activity.

Net cash generated from operating activities was US\$20.701 million in 2005 compared to US\$18.169 million in 2004. Before changes in working capital, cash flow from operating activities in 2005 increased primarily due to an adjustment for depreciation expense and an adjustment for an unrealised foreign exchange gain. Changes in working capital in 2005 were a result of increases in prepayments and other current assets due to increased activity which was partially off-set by an increase in trade payables due to increased activity. Cash flow from operating activities in 2004 increased primarily due to depreciation expense which was partially off-set by an unrealised foreign exchange gain.

Net cash used in investing activities

Net cash used in investing activities was US\$171.225 million in the eleven months ended 30 November 2007, which was primarily used for the drilling of new wells (US\$792 million), the construction of facilities and new infrastructure (US\$46 million) and the prepayment of long lead items (US\$25 million).

Net cash used in investing activities was US\$92.851 million in 2006. The increase was due primarily to investments in drilling operations (US\$32.9 million), the construction of the oil treatment plant and crude oil pipeline (US\$36.1 million) and scheduled prepayments of long lead items (US\$18.6 million).

Net cash used in investing activities was US\$24.477 million in 2005. This amount was due primarily to the drilling of new wells.

Net cash used in investing activities was US\$12.158 million in 2004. This amount was primarily the result of the drilling of new wells.

Net cash provided by financing activities

Net cash provided by financing activities was US\$112.318 million in the eleven months ended 30 November 2007, which was funded principally by a drawdown under the BTA facility and which was used for the Group's capital expenditure programme.

Net cash provided by financing activities was US\$54.840 million in 2006, which comprised, in part, the repayment of borrowings of US\$11.295 million and the payment of accrued interest of US\$6.365 million. The repayments related to the repayment in full of a loan from Thyler, a scheduled repayment under the Blavin Loan and repayments under an overdraft facility. This was funded by borrowings of US\$72.500 million under the BTA facility used additionally for the Group's capital expenditure programme.

Net cash provided by financing activities was US\$6.065 million in 2005, which comprised, in part, the repayment of borrowings of US\$14.623 million and the payment of accrued interest of US\$2.158 million. This was funded by drawdowns of US\$22.846 million primarily consisting of borrowings under the BTA facility which was used additionally for the Group's capital expenditure programme.

Net cash used in financing activities was US\$6.616 million in 2004, principally comprised of a repayment to Blavin Holdings Limited under the Blavin Loan and a repayment in full of a loan owed to an oil trader, funded principally by operating cash flow and a drawdown of US\$2.615 million (borrowed principally from Thyler).

Borrowings

BTA Facility

Zhaikmunai entered into a credit facility agreement with Bank TuranAlem on 7 July 2005 for an aggregate principal amount which was last increased (in August 2007) to US\$246 million.

Each loan drawn down thereunder was repayable in equal annual instalments with a final maturity date in October 2012 (except the overdraft facility which matured within one year from the date of signing of the overdraft agreement). Commissions and interest rates varied according to purpose, ranging from US\$40,000 for the US\$30.0 million financing in 2007 and a 0.5% commission for the extension of each loan, to 15% annual interest for cash financing. The credit facility required that Zhaikmunai obtain BTA's consent for certain activities, including, amongst others, incurring other indebtedness, providing a guarantee or granting a surety to a third party, amending its articles of association, and disposing of assets. Zhaikmunai's obligations under the credit facility were secured by various pledge agreements.

Zhaikmunai refinanced all amounts outstanding under the BTA Facility on 7 March 2008 using borrowings under the BNP Paribas Facility (see below).

Loan from Blavin Holdings Limited

Zhaikmunai, as borrower, entered into a US\$25 million secured loan agreement on 20 May 1999. The loan was repayable in equal quarterly instalments, maturing on 31 December 2008 and bore interest at an annual rate of 10% from 2004. It was assigned to Blavin Holdings Limited before being prepaid on 7 March 2008 pursuant to a draw down under the BNP Paribas Facility (see below).

BNP Paribas Facility

The Issuer has entered into a US\$550,000,000 senior secured reducing facility agreement with BNP Paribas as mandated lead arranger maturing no later than 31 December 2014 with Zhaikmunai as borrower and the Issuer and its other subsidiaries as guarantors. Zhaikmunai drew down on 7 March 2008 approximately US\$291 million for (inter alia) the purpose of fully refinancing the BTA Facility and the Blavin Loan. Thereafter Zhaikmunai will use the proceeds of the BNP Paribas Facility to finance the construction of the Gas Treatment Facility and otherwise towards developing the field.

The BNP Paribas Facility comprises three tranches of US\$200 million, US\$200 million and US\$150 million. All customary documentary conditions precedent have been met. However, only approximately US\$341 million of the BNP Paribas Facility is available until not less than US\$90 million has been invested in Zhaikmunai by equity or subordinated loan. Furthermore (once the investment referred to

above has taken place) the second US\$50 million of Tranche 3 shall only become available upon a successful syndication or, if the Majority Lenders consent. The final US\$50 million of Tranche 3 shall only become available if there is a successful syndication and shall be exclusively dedicated to the funding of capital expenditure overruns.

The annual rate of interest payable on outstanding amounts under each tranche will be LIBOR plus mandatory cost plus, under Tranche 1, a margin of 3%, under Tranche 2, a margin of 4% and under, Tranche 3, a margin of 5%.

The total amount outstanding is repayable in accordance with an annual reduction schedule, reducing the total commitments to US\$450 million on 31 December 2010 and reducing to zero by 31 December 2014.

In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals and debt offerings. Starting at the end of 2009, 50% of the outstanding balance of the collection account at the end of the year in excess of US\$25 million, following permitted withdrawals for debt service, debt service reserve withdrawals and approved project expenditure, will be used to prepay the facility. Zhaikmunai is also entitled to voluntarily prepay the amounts outstanding.

The Group is required to give customary representations and warranties, repeated periodically, and certain covenants. The Group is also required to maintain a hedging programme pursuant to which it will hedge a minimum Brent crude oil price of US\$70 per bbl for at least 25% of the initial production profile for the NE and W Tournasian horizons for the period from 2008 to 2013. Zhaikmunai is additionally required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. Lastly, Zhaikmunai is required to maintain annual oil and gas off-take contracts (gas to be commenced in 2010) with off-takers required to purchase 80% of total production and 100% of production available for export.

Zhaikmunai'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 Zhaikmunai; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the Gas Treatment Facility; and (v) the assignment of the benefit of Zhaikmunai's relevant existing and future insurance policies.

Capital Expenditures

In the eleven months ended 30 November 2007 and the years ended 2006, 2005 and 2004, Zhaikmunai's capital expenditures were approximately US\$171 million, US\$93 million, US\$25 million and US\$12 million respectively, reflecting primarily drilling costs and infrastructure and development costs for items such as the crude oil pipeline and the oil treatment unit. This represented 176%, 159%, 77% and 52% of revenue respectively. The Group has also implemented an extensive capital expenditure programme budgeted to total in excess of US\$1 billion (excluding the effects of inflation) over the next 11 years as set out in the table below.

Item	Capital Expenditures (US\$ millions)					%
	2008	2009	2010	2011-2018	Total	
Drilling Costs.....	72.7	85.8	89.7	289.6	537.8	49.0
Oil & Gas Pipelines	32.0	—	—	—	32.0	2.9
Oil treatment	20.0	—	—	—	20.0	1.8
Gas Treatment Facility.....	109.5	90.0	90.0	—	289.5	26.4
Power Generation.....	5.0	10.0	10.0	—	25.0	2.3
LPG Terminal & Trucks	33.3	4.2	3.0	4.8	45.3	4.1
Commissioning.....	10.2	5.3	5.3	0.2	20.9	1.9
Other*.....	27.7	18.2	23.8	40.0	109.6	9.9
Total	310.4	213.5	221.8	334.6	1,080.1	100.0

* Includes: contingency capital expenditures, camp costs, village relocation and infrastructure (excluding the effects of inflation). The Group's total capital expenditures for the period 2008 to 2018 are expected to be approximately US\$1,098 million, of which drilling expenses are expected to amount to US\$537.8 million (in each case in nominal terms). Zhaikmunai plans to fund future capital expenses with operating cash flow, the net proceeds of the Global Offer due to the Issuer and the credit facility provided by BNP Paribas, which is expected to be repaid by 2014.

Drilling Expenditures

Based on historical contracts Zhaikmunai has budgeted a cost per well of approximately US\$7.5 million for production/appraisal wells to be drilled to the Devonian reservoirs (and an additional US\$3.0 million

per well for combined exploration/appraisal wells). The cost per well for production wells to the Tournaisian reservoir are budgeted at approximately US\$6.03 million.

Gas Treatment Facility

In August 2007, Zhaikmunai entered into an agreement with KSS for the construction of the Gas Treatment Facility that is expected to process associated gas, gas condensate and wet gas. See “*Additional Information—Material Contracts—Gas Treatment Facility Agreement*”.

Construction of the Gas Treatment Facility is expected to involve two phases. The first phase of construction, which is expected to be completed by May 2009, involves construction of two gas treatment units and is expected to cost approximately US\$182 million. The first unit is expected to have a capacity to treat 200 million cubic metres of associated gas per year. Treatment of associated gas is expected to commence by June 2009. The second unit is expected to have a capacity to treat an additional 1.5 billion cubic metres of gas per year with the ability to treat a combined stream of associated gas and gas condensate. Both units will be equipped with sweetening and sulphur recovery units to improve the quality of the gas. The Gas Treatment Facility is also expected to include an associated gas power plant that is expected to provide the field site with all required electricity. The power plant will have an output of 15 megawatts and is expected to be constructed as part of the first phase of the Gas Treatment Facility, to be completed by May 2009.

The second phase of construction is expected to commence following approval by the Government of Zhaikmunai’s proposed development plan to produce gas from the Biski and Afoninski reservoir, which is expected in 2008. Zhaikmunai intends to enter into contracts to construct two additional gas treatment units, each with a capacity to treat 1.5 billion cubic metres of gas per year. Assuming completion of each of the four gas treatment units, the Group would have capacity to treat up to 4.7 billion cubic metres of gas per year. Management estimates that the second phase of construction will cost approximately US\$183 million. Ryder Scott estimates that Zhaikmunai’s production will peak at approximately 4.0 billion cubic metres per annum in 2013.

See “*Risk Factors—The Group’s planned development projects, including its planned gas treatment facility and increased capacity in the oil treatment facility, are subject to risks related to delay, non-completion and cost overruns which could result in a suspension of crude oil production*”.

Oil treatment units

Currently Zhaikmunai operates a crude oil treatment unit, which was built and commissioned at the beginning of 2005. This unit is capable of treating up to 400,000 tonnes per year of oil and 75 million cubic meters per year of gas.

An extension of the existing crude oil treatment unit to be completed in 2008 will increase the gas treatment capacity to 210-250 million cubic meters per year, which is necessary due to a higher than originally designed for gas to oil ratio in Zhaikmunai’s oil production wells after enhanced gas recovery techniques were successfully tested in 2007.

In 2008 the Group plans to build a second oil treatment unit, which will include collectors and a collector station, which shall provide an additional oil and gas treatment capacity of 800,000 tonnes of crude oil and 420 million cubic meters of gas respectively. The Group’s cost estimation is based on prices for the oil treatment unit constructed in 2005 and 2006 by assuming an increase of unit prices of 50%. Total capital expenditures for the oil treatment units are budgeted at approximately US\$25.6 million.

Oil Pipeline and rail loading terminal

Zhaikmunai’s planned oil pipeline construction contains three parts: the main pump station at the field site; a 120 km long, 324mm diameter crude oil pipeline; and a rail loading terminal, including a receiving station, an automation system and a vapour recovery unit, as well as increased storage capacity. The cost for the entire project is expected to be US\$82 million. In June 2006 Zhaikmunai signed a contract with KSS to construct the pump station, the pipeline and the rail loading terminal. The pipeline has been laid and pressure tested, and Zhaikmunai expects to commission these facilities by the end of the first quarter 2008.

Zhaikmunai has already incurred costs of US\$23 million on this project, and spent a further US\$54 million in 2007. In 2008 the remaining US\$5 million will be spent to complete the investment.

Contractual Obligations and Commitments

Set forth below is information about the maturity of the Group's contracted commitments outstanding as at 30 November 2007:

	<u>2007</u>	<u>2008-2010</u>	<u>2010 and beyond</u>	<u>Total</u>
		(US\$ millions)		
Oilfield licences and contracts	0.5	3.0	21.0	24.5
Purchases of services equipment and materials.....	0	146.5	0	146.5
Long Term Debt ⁽¹⁾	6.8	86.9	528.6	622.3

- (1) These amounts reflect scheduled repayments and payments of interest under the BTA Facility and the Blavin Loan. With effect from 7 March 2008, Zhaikmunai's borrowings thereunder were nil following the refinancing of such long term debt pursuant to a draw down of US\$291 million under the BNP Paribas Facility. For a description of the repayment schedule under the BNP Paribas Facility, see "—Borrowings".

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. The Group does not hedge against this risk. Under the BNP Paribas Facility the Group will engage in commodity price hedging.

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, the Tenge. This exposure is primarily associated with transactions, contracts and borrowings denominated in US dollars. Most of the Group's cash inflows as well as its accounts receivable are denominated in US Dollars, and most of the Group's expenses are primarily denominated in US Dollars, with approximately 15% 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. The Group incurred a net foreign exchange (non-cash) gain of US\$6.074 million in the eleven months ended 30 November 2007 and a loss of US\$218,000 in the same period in 2006. The Group also incurred a foreign exchange loss of US\$759,000 for the year ended 31 December 2005 and a gain of US\$586,000 and US\$2.390 million for the years ended 31 December 2006 and 2004, respectively. Going forward, the Group's borrowings and capital expenditures are expected to be primarily denominated in US Dollars. The Group does not hedge against this risk.

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 a fixed rate which can be varied at the discretion of the lender under certain circumstances. The Group is proposing to enter into a variable rate credit facility linked to the London Interbank Offered Rate, in place of the existing facilities. The Group does not propose to hedge against the fluctuation in this rate.

Credit risk

Although Zhaikmunai sells all of its crude oil pursuant to its contract with its offtaker, Concept Oil Services Ltd., Zhaikmunai mitigates the payment risk by requiring all purchases to be secured by a letter of credit from an international bank.

Off-Balance Sheet Arrangements

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

SIGNIFICANT HOLDERS OF LIMITED PARTNERSHIP INTERESTS AND COMMON UNITS

Immediately prior to and following the Global Offer, each of the following persons directly had or shall have an ownership interest in the Issuer's limited partnership interests or Common Units as follows:

Holder of Common Units	Limited partnership interests owned before Global Offer	Common Units, not represented by GDRs, owned after Global Offer		GDRs owned after Global Offer		Common Units, whether or not represented by GDRs, owned after Global Offer	
	(%)	(Number)	(%)	(Number)	(%)	(Number)	(%)
Amery ⁽¹⁾	0.1	—	—	—	—	—	—
Scoulton ⁽¹⁾	99.9	—	—	—	—	—	—
Claremont ⁽²⁾	—	70,000,000	100	30,000,000	75.0	100,000,000	90.9
Free Float	—	—	—	10,000,000	25.0	10,000,000	9.1
Total	100.0	70,000,000	100.0	40,000,000	100.0	110,000,000	100.0

(1) Pursuant to the Reorganisation Arrangement, each of Scoulton and Amery will reduce its holdings of limited partnership interests in the Issuer to nil through the indirect sale of its limited partnership interests to Claremont (which will be effected by means of a sale of such limited partnership interests to the Lead Manager and the purchase of such limited partnership interests (in the form of GDRs and Common Units) by Claremont from the Lead Manager), which will occur immediately prior to Admission. Claremont is an Affiliate of Thyler and is indirectly controlled by Frank Monstrey, the chairman of the board of directors of the General Partner. In addition, Scoulton will withdraw as the general partner of the Issuer and be replaced by ZGL as the new general partner of the Issuer. Accordingly, after the Global Offer Scoulton will have no further interest in the Issuer.

(2) This assumes that all Common Units are sold to Claremont pursuant to the Reorganisation Agreement.

After the Global Offer, Claremont will have the same voting rights as other limited partners of the Issuer, except that it has agreed not to vote on a resolution of limited partners for the appointment or removal of independent directors of the board of directors of the General Partner. See “*Management and Corporate Governance*” and “*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont*”.

RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The following are details of certain of the Group's transactions with related parties from 1 January 2004 to the date of this Prospectus.

Relationship with Thyler and its Affiliates

Prior to Admission, Thyler owned, indirectly, 100% of the limited partnership interests and the general partner interest of the Issuer (through its ownership of Scoulton and Amery) and 100% of the issued share capital of the General Partner (that is, Scoulton). Thyler is indirectly controlled by Frank Monstrey, the chairman of the General Partner.

Following Admission, Claremont, an Affiliate of Thyler, will own approximately 90.9% of the Common Units of the Issuer in the form of 30,000,000 GDRs and 70,000,000 Common Units, having acquired such GDRs and Common Units from the Lead Manager, pursuant to the Reorganisation Arrangement. See "*Subscription and Sale*". In addition, Thyler will own 100% of the issued shares of ZGL, the new General Partner. Accordingly, Thyler and its Affiliates will continue to exercise substantial influence over the Issuer's business and affairs. See "*Risk Factors—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates—The shareholder of the General Partner will have significant influence over the Issuer*".

Relationship Agreement with Thyler, ZGL and Claremont

The Issuer, acting through the General Partner, entered into the Relationship Agreement with Thyler, ZGL and Claremont on 28 March 2008, that regulates (in part) the degree of control that Thyler and Claremont and their Affiliates (other than the General Partner, the Issuer and any subsidiary of the Issuer) may exercise over the management of the Issuer. The Relationship Agreement is conditional upon Admission. The principal purposes of the Relationship Agreement are to ensure that the Issuer is capable at all times of carrying on its business independently of Thyler and Claremont and their Affiliates (other than the General Partner, the Issuer and any subsidiary of the Issuer) and that all of the Issuer's transactions and relationships with Thyler and its Affiliates (other than the General Partner, the Issuer and any subsidiary of the Issuer) are at arm's length and on normal commercial terms.

Pursuant to the Relationship Agreement, each of Thyler and Claremont undertakes to allow the Issuer to be operated in the best interests of the limited partners and holders of the GDRs as a whole; to allow the Issuer and its Affiliates at all times to carry on business independently of Claremont and Thyler and its Affiliates; and to allow for the Issuer's transactions and relationships with Thyler and Claremont and their Affiliates to be at arm's length and on normal commercial terms. In addition, (a) Thyler undertakes to comply with the terms of the Partnership Agreement (as though it were a party thereto), not to amend the Articles of Association of the General Partner in respect of certain specified action (including amendments to the definition of an Independent Director), and not to pass a shareholder resolution in respect of Claremont that would violate the terms of the Relationship Agreement; (b) the Issuer undertakes to treat all holders of GDRs that are in the same position equally in respect of the rights attaching to such GDRs; (c) Claremont undertakes that any voting rights it holds in respect of Common Units shall not be exercised in respect of any resolution relating to a transaction, arrangement, agreement or dispute between the Partnership, on the one hand, and Claremont and its Affiliates, on the other hand, or to make any variations to the Partnership Agreement that would be contrary to the maintenance of the Partnership's ability to carry on its business independently of Claremont and its Affiliates; and (d) each of Thyler and Claremont undertakes not to vote on any resolution of the Limited Partners or the board of directors to appoint or remove any Independent Director unless the term of appointment of such Independent Director has expired and such Independent Director is seeking re-election or the board of directors has determined that the Independent Director is no longer independent.

Each of Thyler and Claremont has also undertaken that if Claremont (and/or its Affiliates) agrees to sell, transfer or dispose of Common Units or GDRs representing not less than 50% of the total number of Common Units in issue to a third party (the "**Acquiror**") in circumstances where the takeover provisions in the Partnership Agreement apply, they shall use their reasonable endeavours to procure that the Acquiror (or its Affiliates) shall also agree to purchase the entire issued share capital of the General Partner (and Thyler has undertaken that, if required, it shall sell such shares in the General Partner in such circumstances or otherwise permit the withdrawal of the General Partner as the general partner of the Partnership). See "*Description of the Common Units and the Partnership Agreement—Takeover Provisions*".

The Relationship Agreement shall continue in full force and effect until the occurrence of the earliest of (i) the Issuer'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 Issuer. Claremont undertakes to procure that any Affiliate of Claremont to which Claremont transfers any interest in the Issuer with accede to the Relationship Agreement prior to such transfer.

The Directors believe that the terms of the Relationship Agreement will enable the Issuer to ensure that following Admission Thyler (and its Affiliates) will not be able to abuse its position as a controlling holder of Common Units of the Issuer.

Partnership Agreement

On 29 August 2007, Scoulton and Amery entered into the Partnership Agreement in respect of the formation of the Issuer pursuant to which Scoulton holds the entire interest in Claydon and Jubilata on trust for the Issuer in its capacity as General Partner. Scoulton is the General Partner of the Issuer and owned, immediately prior to the completion of the Offering, 99.9% of its partnership interests, with the remainder owned by Amery; each of Scoulton and Amery are wholly owned by Thyler. Thyler is indirectly controlled by Mr Monstrey, the chairman of the General Partner.

On 16 November 2007, Scoulton, ZGL and Amery entered into a new agreement to amend and restate the Partnership Agreement, conditional (in certain respects) on Admission. The Partnership Agreement was further amended and restated on 14 March 2008. Pursuant to such amendments, on Admission Scoulton's partnership interests will be split into a general partner interest and a limited partner interest (such limited partnership interest representing approximately 99.9% of the Issuer's partnership interests). The limited partnership interests will be converted into 100,000,000 Common Units on Admission following the transfer of the limited partner interests to the Lead Manager in connection with the Reorganisation Arrangement. Pursuant to these amendments and restatements, Scoulton will withdraw as the General Partner (and transfer the general partner interest to ZGL) and ZGL will be appointed as the General Partner with effect from Admission. In addition, with effect from Admission, the rights of limited partners will be amended (such that their interests will be represented by Common Units, as well as being granted certain additional rights) and the Issuer will issue new Common Units so as to put in place the arrangements necessary for the implementation of the Global Offer and to give effect to the additional rights granted to limited partners. See "*Description of the Common Units and the Partnership Agreement*" for further details of the terms of the Partnership Agreement and the rights of limited partners.

Services Agreements

Certain senior managers provide their services to Zhaikmunai pursuant to a service agreement dated 27 March 2007 between Probel and Zhaikmunai (the "**Probel Services Agreement**"). Probel is controlled by Mr Monstrey, the chairman of the General Partner. Under the Probel Services Agreement, Zhaikmunai pays a fee to Probel calculated by multiplying the relevant executive's or manager's number of working days per month by the executive's or manager's daily rate as stipulated in the Probel Services Agreement. The aggregate compensation paid by Zhaikmunai to Probel under the Probel Services Agreement was US\$1.99 million for the eleven months ended 30 November 2007.

With effect from Admission, VDS has agreed to provide the services of Mr Kessel in his capacity as Chief Executive Officer of the General Partner and Mr Monstrey in his capacity as Chairman of the General Partner, such services to be provided after Admission through a management services agreement dated 27 March 2008 with VDS (the "**Executive Services Agreement**"). VDS is an Affiliate of Probel and is indirectly controlled by Mr Monstrey. Under the terms of the Executive Services Agreement, VDS has agreed to provide consultancy services to the Issuer in connection with Mr Monstrey's role as chairman of the General Partner 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 the Issuer (or Zhaikmunai). The Partnership, VDS and Probel are in discussions which may or may not result in the transfer of ownership of VDS to the Issuer after Admission.

In addition, in March 2007 Zhaikmunai entered into a management services agreement with VDS. Under this agreement, VDS provides consultation and assistance on business matters, including general business development, strategic planning, budgeting and recruiting outside of Kazakhstan, in return for which Zhaikmunai pays VDS an annual service fee of US\$4.08 million. The agreement expired on 31 December

2007 and was not renewed. The aggregate compensation paid by Zhaikmunai to VDS under this agreement was US\$901,000 for the eleven months ended 30 November 2007.

For more information regarding Mr Monstrey's and Mr Kessel's service arrangements and compensation, see "*Directors and Senior Management—Service Contracts and Compensation*".

Certain other personnel provide their services to the Issuer pursuant to a service agreement dated 25 October 2006 between Amersham Oil ("**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 nil for the financial year ended 31 December 2006 and US\$884,000 for the eleven months ended 30 November 2007.

Prior to 2007, Zhaikmunai was a party to a Technical Assistance Agreement with Tensor Asset Management B.V. and Tensor Capital Management B.V. in respect of the provision of geological, geophysical, drilling, scientific, technical and other consultancy services, including the services of certain senior managers. Tensor Asset Management B.V. and Tensor Capital Management B.V. are Affiliates of Thyler and are indirectly controlled by Mr Monstrey, the chairman of the General Partner. This Technical Assistance Agreement was terminated with effect from 31 December 2006. The aggregate compensation paid by Zhaikmunai under the Technical Assistance Agreement was US\$2.5 million for the financial year ended 31 December 2006.

Other

Piet Everaert, a Non-Executive Director, is a partner in the law firm VWEW Advocaten in Brussels, which rendered legal services to each of Probel and Tensor during 2006 and 2007. This business relationship is ongoing to date.

The Group has undertaken certain other transactions with related parties as disclosed in Note 21 to the Annual Combined Financial Information for the three years ended 31 December 2006 and Note 13 to the Interim Combined Financial Information for the eleven months ended 30 November 2007. See the Combined Financial Information.

DIRECTORS AND SENIOR MANAGEMENT

The Partnership Agreement provides for the management of the Issuer's business and affairs by a general partner rather than a board of directors and officers. ZGL, the General Partner with effect from Admission and an Isle of Man limited company that is owned by Thyler, has a board of directors (the “**Board**”) which includes the following members.

Frank Monstrey was appointed as a director of ZGL on 16 November 2007 and has served as chairman of the partners participating in Zhaikmunai 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 graduate's 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 the partners participating in Zhaikmunai 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 a 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 starting his banking career at National Westminster Bank in London in 1982.

Eike von der Linden was appointed as a 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 Louvain (KUL) in 1984 and obtained the Diploma of Advanced European Legal Studies at the College of Europe (Bruges-Belgium) in 1985.

The business address of each of the Directors and the members of Senior Management is the Issuer's principal place of business, at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ.

Senior Management

Set out below are details of the members of senior management of Zhaikmunai.

Jan-Ru Muller was appointed as Chief Financial Officer of Zhaikmunai 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).

Viacheslav Druzhinin was appointed General Director of Zhaikmunai in 1997. Mr Druzhinin is a qualified Mining Engineer and has qualifications in exploration from the Polytechnical Institute, Tomsk, Russia and the USSR Ministry of Geology, and has also completed drilling engineer training at the Hughes Christensen Company, Houston, Texas. Prior to joining Zhaikmunai, Mr Druzhinin gained broad experience in mineral fields exploration technology and techniques working in various positions in the Field Development Department of KazakhGaz State Holding Company, State Holding Company “Zharyk” and VolkovGeologia KGGP.

Alexei Erber was appointed as Director of Geology of Zhaikmunai in October 2007. Mr Erber has worked for Probel since 2005 and has a diploma in Geology and Geology engineering from the Gubkin Russian State University of Oil and Gas and a degree in Mathematical Methods by Geology from the Ernst Moritz Arndt University of Greiswald. Prior to joining Zhaikmunai, Mr Erber gained experience in the geological and explorations departments of Erdol-Erdgas Gommern GmbH and Gaz de France.

Darmen Jakishev was appointed Financial Director of Zhaikmunai in 2005. Mr Jakishev has a degree in economics from Kazakh Academy of Management, where he specialised in International Economics. Prior to joining Zhaikmunai, Mr Jakishev gained experience in auditing, accounting and corporate finance in various positions in Ernst & Young Kazakhstan from 1993 to 2003, Ernst & Young LLP, Seattle USA from 2000 to 2002, and Bank Turan Alem from 2003 to 2005.

Eckart Versheck was appointed as Operations Director of Zhaikmunai in 2006. Mr Versheck has approximately 35 years of exploration and production experience, primarily as an oil and gas engineer. Prior to joining Zhaikmunai, Mr Versheck served as chief engineer of JV Kazgermunai from 1997 to 2005.

Berik Bimuratov was appointed Commercial Director of Zhaikmunai in May 2006. Mr Bimuratov has qualifications in engineering and economy in fuel and energy from the Moscow Academy of Management and an MBA from the State Academy of National Economy, Russia. Prior to joining Zhaikmunai, Mr Bimuratov gained experience in the energy field working in various positions in SES Technology LLP, Mangyshlaks kaya Industrial Company OSC (the Managing Company of Mangyshlaks kaya Nuclear Power Plant State Enterprise), Turan Petroleum JV, Kustanaiskaya Electrical Networks Distribution Company and Sonar, as well as in other sectors (agriculture—Grain Industry Group of Companies; railways—Kazakhstan Temir Zholy, Lokomotiv OSC, Association of Locomotive Repair Enterprises).

Joerg Pahl was appointed Chief Drilling Officer of Zhaikmunai in 2005. 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. 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.

Service Contracts and Compensation

The Directors have all signed letters of appointment with the Issuer.

With effect from Admission, Frank Monstrey and Kai-Uwe Kessel will provide their services to the Group pursuant to the Executive Service Agreement. Under the terms of the Executive Services Agreement, VDS has agreed to provide consultancy services to the Issuer 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 the Issuer or the General Partner.

The Executive Services Agreement may be terminated by either the Issuer (acting by the General Partner) or VDS at any time on not less than six 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, the Issuer has agreed to pay VDS an annual fee of US\$250,000. In respect of the provision of Mr Kessel's services, the Issuer has agreed to pay VDS an annual fee of US\$330,000. In addition, the Issuer will pay all reasonable out-of-pocket expenses incurred by VDS (or Mr Monstrey or Mr Kessel, as the case may be) in the performance of the services under the Executive Services Agreement. Neither Mr Monstrey nor Mr Kessel will receive a separate fee in their capacity as Directors.

Prior to Admission, 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 2007 are set out below:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Year Appointed</u>	<u>Annual Fee</u>	<u>Duration of Appointment</u>	<u>Notice period (either party)</u>
Frank Monstrey . . .	42	Director and Chairman	2007	US\$250,000	3 years	6 months
Kai-Uwe Kessel . . .	45	Director and Chief Executive Officer	2007	US\$330,000	3 years	6 months
Steve McGowan . .	41	Independent Non-Executive Director	2007	US\$100,000	3 years	3 months
Eike von der Linden	66	Independent Non-Executive Director	2007	US\$100,000	3 years	3 months
Piet Everaert	46	Non-Executive Director	2007	US\$100,000	3 years	3 months

Each Director entered into a letter of appointment with the General Partner which provides for him to act as a Director of the General Partner. Pursuant to such letters, Frank Monstrey, as Director and Chairman, and Kai-Uwe Kessel, as Director and Chief Executive Officer, will receive their fees pursuant to the VDS Agreement; Mr McGowan and Mr von der Linden, as Independent Non-Executive Directors, will receive a fee of US\$100,000 per annum and Piet Everaert, as Non-Executive Director, will receive a fee of US\$100,000 per annum. 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 and Piet Everaert. In the event a Director is terminated due to his gross misconduct, material breach of the terms of his appointment, act of fraud or dishonesty or wilful neglect of his duties he will receive no payment in respect of the period between the beginning of the quarter in which termination took place and the termination date. In the event that a Director's appointment is terminated for any other reason, he will be paid a pro rated amount in respect of the period between the beginning of the quarter in which termination took place and the termination date.

The Directors' letters of appointment provide for no benefits upon termination of employment.

The expiration of each Director's current term of office, if applicable, and the period during which that Director has served in such office are as follows:

<u>Name</u>	<u>Expiration of Current Term</u>	<u>Date of Appointment</u>
Frank Monstrey	15 November 2010	16 November 2007
Kai-Uwe Kessel	15 November 2010	16 November 2007
Steve McGowan	15 November 2010	16 November 2007
Eike von der Linden	15 November 2010	16 November 2007
Piet Everaert	15 November 2010	16 November 2007

In the year ended 31 December 2007, the aggregate total remuneration paid (including contingent or deferred compensation) and benefits in kind granted to each of the Directors and senior managers of the Group was approximately €2.2 million. None of the Non-Executive Directors received any fees in 2007. 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 2007.

Certain of the Directors and senior managers will be entitled to participate in a share option plan to be implemented in connection with Admission. See "*—Share Option Plans*".

Interests of the Directors and Senior Managers

Prior to the Global Offer, Frank Monstrey, the Chairman of the board of directors of the General Partner will indirectly control 100% of the limited partnership interests of the Issuer, and no other director or senior manager of the Issuer had any direct or indirect ownership interest in the Issuer. Following Admission, Frank Monstrey will indirectly control 90.9% of the issued and outstanding Common Units through his indirect control of Thyler and its Affiliates. For a description of the various voting rights that attach to the Common Units see "*Related Parties and Related Party Transactions—Partnership Agreement*".

The Board has approved a grant of Options at the Offer Price to take place upon Admission in respect of 2.5% of the Common Units outstanding immediately prior to Admission.

On 27 March 2008, the following persons were granted the following options over Common Units exercisable at the Offer Price and expiring ten years from the date of Admission (i) Kai Uwe Kessel – 750,000 Common Units, (ii) Jan Ru Muller – 250,000 Common Units, (iii) Viacheslav Druzhinin – 250,000 Common Units, (iv) Alexei Erber – 250,000 Common Units, (v) Darmen Jakishev – 187,500 Common Units, (vi) Eckart Verseck – 187,500 Common Units, (vii) Berik Bimuratov – 187,500 Common Units and (viii) Jeorg Pahl – 187,500 Common Units.

Save as set out in this section, none of the Directors or members of the senior management has any interests in the partnership interest or loan capital of the General Partner, the Issuer or any of the Issuer's subsidiaries.

The interests of the Directors and members of the senior management together represent 100% of the limited partnership interests of the Issuer as at the date of this Prospectus and are expected to represent approximately 90.9% of the issued Common Units of the Issuer immediately following Admission.

Each of the General Partner, Scoulton and Amery are indirectly controlled by Mr Monstrey, Chairman of the board of directors of General Partner. As at the date of this Prospectus, Scoulton has an ownership interest in the Issuer of 99.9%, and Amery has an ownership interest in the Issuer of 0.1%. After the Global Offer, each of Scoulton's and Amery's ownership interests in the Issuer will be nil, having disposed of all of their limited partnership interests and the general partner interest in connection with the Global Offer. However, Claremont, an Affiliate of Thyler, will hold approximately 90.9% of the Common Units in the form of 30,000,000 GDRs and 70,000,000 Common Units, having acquired such GDRs and Common Units pursuant to the Reorganisation Arrangement.

Mr Monstrey and Mr Kessel are the Chief Executive Officer and Managing Director, respectively, of Probel, an Affiliate of Thyler, which indirectly controls the Issuer. Should any Group company contemplate entering into any agreement or arrangement, or amending any existing agreement or arrangement, with the General Partner, Scoulton 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 the Issuer and their private interests and/or other duties. See *“Risk Factors—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates—The Issuer's organisational, ownership and operational structure may create significant conflicts of interest that may be resolved in a manner which is not always in the best interests of the Issuer or the best interests of the GDR holders as a whole”*.

The Issuer has entered into the Relationship Agreement with Thyler, ZGL and Claremont to ensure that their relationship is on arm's length terms. Further details of the Relationship Agreement are set out in *“Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont”*.

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 the Issuer 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, the Issuer 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 the Issuer or any of its subsidiaries during the current or immediately preceding financial year, or during any earlier financial year and remains in any respect outstanding or unperformed.

Other Directorships

The table below sets out the Directors' and senior managers' current directorships and partnerships and those they have held over the past five years:

<u>Name</u>	<u>Current directorships/ partnerships</u>	<u>Former directorships/ partnerships</u>
Frank Monstrey.	Probel Capital Management NV Oostendse Investerings Vennootschap NV Frank Monstrey CVA Tensor Holding VOF Tensor Property Investments S.A.R.L. Expression Inc Exovision BV Nimmer Dor België N.V. Advanced Immuni T Inc Septemium S.A. Eternum Sàrl Tensor Carry Holdings LLP Tensor Capital Partners LP Overseas Logistics Corporation Ltd. Thyler Holdings Limited	Silent Planet Inc.
Kai-Uwe Kessel.	BelGerAs, S.A., Gervanca Investments Sàrl	KazGerMunai LLP
Steve McGowan	Personal Investment & Management Solutions LTD Vanderbil Developments LTD 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 Limited SMP Trustees LTD Scoulton Holdings LTD	City Trust & Corporate Services LTD Thyler Holdings Limited
Eike von der Linden . .	Linden Advisory and Consulting Services KSL Kupferschiefer Lausitz GmbH Jordan Energy and Mining Ltd. GLR Resources Schuellerman AG	None
Piet Everaert	BVBA Piet Everaert, VWEW Advocaten	None
Jan-Rudolph Muller . .	STS Logistics Corporation, EyeNetwork Limited Telco B.V.	Onetrail B.V.
Viacheslav Druzhinin . .	None	None
Alexei Erber	None	Rebellion Resources Limited
Darmen Jakishev	None	None
Eckart Verseck	None	None
Berek Bimuratov	None	None
Joerg Pahl	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

Save as set out below, no Director or senior manager has, for at least the five years prior to the date of this Prospectus:

- 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.

Frank Monstrey previously served as a director of Silent Planet Inc. and Nimmer Dor België N.V., which were placed into reorganisation in October 2001 and October 2003, respectively. Nimmer Dor België N.V. is a going concern and Silent Planet Inc. has been dissolved.

Share Option Plans

Option Plan

The principal features of the Zhaikmunai Option Plan (the “**Plan**”) are outlined below. The Plan was adopted by the Board and Trustee (as defined below) on 27 March 2008.

Operation

The Plan will be administered by the 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. It is currently anticipated that Options will be granted as required by the Board (following the recommendation of the remuneration committee).

Eligibility

All employees and executive directors 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, it is currently intended to offer participation only to senior employees and executive directors of members of the Group.

Grant of Options

Prior to Admission (and from time to time thereafter), the Board will determine the number of GDRs in respect of which Options will be granted. The Trustee will grant Options to an employee or executive director (the “**Optionholder**”) as requested by the Board. An optionholder will be granted the right to receive, on exercise, a cash amount equal to the difference between the value of the GDRs at the date of grant of the option and the value the market value of the GDRs on the exercise date (the “**Option**”). On 27 March 2008, the Board approved a grant of Options at the Offer Price to take place upon Admission in respect of 2.5% of the Common Units outstanding immediately prior to Admission. Further grants of Options will be made at the discretion of the Board.

No payment will be 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 on death.

The aggregate number of GDRs in respect of which Options may be outstanding under the Plan will not exceed 5% of the total number of Common Units in issue on Admission.

Exercise of Options

Options will normally 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 Trustee will satisfy an Option by paying to the optionholder on exercise the difference between the value of the GDRs at the date of grant of the Option and the value the market value of the GDRs on the exercise date (minus any amounts required to be withheld). For the initial grant of Options, it is not intended that the vesting of Options will be 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 within 6 months of the date of cessation. Subject to the Board's discretion, an Option will lapse to the extent that it has not vested on the date of cessation and any portion that remains outstanding but unexercised after the 6 month period will lapse. The Board may in its discretion allow the optionholder to exercise his Options (or a proportion of his Options as determined by the Board in its absolute discretion) during a specified period from the date of such cessation, following which period his Options will lapse, to the extent that they have not been exercised.
- Options will normally automatically lapse on cessation for no consideration if, prior to vesting the optionholder leaves employment other than by reason of injury, disability, redundancy, retirement or the sale of the business for which he works to a third party. The Board may in its discretion allow the optionholder to exercise his Options (or a proportion of his Options as determined by the Board in its absolute discretion) during a specified period from the date of such cessation, following which period his Options will lapse, to the extent that they have not been exercised.

Corporate Events

(a) Takeover

In the event of a takeover of the Issuer or Zhaikmunai, the Board may allow the Optionholder to exercise his Options during a period of one month from the change of control or such longer period as the Board may determine. Any Options which have not been exercised will lapse at the end of this period.

(b) Merger, demerger

In the event of a merger, demerger or other transaction or change in the structure of the Issuer which would affect the value of any Option, the Board may either (a) allow some or all Options to be exercised during a specified period or (b) 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 price of options or altering the number of GDRs in respect of the Options are granted.

(c) Dissolution

In the event of a dissolution of the Issuer, 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 the Issuer 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.

(d) Administration and scheme of arrangement

The Board may, subject to satisfaction of any performance conditions, allow optionholders to exercise their Options within one month after (a) the date of dissolution on an administration order given in relation to the Issuer or (b) the date on which a scheme of arrangement in relation to the Issuer is sanctioned by the court. To the extent that any Options have not been exercised at the expiry of this period, the Options will lapse.

Alterations to the Plan

The Trustee may amend 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 Employee Trust

The Zhaikmunai Employee Trust is a discretionary trust established in the Isle of Man for the benefit of employees and executive directors of the Issuer 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 the Issuer (the “**Trustee**”).

The Trustee will be provided with a loan facility by the Issuer to enable it to subscribe for Common Units in the Issuer. The Trustee has agreed with the Issuer to satisfy Options on exercise by the Optionholders and will acquire and sell GDRs for this purpose (to be subscribed following Admission at US\$10 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.

Limited partners and, consequently, holders of GDRs are not entitled to participate, directly or indirectly, in the Issuer's management. Limited partners shall be able to cause the General Partner to withdraw as the Issuer's general partner, to appoint a new general partner or to vote in the election or removal of the General Partner's directors. However, immediately following the Global Offer, Claremont, an Affiliate of Thyler, is expected to hold 90.9% of all Common Units in the form of 30,000,000 GDRs and 70,000,000 Common Units and will therefore have substantial influence on any votes of limited partners (save as noted below). See *"Risk Factors—Risk Factors Relating to the Group's Relationship with Thyler and its Affiliates—The shareholder of the General Partner will have significant influence over the Issuer"*.

Corporate Governance

As a limited partnership with GDRs admitted to the Official List, the Issuer will not be required to comply with the provisions of the Combined Code. There are no statutory corporate governance recommendations applicable to limited partnerships formed in the Isle of Man. However, the Board has established a corporate governance code. In determining its corporate governance code, the General Partner has given consideration to the best practice provisions on corporate governance set out in the Combined Code.

The General Partner has put in place procedures to comply with the internal control aspects of its corporate governance code. The Board has also put in place sufficient controls that will allow it to ensure that the Issuer 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, with effect from Admission, 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 will not apply to the Issuer. As a result, a takeover offer for the Issuer 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. The relevant provisions of the Partnership Agreement are summarised in *"Description of the Common Units and the Partnership Agreement—Takeover Provisions"*.

Board Structure, Practices and Committees of the General Partner

The Board, upon completion of the Global Offer, will have five members, consisting of two executive directors, and three non-executive directors, of whom two are considered by the Board to be independent non-executive directors. As a result, the Directors consider that there is a satisfactory balance of decision-making power on the Board in line with the Combined Code.

The structure, practices and committees of the Board, including matters relating to the size, independence and composition of the Board, the election and removal of directors, requirements relating to Board action, the powers delegated to Board committees and the appointment of executive officers, are governed by the General Partner's articles of association, the Partnership Agreement and the terms of the Relationship Agreement. The following summarises certain provisions of those articles of association, the Partnership Agreement and the Relationship Agreement that affect the Issuer's corporate governance. See *"Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL 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 upon completion of the Global Offer will have five 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 the Issuer, the General Partner, Tyler and its Affiliates, as determined by the full Board (an "**Independent Director**"). Upon completion of the Global Offer, the General Partner will have two Independent Directors. Upon the death, resignation or removal of an Independent Director, the vacancy must be filled promptly.

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 Tyler 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 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 approval of a majority of limited partners independent of Tyler 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. Tyler has undertaken, pursuant to the Relationship Agreement, to comply with the decisions of the limited partners in respect of the appointment and removal of directors and not to propose amendments to the General Partner's articles of association that alter (i) the standards that are used to determine whether a director is an "independent director", (ii) the requirements relating to the eligibility and qualification of Independent Directors and (iii) the requirement that the General Partner's Board consist of at least one Independent Director, each of which may be effected only with the consent of a majority of limited partners independent of Tyler 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.

Accordingly, as a result of Claremont's expected ownership of not less than 90% of the Issuer's Common Units immediately following the Global Offer, subject to complying with requirements relating to director independence, Tyler and its Affiliates (including Mr Monstrey, the chairman of the General Partner) generally will be able to control the composition of the Board and, as a result, substantially influence the Issuer's business and affairs.

Alternate Directors

A director may, by written notice to the General Partner, appoint any person, including another director, who has been approved by the Board and who meets any minimum standards that are required by applicable law, to serve as an alternate director who may attend and vote in such director's place at any meeting of the Board at which the director is not personally present and to otherwise perform any duties and functions and exercise any rights that the director could perform or exercise personally.

Action by the Board

The Board may take action in a duly convened meeting in which a quorum is present or by a written resolution signed by all directors then holding office. When action is to be taken at a meeting of the Board, subject to any requirements relating to the approval by Independent Directors, the affirmative vote of a majority of the directors then holding office is required for any action to be taken other than with respect

to the enforcement of any contractual or other rights under the Partnership Agreement and the Relationship Agreement. Matters relating to the enforcement of any such rights, if considered at a meeting of the Board, may be decided by the vote of a majority of directors then holding office that are independent of Thyler and its Affiliates.

See “*Risk Factors—Risk Factors Relating to the Group’s Relationship with Thyler and its Affiliates—The shareholder of the General Partner will have significant influence over the Issuer*”.

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 limited partners (see “*Description of the Common Units and the Partnership Agreement—Amendments of the Partnership Agreement—Amendments that Require the Consent of Independent Directors*”);
- the enforcement of any contractual or other rights that the General Partner or the Issuer 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.

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, the Issuer 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 the Issuer, 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 the Issuer) 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 the Issuer 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 the Issuer 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 the Issuer 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 the Issuer, Issuer 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 the Issuer 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, the Issuer or any company in which the Issuer 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, the Issuer or any company in which the Issuer 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 will be required to consist of at least two independent directors and at least one member who has recent and relevant financial experience. The audit committee will initially consist of Mr McGowan and Mr von der Linden, each of whom is considered to be an Independent Director and Mr McGowan will serve 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 will be responsible for assisting and advising the Board with matters relating to:

- the Issuer's accounting and financial reporting processes;
- the integrity and audits of the Issuer's financial statements;
- the Issuer's compliance with legal and regulatory requirements; and
- the qualifications, performance and independence of the Issuer's independent accountants.

The audit committee will also be responsible for engaging the Issuer's independent accountants, reviewing the plans and results of each audit engagement with the Issuer's independent accountants, approving professional services provided by the Issuer's independent accountants, considering the range of audit and non-audit fees charged by the Issuer's independent accountants and reviewing the adequacy of the Issuer'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 and Mr von der Linden 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 the Issuer to any person other than Thyler or an Affiliate of Thyler, unless 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. Upon such a transfer, the General Partner may withdraw 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, holders of Common Units have the right to cause the General Partner to withdraw from the partnership or to cause an additional general partner to be admitted to the partnership. See “*Description of the Common Units and the Partnership Agreement—Withdrawal of the General Partner*”.

Thyler may only transfer its control over the General Partner to a third party other than Thyler or its Affiliates with the consent of limited partners representing not less than 75% of the Common Units attending and voting at the relevant meeting, which has the same substantive effect as if the General Partner withdrew or transferred its interest in the Issuer directly.

Conflicts of Interest and Fiduciary Duties

The Issuer’s organisational, ownership and investment structure involves a number of relationships that may give rise to conflicts of interest between the Issuer and limited partners and holders of GDRs, on the one hand, and Thyler and its Affiliates, on the other hand. In particular, conflicts of interest could arise, among other reasons, because:

- the Group’s arrangements with Thyler and its Affiliates were negotiated in the context of an affiliated relationship, which may have resulted in those arrangements containing terms that are less favourable than those which otherwise might have been obtained from unrelated parties;
- conflicts of interests may arise between the Issuer and the General Partner because Frank Monstrey, who indirectly controls the shareholder of the General Partner, is the chairman of the Board and, as such, exercises substantial influence over the Issuer’s business and affairs; and
- Thyler and its Affiliates (other than the General Partner) will be permitted to pursue other business activities and provide services to third parties that could compete directly with the business and activities of the Group without providing the Issuer with an opportunity to participate, which could result in the allocation of Thyler’s resources and personnel to others who compete with the Group.

Pursuant to the Relationship Agreement, Thyler has undertaken to ensure that the Issuer is capable at all times of carrying on its business independently of Thyler and its Affiliates (other than the Issuer and any subsidiary of the Issuer) and that all of the Issuer’s transactions and relationships with Thyler and its Affiliates (other than the Issuer and any subsidiary of the Issuer) are at arm’s length and on normal commercial terms. See “*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont*”.

Except as described above, there are no potential conflicts of interest between any duties owed by the General Partner’s directors to the Issuer 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 the Issuer, 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, the Issuer 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 the Issuer 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

The Issuer 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.

DESCRIPTION OF THE COMMON UNITS AND THE PARTNERSHIP AGREEMENT

The following describes of the material terms of the Common Units and the Partnership Agreement and is qualified in its entirety by reference to all of the provisions of the Partnership Agreement.

Formation and Duration

The Issuer is an Isle of Man limited partnership that was formed and registered under the Partnership Act 1909 (the “**Partnership Act**”) on 29 August 2007. The Issuer 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 the Issuer consist of (a) prior to Admission, a general partner interest and a limited partner interest and (b) from Admission, the Common Units, which represent a fractional entitlement in respect of all of the limited partner interests in the Issuer and the general partner interest held by ZGL. It may also consist of any additional Common Units representing limited partner interests that the Issuer may issue in the future as described below under “—*Issuance of Additional Common Units*”. In this description, references to “holders of the Common Units” are to the Issuer’s limited partners and references to the Issuer’s limited partners include holders of the Common Units.

Nature and Purpose

Under clause 2.2 of the Partnership Agreement, the Issuer 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.

The Issuer 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.

Restrictions on Management by the General Partner

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. In the event of breach of these restrictions, holders of GDRs will be informed of the actions that the Issuer will take by publication in the United Kingdom in a manner that complies with applicable laws and regulations, including the Listing Rules and the Disclosure and Transparency Rules, or the rules of any other applicable securities exchange.

The Common Units

The Common Units represent a fractional entitlement in respect of the entire limited partnership interests in the Issuer and will be issued in registered form. The fractional entitlement is the number of Common Units owned by a holder divided by total Common Units. The Common Units have no par value. Holders of Common Units will not be entitled to the withdrawal or return of capital contributions in respect of the Common Units, except to the extent, if any, that distributions are made to such holders pursuant to the Partnership Agreement or upon the dissolution of the Issuer as described below under “—*Dissolution and Distribution of Proceeds*” or as otherwise required by applicable law. Except to the extent expressly provided in the Partnership Agreement, a holder of the Common Units will not have priority over any other holder of the Common Units, either as to the return of capital contributions or as to profits, losses or distributions. The holders of Common Units will have pre-emptive rights to acquire additional interests in the Issuer’s limited partnership (see “—*Pre-emption Rights*”). In addition, the holders of the Common Units do not have any right to have their Common Units redeemed by the Issuer.

The Partnership Agreement does not limit the number of Common Units that may be issued. Immediately following the Global Offer the Issuer will have 110,000,000 outstanding Common Units.

Issuance of Additional Common Units

Provided that the limited partners have approved by simple majority an increase in the number of Common Units or partnership interests that may be issued, the General Partner can, subject to the rights of pre-emption referred to in “—*Pre-emption Rights*”, cause the Issuer to issue additional Common Units or partnership interests and may cause the Issuer to issue additional Common Units or partnership interests (including new classes of Common Units or partnership interests and options, rights, warrants

and appreciation rights relating to such securities) for any partnership purpose, at any time and on such terms and conditions as it may determine without such terms being approved by the holders of Common Units. Any additional Common Units or partnership interests may be issued in one or more classes, or one or more series of classes, with such designations, preferences, rights, powers and duties as may be determined by the General Partner.

Capital Contributions

The Common Units will be issued on a fully paid basis. After making the payment, the Issuer's limited partners will not be required to make additional capital contributions, except as described below under "*Limited Liability*".

Limited Liability

Assuming that a limited partner does not participate in the management of the Issuer's business or transact the business of, sign or execute documents for or otherwise bind the Issuer within the meaning of the Partnership Act and otherwise acts in conformity with the provisions of the Partnership Agreement, such partner's liability under the Partnership Act and the Partnership Agreement will be limited to the amount of capital such partner is obligated to contribute to the Issuer for its limited partner interest plus its share of any undistributed profits and assets, except as described below.

If it were determined, however, that a limited partner was participating in the management of the Issuer's business or transacting the business of, signing or executing documents for or otherwise binding the Issuer (or purporting to do any of the foregoing) within the meaning of the Partnership Act, such limited partner would be liable as if it were a general partner of the Issuer in respect of all debts of the Issuer incurred while that limited partner was so acting or purporting to act. Neither the Partnership Agreement nor the Partnership Act specifically provides for legal recourse against the Issuer's general partner if a limited partner were to lose limited liability through any fault of the Issuer's general partner. While a limited partner could seek legal recourse, the Issuer is not aware of any precedent for such a claim in Isle of Man case law.

Distributions

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 (save that any such distribution shall not exceed the amount recommended by the General Partner). The General Partner will not be permitted to cause the Issuer to make a distribution if the Issuer does not have sufficient cash on hand to make the distribution, the distribution would render the Issuer insolvent or if, in the opinion of the General Partner, the distribution would or might reasonably be expected to leave the Issuer with insufficient funds to meet any future contingent obligations (or otherwise breaches the provisions of the Partnership Act).

Any distributions to the Issuer's limited partners will be made on a pro rata basis according to their respective partnership interests in the Issuer and will be paid only to the record holders of Common Units as of a record date set for the distribution by the General Partner. The General Partner may, with the approval of a majority of limited partners, direct that payment of any distribution declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the General Partner may settle it as it thinks fit provided that the distributions are made on a pro rata basis according to their respective percentage interests. In particular, the General Partner may:

- (i) fix the value for distribution of such assets or any part thereof and determine that cash payments may be made to any limited partners on the basis of the value so fixed, in order to adjust the rights of limited partners; and
- (ii) vest any such assets in trustees on trust for the persons entitled to the distribution.

The payment of a distribution will constitute full payment and satisfaction of the Issuer's liability in respect of such payment, regardless of any claim of any person who may have an interest in such payment by reason of an assignment or otherwise.

Under the Partnership Agreement, the General Partner will be entitled to sell at the best price reasonably available any Common Units that are held by a person who has not claimed a distribution within a period

of 12 years, provided that the Issuer has paid at least three distributions during such time. Upon such a sale, the proceeds will be treated as assets of the Issuer and the former holder will be deemed to be a creditor with respect to the amount of the net proceeds of the sale. Interest will not be payable in respect of any claim for such net proceeds and the Issuer will not be required to account for any money earned thereon.

The Partnership Agreement does not contain any fixed record dates for the determination of the entitlement to a distribution. The amount of taxes withheld in respect of taxable income, profit or gain allocated to a limited partner will be treated as a distribution to such partner.

The General Partner shall be paid £1,000 per annum for acting as the general partner of the Issuer.

Tax Liability

Under the Partnership Agreement, each limited partner (other than the Depositary) severally undertakes to pay to the Issuer or the General Partner, as the case may be, any amount which the Issuer or the General Partner is or has been required to pay by law in respect of taxes imposed upon or collected from the Issuer or the General Partner on or before the dissolution of the Issuer in respect of any income or profits allocated, or distributions made, to such limited partner whether before or after any sale or transfer of any limited partner interest in the Issuer. Following any sale or transfer of a limited partner interest or any part thereof by a limited partner, the limited partner will remain liable to the Issuer or the General Partner for any taxes on income, profit and gains allocated to it prior to the transfer, and the General Partner may at its discretion set off any sums due to a limited partner by way of a distribution against any amounts due in respect of such tax.

No Management or Control; Voting Rights

The limited partners, in their capacities as such, may not take part in the management of the business and affairs of the Issuer and do not have any right or authority to act for or to bind the Issuer or to take part or interfere in the conduct or management of the Issuer.

Subject to any special terms as to voting on which any Common Units partnership interests in the Issuer may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Partnership Agreement, at any general meeting every holder of Common Units who (being an individual) is present in person or by proxy, not being himself or herself a limited partner entitled to vote, shall on a show of hands have one vote and on a poll every limited partner present in person or by proxy shall have one vote for each Common Unit of which he or she is the holder.

Special Consent Rights

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:

- the appointment or removal of a director from the Board;
- the appointment or removal of the independent auditors of the Issuer;
- the approval of the annual audited accounts of the Issuer;
- the issue of Common Units; and
- certain amendments to the Partnership Agreement as described under “—*Amendment of the Partnership Agreement*”, which may be effected only with the consent of the holders of Common Units as specified below.

Under 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 (a “**Special Resolution**”):

- the dissolution of the partnership;
- the variation or abrogation of any rights attaching to the limited partnership interests;
- the disapplication of the pre-emption rights in respect of Common Units; and
- the sale, transfer or disposal of assets representing not less than 75% of the value of the assets of the Issuer.

For purposes of determining holders of partnership interests entitled to approve any action described above, the General Partner may set a record date, which may be not less than 10 nor more than 30 days before the date by which record holders are requested in writing by the General Partner to provide such approvals. Only those record holders on the record date established by the General Partner will be entitled to vote at the relevant meeting with respect to matters as to which a consent right applies.

Meetings

The Partnership Agreement provides that the Issuer will hold an annual meeting at such time and place as the General Partner may determine at which the General Partner will present a report on the activities of the Group. The General Partner may call special meetings of partners for any other purposes at a time and place determined by the General Partner on a date not less than 14 clear days (21 days in relation to a special meeting convened for the passing of a Special Resolution or a resolution appointing a person as a director) nor more than 28 clear days after the mailing of notice of the meeting.

Holders of Common Units representing not less than 10% of the issued Common Units may call special meetings of partners for any purpose at a time and place determined by the requisitioner on a date not less than 14 clear days (21 days in relation to a special meeting convened for the passing of a Special Resolution or a resolution appointing a person as a director) nor more than 28 clear days after the mailing of notice of the meeting. At any meeting convened on requisition no business shall be transacted except that stated by the requisition or proposed by the General Partner.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum does not preclude the choice or appointment of a chairman of the meeting, which is not treated as part of the business of the meeting. One person entitled to attend and to vote on the business to be transacted, each being a partner present in person or a proxy for a partner, constitute a quorum. If within 15 minutes (or such longer interval not exceeding one hour as the chairman of the meeting in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of partners, is dissolved. In any other case, the meeting is adjourned to later on the same day, to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman of the meeting (or, in default, the General Partner) determines, being not less than 14 nor more than 28 days later. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one partner present in person or by proxy or (being a corporation) by a duly authorised representative constitutes a quorum. If no such quorum is present or if during the adjourned meeting a quorum ceases to be present, the adjourned meeting is dissolved. The Issuer is required to give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than 14 nor more than 28 days later).

Assignment of Limited Partnership Interests and Common Units

Each partner may assign all or any of his or her Common Units by instrument of assignment in writing in any usual form or in any form approved by the General Partner. Any written instrument must contain the business or residential address of the assignee and be executed by or on behalf of the assignor and (in the case of a transfer of a Common Unit which is not fully paid up) by or on behalf of the assignment. The assignor is deemed to remain the holder of such Common Unit until the name of the assignee is entered in the Issuer's register of partners as the holder of the Common Unit.

No assignment of any partnership security can be made:

- (i) to a minor; or
- (ii) to a bankrupt; or
- (iii) to any person who is, or may be, suffering from mental disorder and either:
 - (a) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or any similar statute relating to mental health (whether in the United Kingdom, the Isle of Man or elsewhere); or
 - (b) an order has been made by any court having jurisdiction (whether in the United Kingdom, the Isle of Man or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs and the directors are required to refuse to register the purported assignment of a partnership security to any such person.

The General Partner may in its absolute discretion and without giving any reason refuse to register any assignment of a partnership security unless:

- (i) it is in respect of a Common Unit which is fully paid up;
- (ii) it is in respect of a Common Unit on which the Issuer has no lien;
- (iii) it is in respect of only one class of partnership interests;
- (iv) it is in favour of a single assignee or not more than four joint assignees;
- (vi) the holding of such Common Unit would not result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Issuer or its partners as a whole, provided that the General Partner's discretion may not be exercised in such a way as to prevent dealings in the Common Units partnership interests from taking place on an open and proper basis.

Each person to whom a limited partner interest is assigned will be admitted to the Issuer as a limited partner with respect to the limited partner interests so assigned subject to and in accordance with the terms of the Partnership Agreement. Any assignment of a limited partner interest will not entitle the assignee to share in the profits and losses of the Issuer, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the assignee was entitled until the assignee becomes a limited partner.

By accepting a limited partner interest for assignment in accordance with the Partnership Agreement, each assignee will:

- be deemed to have become a party to the Partnership Agreement and become bound by the terms thereof;
- be deemed to have represented that the assignee has the capacity, power and authority to enter into the Partnership Agreement; and
- be deemed to have granted a power of attorney to the General Partner and any officer thereof to act as such limited partner's agent and attorney-in-fact to execute any subscription agreements and novations of the Partnership Agreement (in such forms and with such terms and conditions as the General Partner or such officer may determine) in connection with the admission of any new limited partners to the partnership.

The assignment of any limited partner interest and the admission of any new limited partner to the Issuer will not constitute any amendment to the Partnership Agreement.

Pre-emption Rights

Save in respect of an allotment of Common Units wholly or partly paid up otherwise than in cash, the General Partner, when proposing to allot Common Units:

- shall not allot any of them on any terms to a person unless it has made an offer to each person who holds relevant Common Units to allot to him or her on the same or more favourable terms a proportion of those Common Units which is as nearly as practicable equal to the proportion held by him or her of the aggregate of relevant Common Units; and
- shall not allot any of those Common Units to a person unless the period during which any such offer may be accepted has expired or the General Partner has received notice of the acceptance or refusal of every offer so made.

An offer in respect of such pre-emption rights must state a period of not less than 21 days during which it may be accepted and the offer shall not be withdrawn before the end of that period.

The General Partner may be given power by a Special Resolution to allot Common Units either generally or in respect of a specific allotment such that:

- the rights of pre-emption shall not apply to the allotment; or
- the rights of pre-emption shall apply to the allotment with such modifications as the General Partner may determine; and
- the authority granted by the Special Resolution may be granted for such period of time as the Special Resolution permits and such authority may be revoked by a further Special Resolution.

Notwithstanding that any such power or resolution has expired, the General Partner may allot Common Units in pursuance of an offer or agreement previously made by the Partnership if the power or resolution enabled the General Partner to make an offer or agreement which would or might require Common Units to be allotted after it expired.

The pre-emption rights shall not apply to the allotment of any Common Units which are allotted prior to or conditional upon Admission, any Common Units allotted in accordance with the terms of the Zhaikmunai Option Plan; and Common Units representing 5% of the total number of Common Units in issue immediately after Admission.

In considering the rights of pre-emption:

- a reference to the allotment of Common Units includes the grant of a right to subscribe for, or to convert any securities into, Common Units; but such a reference does not include the allotment of any Common Units pursuant to such a right;
- a reference to a class of partnership interests is to partnership interests which the same rights are attached as to voting and as to participation, both as respects dividends and as respects capital, in a distribution; and
- references to the holder of Common Units are to whoever was at the close of business on a date, to be specified in the offer and to fall in the period of 28 days immediately before the date of the offer, the holder of Common Units.

Disclosure of Beneficial Ownership

Every person who is to his or her knowledge interested in the voting rights of 3% or more of the issued interests of any relevant class of partnership interests of the Issuer (other than the Depositary) shall without delay give to the Issuer notice in writing of the following information:

- (i) the amount of Common Units in which he or she was to his or her knowledge directly or indirectly interested immediately after the obligation arose and the percentage of voting rights in the Issuer held through those partnership interests (and/or any other direct or indirect holding of qualifying financial instruments in such partnership interests); and
- (ii) the following information:
 - (a) the identity and address of each registered holder of those partnership interests (and person(s) entitled to exercise voting rights on behalf of such registered holder, if applicable) and the amount of partnership interests then held by each such holder;
 - (b) the chain of controlled undertakings through which voting rights are effectively held, if applicable;
 - (c) the date on which the 3% threshold was reached or crossed; and
 - (d) in respect of any notification of voting rights arising from the holding of financial instruments by that holder, the following shall be required: the resulting situation in terms of voting rights; if applicable, the chain of controlled undertakings through which the financial instruments are effectively held; the date on which the threshold was reached or crossed; for financial instruments with an exercise period, an indication of the date or time period when partnership interests will or can be acquired, if applicable; the date of maturity or expiration of the financial instrument; the identity of the holder; and the name of the underlying issuer of such financial instrument.

Under the Partnership Agreement and subject to any limitations imposed by the rules or procedures of any clearing system, the General Partner may, by delivering a notice in writing to a limited partner (other than the Depositary), require the limited partner to disclose to the Issuer the identity of any other person known to it who has a beneficial or other interest in the limited partner interest held by the limited partner and the nature of such interest. Any limited partner who provides such information pursuant to a notice delivered by the General Partner will also be required to notify the General Partner of any change in the information provided. Any information concerning beneficial and other interests in limited partner interests that is provided to the General Partner will be kept in a register maintained by the General Partner on behalf of the Issuer.

If a limited partner defaults in its obligation to provide information concerning the beneficial or other interests in the limited partner interest held by the limited partner, the General Partner will be permitted for so long as the default is continuing (i) to suspend any special consent rights, distribution rights and rights to receive notice of and to attend a partnership meeting that are applicable to the limited partner interest and (ii) to prevent the transfer of the limited partner interest other than pursuant to an offer to acquire all of the Issuer's outstanding partnership interests.

Takeover Provisions

The Issuer is not subject to the Takeover Code, nor is it subject to the jurisdiction of the Takeover Panel. However, certain takeover provisions, based on the rules and general principles of the Takeover Code, have been incorporated into the Partnership Agreement.

The Partnership Agreement provides that a person must not, except as a result of a Permitted Acquisition (as defined below):

- (i) whether by himself, or with persons determined by the Board to be acting in concert with him, acquire after Admission (the “**Effective Time**”) an interest in Common Units which, taken together with any interest in Common Units held or acquired after the Effective Time by persons determined by the Board to be acting in concert with him, carry 30% or more of the voting rights attributable to Common Units; or
- (ii) whilst he, together with persons determined by the Board to be acting in concert with him, is interested in Common Units which in aggregate carry not less than 30% but not more than 50% of the voting rights attributable to Common Units, acquire after the Effective Time, whether by himself or with persons determined by the Board to be acting in concert with him, an interest in Common Units which, taken together with any interests in Common Units held by persons determined by the Board to be acting in concert with him, increases the percentage of voting rights attributable to the Common Units in which he is interested (each of (A) and (B) being a “**Limit**”).

“**Permitted Acquisitions**” are defined to include acquisitions resulting from:

- an acquisition consented to by the Board (provided that a majority of Independent Directors also vote in favour of the acquisition);
- an acquisition made in circumstances in which the Takeover Code, if it applied to the Issuer, would require an offer to be made as a consequence and such offer is made in accordance with Rule 9 of the Takeover Code, as if it so applied;
- acceptances of an offer under a takeover bid that is in accordance with the general principles set forth in paragraphs (a), (b), (e) and (f) of article 3.1 of the Takeover Directive;
- an acquisition approved previously by an Ordinary Resolution passed at a general meeting of the Issuer by an independent vote;
- a rights issue;
- an underwriting;
- a transfer of Common Units by the holder of such Common Units to an Affiliate of such holder;
- a legal merger; or
- the acquisition of Common Units by a custodian, bare trustee or nominee solely in its capacity as custodian, bare trustee or nominee where the custodian, bare trustee or nominee has no right to exercise or direct the exercise of the voting rights attaching to the relevant Common Units.

The Partnership Agreement also provides that a person must not effect or purport to effect an acquisition which would breach or not comply with Rules 4 (*Restrictions on dealings*), 5 (*Timing restrictions on acquisitions*), 6 (*Acquisitions resulting in an obligation to offer a minimum level of consideration*), or 8 (*Consequences of certain dealings*) of the Takeover Code, as if the Issuer were subject to the Takeover Code.

Where the Board has reason to believe that any of the above mentioned provisions in the Partnership Agreement have been breached, then it may take all or any of the following measures:

- require the person(s) appearing to be interested in the Common Units to provide such information as the Board considers appropriate;
- have regard to such public filings as may be necessary to determine any of the matters under the takeover provisions in the Partnership Agreement;
- make any determination under the takeover provisions in the Partnership Agreement as it thinks fit, either after calling for submissions by the relevant person(s) or without calling for any;
- determine that the voting rights attached to such Common Units in breach of the Partnership Agreement (the “**Excess Common Units**”) are from a particular time incapable of being exercised for a definite or indefinite period;

- determine that some or all of the Excess Common Units are to be sold;
- determine that some or all of the Excess Common Units will not carry any right to any distributions from a particular time for a definite or indefinite period; and
- take such actions as it thinks fit, including prescribing rules consistent with the takeover provisions in the Partnership Agreement, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determinations or interim determinations, executing documents on behalf of a limited partner, converting any Excess Common Units held in uncertificated form to certificated form and vice-versa or converting any Excess Common Units represented by GDRs issued in uncertificated form into Common Units in certificated form, paying costs and expenses out of proceeds of sale, and changing any decision or determination or rule previously made.

The Board has the full authority to determine the application of the takeover provisions in the Partnership Agreement, including the deemed application of the whole or any part of the Takeover Code, and such authority shall include all the discretion that the Takeover Panel would exercise if the whole or part of the Takeover Code applied. Any resolution or determination made by the Board acting in good faith is final and conclusive and is not open to challenge as to its validity or as to any other ground. The Board is not required to give any reason for any decision or determination it makes.

Transfer Agent, Registrar and Principal Paying Agent

The Bank of New York has been appointed to act as transfer agent and registrar for the purpose of registering the limited partner interests and transfers of the limited partner interests as provided in the Partnership Agreement, and also as the principal paying agent on the Common Units. The Issuer will indemnify the transfer agent, its agents and each of their shareholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Amendment of the Partnership Agreement

Amendments that Do Not Require Consent

The Partnership Agreement provides that the General Partner may, without the consent of any holder of the partnership interests, amend any provision of the Partnership Agreement and execute, deliver and file any documents that may be required to reflect:

- the admission, substitution, withdrawal or removal of partners in accordance with the terms of the Partnership Agreement;
- any amendment expressly permitted in the Partnership Agreement to be made by the General Partner acting alone;
- any amendment that would provide additional rights or benefits to all limited partners;
- any amendment that the General Partner determines to be necessary or appropriate to cure any ambiguity, omission, mistake, defect or inconsistency; and
- any other amendments ministerial in nature and substantially similar to the foregoing.

Amendments that Require the Consent of Independent Directors

The Partnership Agreement further provides that, without the consent of any holder of the partnership securities, the General Partner may amend any provision of the Partnership Agreement, with the approval of a majority of the General Partner's independent directors, as follows:

- any amendment not described under “—*Amendments that Do Not Require Consent*” and which is not material and adverse to limited parties;
- a change that the General Partner determines to be necessary or appropriate to qualify or continue the qualification of the Issuer as a limited partnership or a partnership in which the limited partners have limited liability;
- a change that the General Partner determines to be necessary or appropriate in order to ensure that the Partnership does not become (or ceases to be) an unauthorised collective investment scheme in the Isle of Man (including making such changes as are not detrimental to holders of GDRs so as to become an international collective investment scheme in the Isle of Man);

- a change that the General Partner determines to be necessary or appropriate in order to ensure that the Partnership does not become (or ceases to be) an unauthorised collective investment scheme in the Isle of Man (including making such changes as are not detrimental to holders of GDRs so as to become an international collective investment scheme in the Isle of Man);
- a change in the registered agent of the Issuer or the principal place of business of the Issuer;
- a change in the financial year or taxable year of the Issuer and any other changes that the General Partner determines to be necessary or appropriate as a result of a change in the financial year or taxable year of the Issuer;
- a change that the General Partner determines is required to effect the intent of the provisions of the Partnership Agreement or is otherwise contemplated by the Partnership Agreement;
- an amendment that is necessary, in the opinion of counsel, to prevent the Issuer, or the General Partner or its directors, officers, trustees or agents from in any manner being subjected to the provisions of the US Investment Company Act and related rules, the US Investment Advisers Act of 1940 or the plan asset regulations of the US Department of Labor, regardless of whether such regulations are substantially similar to those currently applied or proposed by the US Department of Labor; and
- any amendment that the General Partner determines to be necessary or appropriate to reflect and account for the formation by the Issuer of, or investment by the Issuer in, any corporation, partnership, joint venture, limited liability company or other person, in connection with the conduct by the Issuer of activities described above under “—*Nature and Purpose*”.

The General Partner may, without the consent of any such holder of Common Units or partnership interests, execute, deliver and file any documents that may be required in connection with any such amendment.

Amendments that Require the Consent of Holders of Common Units or Partnership Interests

Except as provided above, all other amendments to the Partnership Agreement may be made in accordance with the following requirements. The following amendments would require the approval of a Special Resolution:

- a change in the name of the Issuer or the location of the principal place of business of the Issuer;
- the variation or abrogation of any rights attaching to the Common Units (or, in respect of any class of partnership interests, a majority of partners representing not less than three-quarters of the class of partnership interests attending and entitled to vote at the relevant meeting of partnership interests);
- the dissolution of the Issuer; and
- any variation of the pre-emption rights on the allotment of Common Units in accordance with the provisions contained in “—*Pre-emption Rights*”.

Amendments to the Partnership Agreement may be proposed only by the General Partner, who (save as follows) will have no duty or obligation to propose any amendment and may decline to propose any amendment free of any duty or obligation whatsoever to the Issuer or any limited partner, or upon a proposal requested by a limited partner or partners representing not less than 10% of the total number of issued Common Units. A proposed amendment will be effective upon its approval by the General Partner and, where required under the Partnership Agreement or by the Partnership Act, with the consent of the holders representing a majority of each class of outstanding Common Units or partnership interests, unless a greater or different percentage is required.

No provision of the Partnership Agreement that establishes a percentage of outstanding Common Units or partnership interests required to take any action may be amended in any respect that would have the effect of reducing such percentage, unless such amendment is consented to by holders of such percentage of outstanding Common Units or partnership interests. A limited partner's obligations may not be enlarged without such limited partner's consent, unless the enlargement shall be deemed to have occurred as a result of an amendment consented to pursuant to the foregoing provisions. In addition, any amendment that would have a material adverse effect on the rights or preferences of any class of outstanding partnership interests in relation to one or more other classes of outstanding Common Units or partnership interests must be consented to by the holders representing a majority of the affected class of outstanding Common Units or partnership interests.

Termination and Dissolution

The Issuer will terminate upon the earlier to occur of (i) the date on which all of the partnership assets have been disposed of or otherwise realised by the Issuer and the proceeds of such disposals or realisations have been distributed to partners, (ii) the service of notice by the General Partner, with the approval of a majority of its independent directors, that in its opinion the coming into force of any law, regulation or binding authority has or will render illegal or impracticable the continuation of the partnership, and (iii) at the decision of the General Partner, if the Issuer, as determined by the General Partner, is required to register any partnership securities under the US Securities Exchange Act or as an “investment company” under the US Investment Company Act.

The Issuer will be dissolved upon the withdrawal of the General Partner as the general partner of the Issuer (unless the withdrawal is effected in compliance with the provisions of the Partnership Agreement that are described below under “—*Withdrawal of the General Partner*”) or the entry by a court of competent jurisdiction of a decree of judicial dissolution of the Issuer or an order to wind up or dissolve the General Partner.

Dissolution and Distribution of Proceeds

Upon dissolution of the Issuer, the General Partner will act as the dissolution agent unless otherwise directed by an order of the Court in the Isle of Man. If the General Partner is acting as the dissolution agent, it will not be entitled to receive any additional compensation for acting in such capacity. A dissolution agent will have and may exercise, without further authorisation or consent of any of the parties to the Partnership Agreement, all of the powers conferred upon the General Partner under the terms of the Partnership Agreement (subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) necessary or appropriate to carry out the duties and functions of the dissolution agent for and during the period of time required to complete the winding up and dissolution of the Issuer.

The dissolution agent will dispose of the assets of the Issuer, discharge the liabilities of the Issuer and otherwise wind up the affairs of the Issuer in such manner and over such period as the dissolution agent determines to be in the best interest of the Issuer partners, subject to the Partnership Act and the following:

Disposal of Assets. The Issuer’s assets may be disposed of by public or private sale or by distribution in kind to one or more partners on such terms as the dissolution agent and such partner or partners may agree. If any property is distributed in kind, the partner receiving the property shall be deemed for the purposes of any dissolution distributions to have received cash equal to its fair market value and contemporaneously therewith, appropriate cash distributions must be made to other partners. The dissolution agent may defer dissolution or distribution of the Issuer’s assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Issuer’s assets would be impractical or would cause undue loss to the partners. The dissolution agent may distribute the Issuer’s assets, in whole or in part, or in kind if it determines that a sale would be impractical or would cause undue loss to the partners.

Discharge of Liabilities. The liabilities of the Issuer include amounts owed to the dissolution agent as compensation for serving in such capacity and amounts to partners otherwise than in respect of the distribution rights described above under “—*Distributions*”. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the dissolution agent will either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve must be distributed as additional dissolution proceeds.

Dissolution Distributions. All property and all cash in excess of that required to discharge liabilities as provided above shall be distributed to the Issuer’s partners in accordance with their respective percentage interests in the Issuer (as represented by holdings of Common Units). Such distribution must be made by the end of the taxable year in which the dissolution of the Issuer occurs or, if later, within 90 days after the date of such dissolution.

Upon the completion of the distribution of the Issuer’s cash and property in connection with the dissolution of the Issuer, the Issuer’s registration as a limited partnership in the Isle of Man and all qualifications of the partnership as a foreign limited partnership in other jurisdictions will be cancelled and such other actions as may be necessary to terminate the partnership will be taken.

The General Partner will not be personally liable for, and will not have any obligation to contribute or loan any moneys or property to the Issuer to enable it to effectuate, the return of the capital contributions of limited partners or any portion thereof. Any such return will be made solely from the Issuer's assets.

Obligation to Comply with the Partnership Agreement

The General Partner must comply with all of the terms of the Partnership Agreement and operate the Issuer pursuant to the terms of such agreement and may not (and must cause each of its Affiliates not to), take any action or enter into any contract or other arrangement, or approve any such action, contract or arrangement, on behalf of the Issuer, any subsidiary or any other holding vehicle established by the Issuer, either directly or indirectly, to the extent such action, contract or arrangement would conflict with, be contrary to or otherwise be prohibited by the terms of the Partnership Agreement.

Withdrawal of the General Partner

The General Partner may withdraw from the Issuer only with an approval contained in a Special Resolution and upon the appointment by the General Partner of a replacement general partner who agrees to assume the rights and undertake the obligations of the general partner under the Partnership Agreement. The foregoing restrictions will not be applicable to a transfer, merger, amalgamation or consolidation of the General Partner that is effected in accordance with the provisions of the Partnership Agreement that are described below under “—*Transfer of the General Partner Interest*”.

A withdrawal of the General Partner will be effective only upon the satisfaction of the foregoing conditions and as of such time as the replacement general partner shall exercise all powers of the general partner under the Partnership Agreement. Upon such withdrawal, the former General Partner will be required to deliver to any replacement general partner, or as the replacement general partner shall direct, all assets and copies of all books of account, records, registers, correspondence and documents solely relating to the affairs of, or belonging to, the Issuer.

Transfer of the General Partner Interest

The General Partner may not without a Special Resolution transfer all or any part of its general partner interest, or merge, consolidate, convert or amalgamate with or into any other person such that the General Partner would no longer be deemed to be the holder of its general partner interest in the partnership, unless:

- such transfer is to Thyler or an Affiliate of Thyler or such merger, consolidation, conversion or amalgamation is with or into Thyler or an Affiliate of Thyler; and
- in each case, the transferee or surviving entity assumes the rights and duties of the general partner under the Partnership Agreement and agrees to be bound by the provisions thereof and the Issuer receives an opinion of counsel that such transaction would not result in the loss of the limited liability status of any of the limited partners.

Where the implementation of the takeover provisions in the Partnership Agreement results in the transfer of Common Units or GDRs representing not less than 50% of the total number of Common Units in issue from a Limited Partner (together with its Affiliates) to a third party, the General Partner may (i) assign all or any part of its general partner interest or merge, consolidate, convert or amalgamate with or into the Acquiror (or any of its Affiliates), or (ii) provided the Acquiror (or any of its Affiliates) has acquired the entire issued share capital of the General Partner, withdraw as the general partner of the Issuer without the approval contained in a Special Resolution of Limited Partners.

Upon any transfer, merger, consolidation, conversion or amalgamation that is permitted as described above, the Issuer's original General Partner will cease to be the general partner and the transferee or surviving entity will become the general partner for all purposes of the Partnership Agreement. For the purposes of this description, references to the Issuer “General Partner” refer to any replacement general partner who becomes the general partner in accordance with the Partnership Agreement.

Transactions with Interested Parties

The General Partner, Thyler and their respective Affiliates, members, shareholders, directors, officers, employees and shareholders, which the Issuer refers to as “interested parties”, may become limited partners or beneficially interested in limited partners and may hold, dispose of or otherwise deal with

limited partner interests with the same rights they would have if the General Partner were not a party to the Partnership Agreement or such other things as are approved by the General Partner with the approval of Independent Directors. An interested party will not be liable to account either to other interested parties or to the Issuer, the Issuer's partners or any other persons for any profits or benefits made or derived by or in connection with any such transaction.

The Partnership Agreement permits an interested party to sell investments to, purchase assets from, vest assets in and enter into any contract, arrangement or transaction with the Issuer, any subsidiary or any other holding vehicle established by the Issuer and may be interested in any such contract, transaction or arrangement and shall not be liable to account either to the Issuer, any subsidiary, any other holding vehicle established by the Issuer or any other person in respect of any such contract, transaction or arrangement, or any benefits or profits made or derived therefrom, by virtue only of the relationship between the parties concerned, subject to any approval requirements that are contained in the General Partner's articles of association.

Outside Activities of the General Partner; Conflicts of Interest

Under the Partnership Agreement, the General Partner will be required to maintain as its sole business the business of acting as the general partner of the Issuer and the general partner or managing member, as the case may be, of any other partnership or limited liability company of which the Issuer is, directly or indirectly, a partner or member and undertaking activities that are ancillary or related thereto. The General Partner will not be permitted to engage in any business or activity or incur any debts or liabilities except in connection with or incidental to its performance as general partner or managing member as described above or acquiring, owning or disposing of debt or equity securities of the Issuer, a subsidiary or any other holding vehicle established by the Issuer.

The Partnership Agreement provides that each person who is entitled to be indemnified by the Issuer, as described below under “—*Indemnification; Limitation on Liability*” (other than the General Partner), will have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in other business ventures of any and every type or description, irrespective of whether (i) such businesses and activities are similar to those of the General Partner, the Issuer, any subsidiary or any other holding vehicle established by the Issuer or (ii) such businesses and activities directly compete with, or disfavour or exclude, the General Partner, the Issuer, any subsidiary or any other holding vehicle established by the Issuer. Such business interests, activities and engagements will be deemed not to constitute a breach of the Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the General Partner, the Issuer, any subsidiary and any other holding vehicle established by the Issuer (or any of their respective investors), and shall be deemed not to be a breach of the General Partner's fiduciary duties or any other obligation of any type whatsoever of the General Partner. None of the General Partner, the Issuer, any subsidiary, any other holding vehicle established by the Issuer or any other person shall have any rights by virtue of the Partnership Agreement or the partnership relationship established thereby or otherwise in any business ventures of any person who is entitled to be indemnified by the Issuer as described below under “—*Indemnification; Limitation on Liability*”.

Any conflicts of interest and potential conflicts of interest that are approved by a majority of the General Partner's Independent Directors from time to time will be deemed approved by all partners.

Indemnification; Limitation on Liability

Under the Partnership Agreement, the Issuer is required to indemnify to the fullest extent permitted by law the General Partner, its Affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees) and any person who serves on a governing body of a subsidiary or any other holding vehicle established by the Issuer, in each case, against all losses, claims, damages, liabilities, costs or expenses (including value added tax chargeable thereon and 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 the 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 Partnership Agreement requires the Issuer 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.

Holding of Assets

The Partnership Agreement provides that the General Partner shall make appropriate arrangements for the safe custody of the Issuer's assets. Such arrangements may involve the holding of documents of title by, and the registration of the Issuer's assets in the name of, the General Partner for the account of the Issuer. If the General Partner considers it appropriate to appoint a third party to maintain custody over the Issuer's assets, the appointment may be made by the General Partner on behalf of the Issuer on such terms as the General Partner may determine in its sole discretion. The General Partner may lend assets or documents of title to third parties and may use such assets or documents as security for borrowings permitted under the Partnership Agreement. When the General Partner holds assets of the Issuer for the account of the Issuer, it does so in a fiduciary capacity under Isle of Man law.

Accounts, Reports and Other Information

Under the Partnership Agreement, the Issuer will be required to prepare financial statements in accordance with IFRS on an annual and semi-annual basis. The Issuer's accounting reference date will be 31 December, with the Issuer's first accounting period commencing on the date of formation of the Issuer.

The Issuer's annual and semi-annual financial statements must be delivered together with a statement of the accounting policies used in their preparation, such information as may be required by applicable laws and regulations and such information as the General Partner deems appropriate. The Issuer's annual financial statements must be audited by an independent accountant firm of international standing and sent or otherwise made available to record holders of the partnership securities within such period of time as is required to comply with applicable laws and regulations, including any rules of any applicable securities exchange. The Issuer's semi-annual financial statements may be unaudited and will be made available publicly, including on the Issuer's website. The General Partner also will be required to cause the Issuer to inform US holders of Common Units regarding the status of the Issuer and of any corporate subsidiary as a PFIC. The General Partner also will be required to cause the Issuer to prepare and send to US holders of GDRs information which it believes is necessary to satisfy the US federal income tax obligations of a US unitholder who has elected to treat the Issuer or a corporate subsidiary as a qualified electing funds ("QEF").

Except as described above or required pursuant to the Partnership Act, the limited partners do not have a right to inspect or access the books and records of the Issuer or any subsidiary or any other vehicle established as a means for holding an investment or business by or for the Issuer.

Governing Law; Submission to Jurisdiction

The Partnership Agreement is governed by and will be construed in accordance with the laws of the Isle of Man. Under the Partnership Agreement, each of the Issuer's partners will submit to the exclusive jurisdiction of any court in the Isle of Man in any dispute, suit, action or proceeding arising out of or relating to the Partnership Agreement. Each partner waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein and further waives, to the fullest extent permitted by law, any claim of inconvenient forum, improper venue or that any such court does not have jurisdiction over the partner. Any final judgment against a partner in any proceedings brought in any court in the Isle of Man will be conclusive and binding upon the partner and may be enforced in the courts of any other jurisdiction of which the partner is or may be subject, by suit upon such judgment. The foregoing submission to jurisdiction and waivers will survive the dissolution, liquidation, winding up and termination of the Issuer.

TERMS AND CONDITIONS OF THE GLOBAL DEPOSITARY RECEIPTS

The following terms and conditions (subject to completion and amendment and excepting sentences in italics) will apply to the Global Depositary Receipts, and will be endorsed on each Global Depositary Receipt certificate:

The Global Depositary Receipts (“**GDRs**”) represented by this certificate are each issued in respect of one common unit of no par value (“**Common Units**”) in Zhaikmunai L.P. (the “**Issuer**”) pursuant to and subject to an agreement to be dated on or about 2 April 2008, and made between the Issuer, acting through its general partner, Zhaikmunai Group Limited, and The Bank of New York in its capacity as depositary (the “**Depositary**”) for the “Regulation S Facility” and for the “Rule 144A Facility” (such agreement, as amended from time to time, being hereinafter referred to as the “**Deposit Agreement**”). Pursuant to the provisions of the Deposit Agreement, the Depositary has appointed BNY (Nominees) Limited as Custodian (the “**Custodian**”) to receive and hold on its behalf any relevant documentation respecting certain Common Units (such Common Units together with other securities received by the Depositary or the Custodian in respect thereof being the “**Deposited Securities**”) and all rights, interests and other securities, property and cash deposited with the Custodian which are attributable to the Deposited Securities (together with the Deposited Securities, the “**Deposited Property**”). The Depositary shall hold Deposited Property for the benefit of the Holders (as defined below) as bare trustee in proportion to their holdings of GDRs. In these terms and conditions (the “**Conditions**”), references to the “Depositary” are to The Bank of New York and/or any other depositary which may from time to time be appointed under the Deposit Agreement, references to the “Custodian” are to BNY (Nominees) Limited or any other custodian from time to time appointed under the Deposit Agreement and references to the “Main Office” mean, in relation to the relevant Custodian, its head office in the city of London or such other location of the head office of the Custodian as may be designated by the Custodian with the approval of the Depositary (if outside the city of London) or the head office of any other custodian from time to time appointed under the Deposit Agreement.

The GDRs will upon issue be represented by interests in a Regulation S Master GDR, evidencing Regulation S GDRs, and by interests in a Rule 144A Master GDR, evidencing Rule 144A GDRs (as each such term is defined in the Deposit Agreement). The GDRs are exchangeable in the circumstances set out in “Summary of Provisions Relating to the GDRs while in Master Form” for a certificate in definitive registered form in respect of GDRs representing all or part of the interest of the holder in the Master GDR.

References in these Conditions to the “Holder” of any GDR shall mean the person or persons registered on the books of the Depositary maintained for such purpose (the “**Register**”) as holder. These Conditions include summaries of, and are subject to, the detailed provisions of the Deposit Agreement, which includes the forms of the certificates in respect of the GDRs. Copies of the Deposit Agreement are available for inspection at the specified office of the Depositary and each Agent (as defined in Condition 17) and at the Main Office of the Custodian. Terms used in these Conditions and not defined herein but which are defined in the Deposit Agreement have the meanings ascribed to them in the Deposit Agreement. **Holders of GDRs are not party to the Deposit Agreement and thus, under English Law, have no contractual rights against, or obligations to, the Issuer or Depositary. However, the Deed Poll executed by the Issuer in favour of the Holders provides that, if the Issuer fails to perform the obligations imposed on it by certain specified provisions of the Deposit Agreement, any Holder may enforce the relevant provisions of the Deposit Agreement as if it were a party to the Deposit Agreement and was the “Depositary” in respect of that number of Deposited Securities to which the GDRs of which it is the Holder relate. The Depositary is under no duty to enforce any of the provisions of the Deposit Agreement on behalf of any Holder of a GDR or any other person.**

1. Withdrawal of Deposited Property and Further Issues of GDRs

- 1.1 Any Holder may request withdrawal of, and the Depositary shall thereupon relinquish, the Deposited Property attributable to any GDR upon production of such evidence of the entitlement of the Holder to the relative GDR as the Depositary may reasonably require, at the specified office of the Depositary or any Agent accompanied by:
- (i) a duly executed order (in a form approved by the Depositary) requesting the Depositary to cause the Deposited Property being withdrawn to be delivered at the Main Office of the Custodian, or (at the request, risk and expense of the Holder, and only if permitted by applicable law from time to time) at the specified office located in New York, London or the Isle of Man of the Depositary or any Agent, or to the order in writing of, the person or persons designated in such order;

- (ii) the payment of such fees, taxes, duties, charges and expenses as may be required under these Conditions or the Deposit Agreement;
- (iii) the surrender (if appropriate) of GDR certificates in definitive registered form properly endorsed in blank or accompanied by proper instruments of transfer satisfactory to the Depositary to which the Deposited Property being withdrawn is attributable; and
- (iv) the delivery to the Depositary of a duly executed and completed certificate substantially in the form set out either (a) in Schedule 3, Part B, to the Deposit Agreement, if Deposited Property is to be withdrawn or delivered during the Distribution Compliance Period (such term being defined as the 40 day period beginning on the latest of the commencement of the Offering, the original issue date of the GDRs) in respect of surrendered Regulation S GDRs, or (b) in Schedule 4, Part B, to the Deposit Agreement, if Deposited Property is to be withdrawn or delivered in respect of surrendered Rule 144A GDRs.

1.2 Upon production of such documentation and the making of such payment as aforesaid for withdrawal of the Deposited Property in accordance with Condition 1.1, the Depositary will direct the Custodian, by tested telex, facsimile or SWIFT message, within a reasonable time after receiving such direction from such Holder, to deliver at its Main Office to, or to the order in writing of, the person or persons designated in the accompanying order:

- (i) a certificate (if any) for, or other appropriate instrument of title (if any) to or evidence of a book- entry transfer in respect of the relevant Deposited Securities, registered in the name of the Depositary or its nominee and accompanied by such instruments of transfer in blank or to the person or persons specified in the order for withdrawal and such other documents, if any, as are required by law for the transfer thereof; and
- (ii) all other property forming part of the Deposited Property attributable to such GDR, accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof; provided, however, that the Depositary may make delivery at its specified office in New York of any Deposited Property which is in the form of cash;

PROVIDED THAT the Depositary (at the request, risk and expense of any Holder so surrendering a GDR):

- (a) will direct the Custodian to deliver the certificates for, or other instruments of title to, or book-entry transfer in respect of, the relevant Deposited Securities and any document relative thereto and any other documents referred to in sub-paragraphs 1.2(i) and (ii) of this Condition (together with any other property forming part of the Deposited Property which may be held by the Custodian or its agent and is attributable to such Deposited Securities); and/or
- (b) will deliver any other property forming part of the Deposited Property which may be held by the Depositary and is attributable to such GDR (accompanied, if required by law, by one or more duly executed endorsements or instruments of transfer in respect thereof);

in each case to the specified office located in New York or London of the Depositary (if permitted by applicable law from time to time) or at the specified office in the Isle of Man of any Agent as designated by the surrendering Holder in the order accompanying such GDR.

1.3 Delivery by the Depositary, any Agent and the Custodian of all certificates, instruments, dividends or other property forming part of the Deposited Property as specified in this Condition will be made subject to any laws or regulations applicable thereto.

1.4 The Depositary may, in accordance with the terms of the Deposit Agreement and upon delivery of a duly executed order (in a form reasonably approved by the Depositary) and a duly executed certificate substantially in the form of (a) Schedule 3, Part A of the Deposit Agreement (*which is described in the following paragraph*) by or on behalf of any investor who is to become the beneficial owner of the Regulation S GDRs or (b) Schedule 4, Part A of the Deposit Agreement (*which is described in the second following paragraph*) by or on behalf of any investor who is to become the beneficial owner of Rule 144A GDRs from time to time execute and deliver further GDRs having the same terms and conditions as the GDRs which are then outstanding in all respects (or the same in all respects except for the first distribution payment on the Common Units corresponding to such further GDRs) and, subject to the terms of the Deposit Agreement, the

Depository shall accept for deposit any further Common Units in connection therewith, so that such further GDRs shall form a single series with the already outstanding GDRs. References in these Conditions to the GDRs include (unless the context requires otherwise) any further GDRs issued pursuant to this Condition and forming a single series with the already outstanding GDRs.

The certificate to be provided in the form of Schedule 3, Part A, of the Deposit Agreement certifies, among other things, that the person providing such certificate is not a US person (as defined in Regulation S under the US Securities Act of 1933, as amended (the “Securities Act”)), is located outside the United States and will comply with the restrictions on transfer set forth under “Transfer Restrictions”.

The certificate to be provided in the form of Schedule 4, Part A, of the Deposit Agreement certifies, among other things that the person providing such certificate is a qualified institutional buyer (as defined in Rule 144A under the Securities Act (“QIB”)) or is acting for the account of another person and such person is a QIB and, in either case, will comply with the restrictions on transfer set forth under “Transfer Restrictions”.

- 1.5 Any further GDRs issued pursuant to Condition 1.4 which (i) represent Common Units which have rights (whether distribution rights or otherwise) which are different from the rights attaching to the Common Units represented by the outstanding GDRs, or (ii) are otherwise not fungible (or are to be treated as not fungible) with the outstanding GDRs, will be represented by a separate temporary Master Regulation S GDR and/or temporary Master Rule 144A GDR. Upon becoming fungible with outstanding GDRs, such further GDRs shall be evidenced by a Master Regulation S GDR and/or a Master Rule 144A GDR (by increasing the total number of GDRs evidenced by the relevant Master Regulation S GDR or Master Rule 144A GDR by the number of such further GDRs, as applicable).
- 1.6 The Depository may issue GDRs against rights to receive Common Units from the Issuer (or any agent of the Issuer recording ownership of Common Units). No such issue of GDRs will be deemed a “Pre-Release” as defined in Condition 1.7.
- 1.7 Unless requested in writing by the Issuer to cease doing so, and notwithstanding the provisions of Condition 1.4, the Depository may execute and deliver GDRs or issue interests in a Master Regulation S GDR or a Master Rule 144A GDR, as the case may be, prior to the receipt of Common Units (a “**Pre-Release**”). The Depository may, pursuant to Condition 1.1, deliver Common Units upon the receipt and cancellation of GDRs, which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depository knows that such GDR has been Pre-Released. The Depository may receive GDRs in lieu of Common Units in satisfaction of a Pre-Release. In its capacity as Depository, the Depository shall not lend Common Units or GDRs. Each Pre-Release will be (a) preceded or accompanied by a written representation from the person to whom GDRs or Deposited Property are to be delivered (the “**Pre-Releasee**”) that such person, or its customer, (i) owns or represents the owner of the corresponding Deposited Property or GDRs to be remitted (as the case may be), (ii) assigns all beneficial right, title and interest in such Deposited Property or GDRs (as the case may be) to the Depository in its capacity as such and for the benefit of the Holders, (iii) will not take any action with respect to such GDRs or Deposited Property (as the case may be) that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depository, disposing of such Deposited Property or GDRs, as the case may be), other than in satisfaction of such Pre-Release, (iv) will promptly upon demand turn in Common Units to the Depository in respect of which the Pre-Release was made, (b) at all times fully collateralised with cash or such other collateral as the Depository determines in good faith will provide substantially similar liquidity and security, (c) terminable by the Depository on not more than five (5) business days’ notice, and (d) subject to such further indemnities and credit regulations as the Depository deems appropriate. The number of GDRs which are outstanding at any time as a result of Pre-Release will not normally represent more than 30% of the total number of GDRs then outstanding; provided, however, that the Depository reserves the right to change or disregard such limit from time to time as it deems appropriate and may, with the prior written consent of the Issuer, change such limits for the purpose of general application. The Depository will also set dollar limits with respect to such transactions hereunder with any particular Pre-Releasee hereunder on a case by case basis as the Depository deems appropriate. The collateral referred to in sub-paragraph (b) above shall be

held by the Depositary as security for the performance of the Pre-Releasee's obligations in connection herewith, including the Pre-Releasee's obligation to deliver Common Units and/or other securities or GDRs upon termination of a transaction anticipated hereunder (and shall not, for the avoidance of doubt, constitute Deposited Property hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing including, without limitation, earnings on the collateral.

The person to whom a Pre-Release of Rule 144A GDRs or Rule 144A Common Units is to be made pursuant to this Condition 1.7 shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 4 Part A of the Deposit Agreement. The person to whom any Pre-Release of Regulation S GDRs or Regulation S Common Units is to be made pursuant to this paragraph shall be required to deliver to the Depositary a duly executed and completed certificate substantially in the form set out in Schedule 3 Part A of the Deposit Agreement.

2. Suspension of Issue of GDRs and of Withdrawal of Deposited Property

The Depositary shall be entitled, at its reasonable discretion, at such times as it shall determine, to suspend the issue or transfer of GDRs (and the deposit of Common Units) generally or in respect of particular Common Units. In particular, to the extent that it is in its opinion practicable for it to do so, the Depositary will refuse to accept Common Units for deposit, to execute and deliver GDRs or to register transfers of GDRs if it has been notified by the Issuer in writing that the Deposited Securities or GDRs or any depositary receipts corresponding to Common Units are listed on a U.S. Securities Exchange or quoted on a U.S. automated inter dealer quotation system unless accompanied by evidence satisfactory to the Depositary that any such Common Units are eligible for resale pursuant to Rule 144A. Further, the Depositary may suspend the withdrawal of Deposited Property during any period when the Register, or the register of holders Common Units is closed or, generally or in one or more localities, suspend the withdrawal of Deposited Property or deposit of Common Units if deemed necessary or desirable or advisable by the Depositary in good faith at any time or from time to time, in order to comply with any applicable law or governmental or stock exchange regulations or any provision of the Deposit Agreement or for any other reason. The Depositary shall (unless otherwise notified by the Issuer) restrict the withdrawal of Deposited Securities where the Issuer notifies the Depositary in writing that such withdrawal would result in ownership of Common Units exceeding any limit under any applicable law, government resolution or the Issuer's constitutive documents or would otherwise violate any applicable laws.

3. Transfer and Ownership

The GDRs are in registered form, each corresponding to one Common Unit. Title to the GDRs passes by registration in the Register and accordingly, transfer of title to a GDR is effective only upon such registration. The Depositary will refuse to accept for transfer any GDRs if it reasonably believes that such transfer would result in violation of any applicable laws. The Holder of any GDR will (except as otherwise required by law) be treated by the Depositary and the Issuer as its beneficial owner for all purposes (whether or not any payment or other distribution in respect of such GDR is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of any certificate issued in respect of it) and no person will be liable for so treating the Holder.

Interests in Rule 144A GDRs corresponding to the Master Rule 144A GDR may be transferred to a person whose interest in such Rule 144A GDRs is subsequently represented by the Master Regulation S GDR only upon receipt by the Depositary of written certifications (in the forms provided in the Deposit Agreement) from the transferor and the transferee to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Prior to expiration of the Distribution Compliance Period, no owner of Regulation S GDRs may transfer Regulation S GDRs or Common Units represented thereby except in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act or to, or for the account of, a qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act (each a "**QIB**") in a transaction meeting the requirements of such Rule 144A. There shall be no transfer of Regulation S GDRs by

an owner thereof to a QIB except as aforesaid and unless such owner (i) withdraws Regulation S Common Units from the Regulation S Facility in accordance with Clause 3.5 of the Deposit Agreement and (ii) instructs the Depositary to deliver the Common Units so withdrawn to the account of the Custodian to be deposited into the Rule 144A Facility for issuance thereunder of Rule 144A GDRs to, or for the account of, such QIB. Issuance of such Rule 144A GDRs shall be subject to the terms and conditions of the Deposit Agreement, including, with respect to the deposit of Common Units and the issuance of Rule 144A GDRs, delivery of the duly executed and completed written certificate and agreement required under the Deposit Agreement by or on behalf of each person who will be the beneficial owner of such Rule 144A GDRs certifying that such person is a QIB and agreeing that it will comply with the restrictions on transfer set forth therein and to payment of the fees, charges and taxes provided therein.

4. Cash Distributions

Whenever the Depositary shall receive from the Issuer any cash distribution on or in respect of the Deposited Securities (including any amounts received in the liquidation of the Issuer) or otherwise in connection with the Deposited Property, the Depositary shall, as soon as practicable, convert the same into US Dollars in accordance with Condition 8. The Depositary shall, if practicable in the opinion of the Depositary, give notice to the Holders of its receipt of such payment in accordance with Condition 23, specifying the amount per Deposited Security payable in respect of such dividend or distribution and the earliest date, determined by the Depositary, for transmission of such payment to Holders and shall as soon as practicable distribute any such amounts to the Holders in proportion to the number of Deposited Securities corresponding to the GDRs so held by them respectively, subject to and in accordance with the provisions of Conditions 9 and 11; PROVIDED THAT:-

- (a) in the event that the Depositary is aware that any Deposited Securities are not entitled, by reason of the date of issue or transfer or otherwise, to such full proportionate amount, the amount so distributed to the relative Holders shall be adjusted accordingly; and
- (b) the Depositary will distribute only such amounts of cash and other distributions as may be distributed without attributing to any GDR a fraction of the lowest integral unit of currency in which the distribution is made by the Depositary, and any balance remaining shall be retained by the Depositary beneficially as an additional fee under Condition 16.1(iv).

5. Distributions of Common Units

Whenever the Depositary shall receive from the Issuer any distribution in respect of Deposited Securities which consists of a free distribution of Common Units, the Depositary shall cause to be distributed to the Holders entitled thereto, in proportion to the number of Deposited Securities corresponding to the GDRs held by them respectively, additional GDRs corresponding to an aggregate number of Common Units received pursuant to such distribution. Such additional GDRs shall be distributed by an increase in the number of GDRs corresponding to the Master GDRs or by an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; PROVIDED THAT, if and in so far as the Depositary deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Issuer, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) sell such Common Units so received and distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

6. Distributions other than in Cash or Common Units

Whenever the Depositary shall receive from the Issuer any distribution in securities (other than Common Units) or in other property (other than cash) on or in respect of the Deposited Property, the Depositary shall distribute or cause to be distributed such securities or other property to the Holders entitled thereto, in proportion to the number of Deposited Securities corresponding to the GDRs held by them respectively, in any manner that the Depositary may deem equitable and practicable for effecting such distribution; PROVIDED THAT, if and in so far as the Depositary

deems any such distribution to all or any Holders not to be reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Issuer, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary shall deal with the securities or property so received, or any part thereof, in such way as the Depositary may determine to be equitable and practicable, including, without limitation, by way of sale (either by public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) and shall (in the case of a sale) distribute the resulting net proceeds as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.

7. Rights Issues

If and whenever the Issuer announces its intention to make any offer or invitation to the holders of Common Units to subscribe for or to acquire Common Units, securities or other assets by way of rights, the Depositary shall as soon as practicable give notice to the Holders, in accordance with Condition 23, of such offer or invitation, specifying, if applicable, the earliest date established for acceptance thereof, the last date established for acceptance thereof and the manner by which and time during which Holders may request the Depositary to exercise such rights as provided below or, if such be the case, specifying details of how the Depositary proposes to distribute the rights or the proceeds of any sale thereof. The Depositary will deal with such rights in the manner described below:-

- (i) if and to the extent that the Depositary shall, at its discretion, deem it to be lawful and reasonably practicable, the Depositary shall make arrangements whereby the Holders may, upon payment of the subscription price in US Dollars or other relevant currency together with such fees, taxes, duties, charges, costs and expenses as may be required under the Deposit Agreement and completion of such undertakings, declarations, certifications and other documents as the Depositary may reasonably require, request the Depositary to exercise such rights on their behalf with respect to the Deposited Securities and to distribute the Common Units, securities or other assets so subscribed or acquired to the Holders entitled thereto by an increase in the numbers of GDRs corresponding to the Master GDRs or an issue of certificates in definitive registered form in respect of GDRs, according to the manner in which the Holders hold their GDRs; or
- (ii) if and to the extent that the Depositary shall at its discretion, deem it to be lawful and reasonably practicable, the Depositary will distribute such rights to the Holders entitled thereto in such manner as the Depositary may at its discretion determine; or
- (iii) if and to the extent that the Depositary deems any such arrangement and distribution as is referred to in paragraphs (i) and (ii) above to all or any Holders not to be lawful and reasonably practicable (including, without limitation, due to the fractions which would otherwise result or to any requirement that the Issuer, the Custodian or the Depositary withhold an amount on account of taxes or other governmental charges) or to be unlawful, the Depositary (a) will, PROVIDED THAT Holders have not taken up rights through the Depositary as provided in (i) above, sell such rights (either by public or private sale and otherwise at its discretion subject to all applicable laws and regulations) or (b) may, if such rights are not transferable, in its discretion, arrange for such rights to be exercised and the resulting Common Units or securities sold and, in each case, distribute the net proceeds of such sale as a cash distribution pursuant to Condition 4 to the Holders entitled thereto.
- (iv)
 - (a) Notwithstanding the foregoing, in the event that the Depositary offers rights pursuant to Condition 7(i) (the “**Primary GDR Rights Offering**”), if authorised by the Issuer to do so, the Depositary may, in its discretion, make arrangements whereby in addition to instructions given by a Holder to the Depositary to exercise rights on its behalf pursuant to Condition 7(i), such Holder is permitted to instruct the Depositary to subscribe on its behalf for additional rights which are not attributable to the Deposited Securities represented by such Holder’s GDRs (“**Additional GDR Rights**”) if at the date and time specified by the Depositary for the conclusion of the Primary GDR Rights Offering (the “**Instruction Date**”) instructions to exercise rights have not been received by the Depositary from the

Holders in respect of all their initial entitlements. Any Holder's instructions to subscribe for such Additional GDR Rights ("**Additional GDR Rights Requests**") shall specify the maximum number of Additional GDR Rights that such Holder is prepared to accept (the "**Maximum Additional Subscription**") and must be received by the Depositary by the Instruction Date. If by the Instruction Date any rights offered in the Primary GDR Rights Offering have not been subscribed by the Holders initially entitled thereto ("**Unsubscribed Rights**"), subject to Condition 7(iv)(c) and receipt of the relevant subscription price in US Dollars or other relevant currency, together with such fees, taxes, duties, charges, costs and expenses as it may deem necessary, the Depositary shall make arrangements for the allocation and distribution of Additional GDR Rights in accordance with Condition 7(iv)(b).

- (b) Holders submitting Additional GDR Rights Requests shall be bound to accept the Maximum Additional Subscription specified in such Additional GDR Rights Request but the Depositary shall not be bound to arrange for a Holder to receive the Maximum Additional Subscription so specified but may make arrangements whereby the Unsubscribed Rights are allocated *pro rata* on the basis of the extent of the Maximum Additional Subscription specified in each Holder's Additional GDR Rights Request.
- (c) In order to proceed in the manner contemplated in this Condition 7(iv), the Depositary shall be entitled to receive such opinions from Isle of Man counsel and US counsel as in its discretion it deems necessary which opinions shall be in a form and provided by counsel satisfactory to the Depositary and at the expense of the Issuer and may be requested in addition to any other opinions and/or certifications which the Depositary shall be entitled to receive under the Deposit Agreement and these Conditions. For the avoidance of doubt, save as provided in these Conditions and the Deposit Agreement, the Depositary shall have no liability to the Issuer or any Holder in respect of its actions or omissions to act under this Condition 7(iv) and, in particular, the Depositary will not be regarded as being negligent, acting in bad faith, or in wilful default if it elects not to make the arrangements referred to in Condition 7(iv)(a).

The Issuer has agreed in the Deposit Agreement that it will, unless prohibited by applicable law or regulation, give its consent to, and if requested use all reasonable endeavours (subject to the next paragraph) to facilitate, any such distribution, sale or subscription by the Depositary or the Holders, as the case may be, pursuant to Conditions 4, 5, 6, 7 or 10 (including the obtaining of legal opinions from counsel reasonably satisfactory to the Depositary concerning such matters as the Depositary may reasonably specify).

If the Issuer notifies the Depositary that registration is required in any jurisdiction under any applicable law of the rights, securities or other property to be distributed under Condition 4, 5, 6, 7 or 10 or the securities to which such rights relate in order for the Issuer to offer such rights or distribute such securities or other property to the Holders or owners of GDRs and to sell the securities corresponding to such rights, the Depositary will not offer such rights or distribute such securities or other property to the Holders or sell such securities unless and until the Issuer procures the receipt by the Depositary of an opinion from counsel reasonably satisfactory to the Depositary that a registration statement is in effect or that the offering and sale of such rights or securities to such Holders or owners of GDRs are exempt from registration under the provisions of such law. Neither the Issuer nor the Depositary shall be liable to register such rights, securities or other property or the securities to which such rights relate and they shall not be liable for any losses, damages or expenses resulting from any failure to do so.

If at the time of the offering of any rights, at its discretion, the Depositary shall be satisfied that it is not lawful or practicable (for reasons outside its control) to dispose of the rights in any manner provided in paragraphs (i), (ii), (iii) and (iv) above, the Depositary shall permit the rights to lapse. The Depositary will not be responsible for any failure to determine that it may be lawful or feasible to make such rights available to Holders or owners of GDRs in general or to any Holder or owner of a GDR or Holders or owners of GDRs in particular.

8. Conversion of Foreign Currency

Whenever the Depositary shall receive any currency other than US Dollars by way of distribution or as the net proceeds from the sale of securities, other property or rights, and if at the time of the receipt thereof the currency so received can in the judgement of the Depositary be converted on a reasonable basis into US Dollars and distributed to the Holders entitled thereto, the Depositary shall as soon as practicable itself convert or cause to be converted by another bank or other financial institution, by sale or in any other manner that it may reasonably determine, the currency so received into US Dollars. If such conversion or distribution can be effected only with the approval or licence of any government or agency thereof, the Depositary shall make reasonable efforts to apply, or procure that an application be made, for such approval or licence, if any, as it may deem desirable. If at any time the Depositary shall determine that in its judgement any currency other than US Dollars is not convertible on a reasonable basis into US Dollars and distributable to the Holders entitled thereto, or if any approval or licence of any government or agency thereof which is required for such conversion is denied or, in the opinion of the Depositary, is not obtainable, or if any such approval or licence is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute such other currency received by it (or an appropriate document evidencing the right to receive such other currency) to the Holders entitled thereto to the extent permitted under applicable law, or the Depositary may in its discretion hold such other currency for the benefit of the Holders entitled thereto. If any conversion of any such currency can be effected in whole or in part for distribution to some (but not all) Holders entitled thereto, the Depositary may at its discretion make such conversion and distribution in US Dollars to the extent possible to the Holders entitled thereto and may distribute the balance of such other currency received by the Depositary to, or hold such balance for the account of, the Holders entitled thereto, and notify the Holders accordingly.

9. Distribution of any Payments

- 9.1 Any distribution of cash under Condition 4, 5, 6, 7 or 10 will be made by the Depositary to Holders on the record date established by the Depositary for that purpose (such date to be as close to the record date set by the Issuer as is reasonably practicable) and, if practicable in the opinion of the Depositary, notice shall be given promptly to Holders in accordance with Condition 23, in each case subject to any laws or regulations applicable thereto and (subject to the provisions of Condition 8) distributions will be made in US Dollars by cheque drawn upon a bank in New York City or, in the case of the Master GDRs, according to usual practice between the Depositary and DTC. The Depositary or the Agent, as the case may be, may deduct and retain from all moneys due in respect of such GDR in accordance with the Deposit Agreement all fees, taxes, duties, charges, costs and expenses which may become or have become payable under the Deposit Agreement or under applicable law or regulation in respect of such GDR or the relative Deposited Property.
- 9.2 Delivery of any securities or other property or rights other than cash shall be made as soon as practicable to the Holders on the record date established by the Depositary for that purpose (such date to be as close to the record date set by the Issuer as is reasonably practicable), subject to any laws or regulations applicable thereto. If any distribution made by the Issuer with respect to the Deposited Property and received by the Depositary shall remain unclaimed at the end of three years from the first date upon which such distribution is made available to Holders in accordance with the Deposit Agreement, all rights of the Holders to such distribution or the proceeds of the sale thereof shall be extinguished and the Depositary shall (except for any distribution upon the liquidation of the Issuer when the Depositary shall retain the same) return the same to the Issuer for its own use and benefit subject, in all cases, to the provisions of applicable law or regulation.

10. Capital Reorganisation

Upon any change in the nominal or par value, sub-division, consolidation or other reclassification of Deposited Securities or any other part of the Deposited Property or upon any reduction of capital, or upon any reorganisation, merger or consolidation of the Issuer or to which it is a party (except where the Issuer is the continuing corporation), the Depositary shall as soon as practicable give notice of such event to the Holders and at its discretion may treat such event as a distribution and comply with the relevant provisions of Conditions 4, 5, 6 and 9 with respect thereto, or may execute and deliver additional GDRs in respect of Common Units or may require the exchange of existing GDRs for new GDRs which reflect the effect of such change.

11. Withholding Taxes and Applicable Laws

- 11.1 Payments to Holders of dividends or other distributions on or in respect of the Deposited Securities will be subject to deduction of Manx and other withholding taxes, if any, at the applicable rates.
- 11.2 If any governmental or administrative authorisation, consent, registration or permit or any report to any governmental or administrative authority is required under any applicable law in the Isle of Man in order for the Depositary to receive from the Issuer Common Units or other securities to be deposited under these Conditions, or in order for Common Units, other securities or other property to be distributed under Condition 4, 5, 6 or 10 or to be subscribed under Condition 7 or to offer any rights or sell any securities represented by such rights relevant to any Deposited Securities, the Issuer has agreed to apply for such authorisation, consent, registration or permit or file such report on behalf of the Holders within the time required under such laws. In this connection, the Issuer has undertaken in the Deposit Agreement to the extent reasonably practicable to take such action as may be required in obtaining or filing the same. The Depositary shall not be obliged to distribute GDRs representing such Common Units, other securities or other property deposited under these Conditions or make any offer of any such rights or sell any securities corresponding to any such rights with respect to which such authorisation, consent, registration or permit or such report has not been obtained or filed, as the case may be, and shall have no duties to obtain any such authorisation, consent, registration or permit, or to file any such report.

12. Voting and Special Consent Rights

- 12.1 Upon receipt from the Issuer of notice of any meeting or solicitation of votes or consents of holders of Common Units or other Deposited Securities, the Depositary shall, if requested in writing by the Issuer, as soon as practicable thereafter, send to any person who is a Holder on the record date established by the Depositary for that purpose (which shall be the same as the corresponding record date set by the Issuer or as near as practical thereto) a notice, the form of which notice shall be in the sole discretion of the Depositary, which shall contain (a) such information as is contained in such notice of meeting received by the Depositary from the Issuer, (b) a statement that the Holders as of the close of business on a specified record date will be entitled, subject to any applicable provision of Isle of Man law, the Deposited Securities and the Partnership Agreement, to instruct the Depositary as to the exercise of any votes or consent rights, if any, pertaining to the amount of Common Units or other Deposited Securities represented by their respective GDRs and (c) a statement as to the manner in which such instructions may be given. Upon the request of a Holder on such record date, received on or before the date established by the Depositary for such purpose, the Depositary shall endeavour, in so far as practicable, to deliver votes or consents or cause to be delivered votes or consents with respect to the amount of Common Units or other Deposited Securities represented by the GDRs in accordance with the instructions set forth in such request. The Depositary shall not deliver votes or consents or attempt to exercise any votes or consent rights that attach to such Common Units or other Deposited Securities other than in accordance with such instructions.
- 12.2 In order for each voting and consent right request to be valid, the voting and consent rights request form must be completed and duly signed by the respective Holder (or in the case of instructions received from the clearing systems should be received by authenticated SWIFT message) in accordance with the notice requesting voting and consents with respect to the Deposited Securities and returned to the Depositary by such record date as the Depositary may specify.
- 12.3 If the Depositary is advised in the opinion referred to in Condition 12.4 below that it is not permissible under the Isle of Man law or the Depositary determines that it is not reasonably practicable to deliver voting and consents in respect of Deposited Securities in accordance with Condition 12.1, the Depositary shall not deliver voting and consents in respect of such Deposited Securities.
- 12.4 The Depositary shall be entitled to request the Issuer to provide to the Depositary, and where such request has been made shall not be required to take any action required by this Condition 12 unless it shall have received, an opinion from the Issuer's legal counsel (such counsel being reasonably

acceptable to the Depositary) at the expense of the Issuer to the effect that such voting arrangement is valid and binding on Holders under Isle of Man law and the statutes of the Issuer and that the Depositary is permitted to seek and deliver consents in accordance with the provisions of this Condition 12 but that in doing so the Depositary will not be deemed to be exercising a discretion.

- 12.5 By continuing to hold the GDRs, all Holders shall be deemed to have agreed to the provisions of this Condition 12 as it may be amended from time to time in order to comply with applicable Isle of Man law.

13. Recovery of Taxes, Duties and Other Charges, and Fees and Expenses due to the Depositary

The Depositary shall not be liable for any taxes, duties, charges, costs or expenses which may become payable in respect of the Deposited Securities or other Deposited Property or the GDRs, whether under any present or future fiscal or other laws or regulations, and such part thereof as is proportionate or referable to a GDR (the “**Charges**”) shall be payable by the Holder thereof to the Depositary at any time on request or may be deducted from any amount due or becoming due on such GDR in respect of any dividend or other distribution. The Depositary may sell (whether by way of public or private sale and otherwise at its discretion, subject to all applicable laws and regulations) for the account of the Holder an appropriate number of Deposited Securities or amount of other Deposited Property and will discharge out of the proceeds of such sale any Charges, and any fees or expenses due to the Depositary from the Holder pursuant to Condition 16, and subsequently pay any surplus to the Holder. Any request by the Depositary for the payment of Charges shall be made by giving notice pursuant to Condition 23.

14. Liability

- 14.1 In acting hereunder the Depositary shall have only those duties, obligations and responsibilities expressly specified in the Deposit Agreement and these Conditions and, other than holding the Deposited Property for the benefit of Holders as bare trustee, does not assume any relationship of trust for or with the Holders or owners of GDRs or any other person. The Depositary will not take part in the management of the business and affairs of the Partnership and has no right or authority to act for or to bind or to take part or to interfere in the conduct or management of the Partnership.
- 14.2 Neither the Depositary, the Custodian, the Issuer, any Agent, nor any of their agents, officers, directors or employees shall incur any liability to any other of them or to any Holder or owner of a GDR or any other person with an interest in any GDRs if, by reason of any provision of any present or future law or regulation of the Isle of Man or any other country or of any relevant governmental authority, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or by reason of any other circumstances beyond their control, or in the case of the Depositary, the Custodian, any Agent or any of their agents, officers, directors or employees, by reason of any provision, present or future, of the constitutive documents of the Issuer, any of them shall be prevented, delayed or forbidden from doing or performing any act or thing which the terms of the Deposit Agreement or these Conditions provide shall or may be done or performed; nor shall any of them incur any liability to any Holder or owner of GDRs or any other person with an interest in any GDRs by reason of any exercise of, or failure to exercise, any voting rights attached to the Deposited Securities or any of them or any other discretion or power provided for in the Deposit Agreement. Any such party may rely on, and shall be protected in acting upon, any written notice, request, direction or other document believed by it to be genuine and to have been duly signed or presented (including a translation which is made by a translator believed by it to be competent or which appears to be authentic).
- 14.3 Neither the Depositary nor any Agent shall be liable (except for its own wilful default, negligence or bad faith or that of its agents, officers, directors or employees) to the Issuer or any Holder or owner of GDRs or any other person, by reason of having accepted as valid or not having rejected any certificate for Common Units or GDRs or any signature on any transfer or instruction purporting to be such and subsequently found to be forged or not authentic or for its failure to perform any obligations under the Deposit Agreement or these Conditions.
- 14.4 The Depositary and its agents may engage or be interested in any financial or other business transactions with the Issuer or any of its subsidiaries or affiliates, or in relation to the Deposited Property (including without prejudice to the generality of the foregoing, the conversion of any part

of the Deposited Property from one currency to another), may at any time hold or be interested in GDRs for its own account, and shall be entitled to charge and be paid all usual fees, commissions and other charges for business transacted and acts done by it as a bank, and not in the capacity of Depositary, in relation to matters arising under the Deposit Agreement (including, without prejudice to the generality of the foregoing, charges on the conversion of any part of the Deposited Property from one currency to another and on any sales of property) without accounting to Holders or any other person for any profit arising therefrom.

- 14.5 The Depositary shall endeavour to effect any such sale as is referred to or contemplated in Condition 5, 6, 7, 10, 13 or 21 or any such conversion as is referred to in Condition 8 in accordance with the Depositary's normal practices and procedures but shall have no liability (in the absence of its own wilful default, negligence or bad faith or that of its agents, officers, directors or employees) with respect to the terms of such sale or conversion or if such sale or conversion shall not be reasonably practicable.
- 14.6 The Depositary shall not be required or obliged to monitor, supervise or enforce the observance and performance by the Issuer of its obligations under or in connection with the Deposit Agreement or these Conditions.
- 14.7 The Depositary shall have no responsibility whatsoever to the Issuer, any Holders or any owner of GDRs or any other person as regards any deficiency which might arise because the Depositary is subject to any tax in respect of the Deposited Property or any part thereof or any income therefrom or any proceeds thereof.
- 14.8 In connection with any proposed modification, waiver, authorisation or determination permitted by the terms of the Deposit Agreement, the Depositary shall not, except as otherwise expressly provided in Condition 22, be obliged to have regard to the consequence thereof for the Holders or the owners of GDRs or any other person.
- 14.9 Notwithstanding anything else contained in the Deposit Agreement or these Conditions, the Depositary may refrain from doing anything which could or might, in its opinion, be contrary to any law of any jurisdiction or any directive or regulation of any agency or state or which would or might otherwise render it liable to any person and the Depositary may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- 14.10 The Depositary may, in relation to the Deposit Agreement and these Conditions, act or take no action on the advice or opinion of, or any certificate or information obtained from, any lawyer, valuer, accountant, banker, broker, securities partnership or other expert whether obtained by the Issuer, the Depositary or otherwise, and shall not be responsible or liable for any loss or liability occasioned by so acting or refraining from acting or relying on information from persons presenting Common Units for deposit or GDRs for surrender or requesting transfers thereof.
- 14.11 Any such advice, opinion, certificate or information (as discussed in Condition 14.10 above) may be sent or obtained by letter, telex, facsimile transmission, telegram or cable and the Depositary shall not be liable for acting on any advice, opinion, certificate or information purported to be conveyed by any such letter, telex or facsimile transmission although (without the Depositary's knowledge) the same shall contain some error or shall not be authentic.
- 14.12 The Depositary may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other communication, whether oral or written, signed or otherwise communicated on behalf of the Issuer by a director of Zhaikmunai Group Limited, the general partner of the Issuer (the "General Partner") or by a person duly authorised by a director of the General Partner or such other certificate from persons specified in Condition 14.10 above which the Depositary considers appropriate and the Depositary shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be occasioned by the Depositary acting on such certificate.
- 14.13 The Depositary shall have no obligation under the Deposit Agreement except to perform its obligations as are specifically set out therein without wilful default, negligence or bad faith.
- 14.14 The Depositary may delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons, whether being a joint Depositary of the Deposit Agreement or not and not being a person to whom the Issuer may reasonably object, all or any of the powers, authorities and discretions vested in the Depositary by the Deposit Agreement and such delegation may be

made upon such terms and subject to such conditions, including power to sub-delegate and subject to such regulations as the Depositary may in the interests of the Holders think fit, provided that no objection from the Issuer to any such delegation as aforesaid may be made to a person whose financial statements are consolidated with those of the Depositary's ultimate holding company. Any delegation by the Depositary shall be on the basis that the Depositary is acting on behalf of the Holders and the Issuer in making such delegation. The Issuer shall not in any circumstances and the Depositary shall not (provided that it shall have exercised reasonable care in the selection of such delegate) be bound to supervise the proceedings or be in any way responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. However, the Depositary shall, if practicable, and if so requested by the Issuer, pursue (at the Issuer's expense and subject to receipt by the Depositary of such indemnity and security for costs as the Depositary may reasonably require) any legal action it may have against such delegate or sub-delegate arising out of any such loss caused by reason of any such misconduct or default. The Depositary shall, within a reasonable time of any such delegation or any renewal, extension or termination thereof, give notice thereof to the Issuer. Any delegation under this Condition which includes the power to sub-delegate shall provide that the delegate shall, within a specified time of any sub-delegation or amendment, extension or termination thereof, give notice thereof to the Issuer and the Depositary.

- 14.15 The Depositary may, in the performance of its obligations hereunder, instead of acting personally, employ and pay an agent, whether a solicitor or other person, to transact or concur in transacting any business and do or concur in doing all acts required to be done by such party, including the receipt and payment of money.
- 14.16 The Depositary shall be at liberty to hold or to deposit the Deposit Agreement and any deed or document relating thereto in any part of the world with any banking company or companies (including itself) whose business includes undertaking the safe custody of deeds or documents or with any lawyer or firm of lawyers of good repute, and the Depositary shall not (in the case of deposit with itself, in the absence of its own negligence, wilful default, or bad faith or that of its agents, directors, officers or employees) be responsible for any losses, liability or expenses incurred in connection with any such deposit.
- 14.17 Notwithstanding anything to the contrary contained in the Deposit Agreement or these Conditions, the Depositary shall not be liable in respect of any loss or damage which arises out of or in connection with its performance or non-performance or the exercise or attempted exercise of, or the failure to exercise any of, its powers or discretions under the Deposit Agreement, except to the extent that such loss or damage arises from the wilful default, negligence or bad faith of the Depositary or that of its agents, officers, directors or employees. Without prejudice to the generality of the foregoing, in no circumstances shall the Depositary have any liability for any act or omission of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of Deposited Securities or otherwise.
- 14.18 No provision of the Deposit Agreement or these Conditions shall require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and security against such risk of liability is not assured to it.
- 14.19 For the avoidance of doubt, the Depositary shall be under no obligation to check, monitor or enforce compliance with any ownership restrictions in respect of GDRs or Common Units under any applicable Isle of Man or Kazakhstan law as the same may be amended from time to time. Notwithstanding the generality of Condition 3, the Depositary shall refuse to register any transfer of GDRs or any deposit of Common Units against issuance of GDRs if notified by the Issuer, or the Depositary becomes aware of the fact, that such transfer or issuance would result in a violation of the limitations set forth above.
- 14.20 No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement.

15. Issue and Delivery of Replacement GDRs and Exchange of GDRs

Subject to the payment of the relevant fees, taxes, duties, charges, costs and expenses and such terms as to evidence and indemnity as the Depositary may require, replacement GDRs will be

issued by the Depositary and will be delivered in exchange for or replacement of outstanding lost, stolen, mutilated, defaced or destroyed GDRs upon surrender thereof (except in the case of the destruction, loss or theft) at the specified office of the Depositary or (at the request, risk and expense of the Holder) at the specified office of any Agent.

16. Depositary's Fees, Costs and Expenses

16.1 The Depositary shall be entitled to charge the following remuneration and receive the following remuneration and reimbursement (such remuneration and reimbursement being payable on demand) from the Holders in respect of its services under the Deposit Agreement:

- (i) for the issue of GDRs (other than upon the issue of GDRs pursuant to the Offering) or the cancellation of GDRs upon the withdrawal of Deposited Property: US\$5.00 or less per 100 GDRs (or portion thereof) issued or cancelled;
- (ii) for issuing GDR certificates in definitive registered form in replacement for mutilated, defaced, lost, stolen or destroyed GDR certificates: a sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work, costs and expenses involved;
- (iii) for issuing GDR certificates in definitive registered form (other than pursuant to (ii) above): the greater of US\$1.50 per GDR certificate (plus printing costs) or such other sum per GDR certificate which is determined by the Depositary to be a reasonable charge to reflect the work plus costs (including but not limited to printing costs) and expenses involved;
- (iv) for receiving and paying any cash distribution on or in respect of the Deposited Securities: a fee of US\$0.02 or less per GDR for each such distribution;
- (v) in respect of any issue of rights or distribution of Common Units (whether or not evidenced by GDRs) or other securities or other property (other than cash) upon exercise of any rights, any free distribution, stock or other distribution: US\$5.00 or less per 100 outstanding GDRs (or portion thereof) for each such issue of rights or distribution; and
- (vi) for transferring interests from and between the Regulation S Master GDR and the Rule 144A Master GDR: a fee of US\$0.05 or less per GDR;
- (vii) a fee of US\$0.02 or less per GDR (or portion thereof) per annum for depositary services which shall be payable as provided in paragraph (viii) below; and
- (viii) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents, in connection with the servicing of Deposited Securities or other Deposited Property (which charge shall be assessed against Holders as of the date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such Holders for such charge or deducting such charge from one or more cash distributions),

together with all expenses (including currency conversion expenses), transfer and registration fees, taxes, duties and charges payable by the Depositary, any Agent or the Custodian, or any of their agents, in connection with any of the above.

16.2 The Depositary is entitled to receive from the Issuer the fees, taxes, duties, charges costs and expenses as specified in a separate agreement between the Issuer and the Depositary.

17. Agents

17.1 The Depositary shall be entitled to appoint one or more agents (the "**Agents**") for the purpose, *inter alia*, of making distributions to the Holders.

17.2 Notice of appointment or removal of any Agent or of any change in the specified office of the Depositary or any Agent will be duly given by the Depositary to the Holders.

18. Listing

The Issuer has undertaken in the Deposit Agreement to use its best endeavours to maintain, so long as any GDR is outstanding, a listing for the GDRs on the official list maintained by the Financial Services Authority (the "**Official List**") and admission to trading on the market for listed securities of the London Stock Exchange.

For that purpose the Issuer will pay all fees and sign and deliver all undertakings required by the Financial Services Authority and the London Stock Exchange in connection with such listings. In the event that the listing on the Official List and admission to trading on the market for listed securities of the London Stock Exchange is not maintained, the Issuer has undertaken in the Deposit Agreement to use its best endeavours with the reasonable assistance of the Depositary (provided at the Issuer's expense) to obtain and maintain a listing of the GDRs on any other internationally recognised stock exchange in Europe.

19. The Custodian

The Depositary has agreed with the Custodian that the Custodian will receive and hold (or appoint agents approved by the Depositary to receive and hold) all Deposited Property for the account and to the order of the Depositary in accordance with the applicable terms of the Deposit Agreement which include a requirement to segregate the Deposited Property from the other property of, or held by, the Custodian PROVIDED THAT the Custodian shall not be obliged to segregate cash comprised in the Deposited Property from cash otherwise held by the Custodian. The Custodian shall be responsible solely to the Depositary PROVIDED THAT, if and so long as the Depositary and the Custodian are the same legal entity, references to them separately in these Conditions and the Deposit Agreement are for convenience only and that legal entity shall be responsible for discharging both functions directly to the Holders and the Issuer. The Custodian may resign or be removed by the Depositary by giving prior notice, except that if a replacement Custodian is appointed which is a branch or affiliate of the Depositary, the Custodian's resignation or discharge may take effect immediately on the appointment of such replacement Custodian. Upon the removal of or receiving notice of the resignation of the Custodian, the Depositary shall promptly appoint a successor Custodian (approved (i) by the Issuer, such approval not to be unreasonably withheld or delayed, and (ii) by the relevant authorities in the United Kingdom and/or the Isle of Man, if any), which shall, upon acceptance of such appointment, and the expiry of any applicable notice period, become the Custodian. Whenever the Depositary in its discretion determines that it is in the best interests of the Holders to do so, it may, after prior consultation with the Issuer, terminate the appointment of the Custodian and, in the event of any such termination, the Depositary shall promptly appoint a successor Custodian (approved (i) by the Issuer, such approval not to be unreasonably withheld or delayed, and (ii) by the relevant authorities in the United Kingdom and/or the Isle of Man, if any), which shall, upon acceptance of such appointment, become the Custodian under the Deposit Agreement on the effective date of such termination. The Depositary shall notify Holders of such change immediately upon such change taking effect in accordance with Condition 23. Notwithstanding the foregoing, the Depositary may temporarily deposit the Deposited Property in a manner or a place other than as therein specified; PROVIDED THAT, in the case of such temporary deposit in another place, the Issuer shall have consented to such deposit, and such consent of the Issuer shall have been delivered to the Custodian. In case of transportation of the Deposited Property under this Condition, the Depositary shall obtain appropriate insurance at the expense of the Issuer if and to the extent that the obtaining of such insurance is reasonably practicable and the premiums payable are of a reasonable amount.

20. Resignation and Termination of Appointment of the Depositary

- 20.1 The Issuer may terminate the appointment of the Depositary under the Deposit Agreement by giving at least 90 days' prior notice in writing to the Depositary and the Custodian, and the Depositary may resign as Depositary by giving at least 90 days' prior notice in writing to the Issuer and the Custodian. Within 30 days after the giving of either such notice, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23 and to the Financial Services Authority and the London Stock Exchange.

The termination of the appointment or the resignation of the Depositary shall take effect on the date specified in such notice; PROVIDED THAT no such termination of appointment or resignation shall take effect until the appointment by the Issuer of a successor depositary under the Deposit Agreement and the acceptance of such appointment to act in accordance with the terms thereof and of these Conditions, by the successor depositary. The Issuer has undertaken in the Deposit Agreement to use its best endeavours to procure the appointment of a successor depositary with effect from the date of termination specified in such notice as soon as reasonably

possible following notice of such termination or resignation. Upon any such appointment and acceptance, notice thereof shall be duly given by the Depositary to the Holders in accordance with Condition 23 and to the Financial Services Authority and the London Stock Exchange.

- 20.2 Upon the termination of appointment or resignation of the Depositary and against payment of all fees and expenses due to the Depositary from the Issuer under the Deposit Agreement, the Depositary shall deliver to its successor as depositary sufficient information and records to enable such successor efficiently to perform its obligations under the Deposit Agreement and shall deliver and pay to such successor depositary all property and cash held by it under the Deposit Agreement. The Deposit Agreement provides that, upon the date when such termination of appointment or resignation takes effect, the Custodian shall be deemed to be the Custodian thereunder for such successor depositary, and the Depositary shall thereafter have no obligation under the Deposit Agreement or the Conditions (other than liabilities accrued prior to the date of termination of appointment or resignation or any liabilities stipulated in relevant laws or regulations).

21. Termination of Deposit Agreement

- 21.1 Either the Issuer or the Depositary but, in the case of the Depositary, only if the Issuer has failed to appoint a replacement Depositary within 90 days of the date on which the Depositary has given notice pursuant to Condition 20 that it wishes to resign, may terminate the Deposit Agreement by giving 90 days' prior notice to the other and to the Custodian. Within 30 days after the giving of such notice, notice of such termination shall be duly given by the Depositary to Holders of all GDRs then outstanding in accordance with Condition 23.
- 21.2 During the period beginning on the date of the giving of such notice by the Depositary to the Holders and ending on the date on which such termination takes effect, each Holder shall be entitled to obtain delivery of the Deposited Property relative to each GDR held by it, subject to the provisions of Condition 1.1 and upon compliance with Condition 1, payment by the Holder of the charge specified in Condition 16.1(i) and Clause 10.1.1(a) of the Deposit Agreement for such delivery and surrender, and payment by the Holder of any sums payable by the Depositary and/or any other expenses incurred by the Depositary (together with all amounts which the Depositary is obliged to pay to the Custodian) in connection with such delivery and surrender, and otherwise in accordance with the Deposit Agreement.
- 21.3 If any GDRs remain outstanding after the date of termination, the Depositary shall as soon as reasonably practicable sell the Deposited Property then held by it under the Deposit Agreement and shall not register transfers, shall not pass on distributions or take any other action, except that it will deliver the net proceeds of any such sale, together with any other cash then held by it under the Deposit Agreement, *pro rata* to Holders of GDRs which have not previously been so surrendered by reference to that proportion of the Deposited Property which is represented by the GDRs of which they are the Holders. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement and these Conditions, except its obligation to account to Holders for such net proceeds of sale and other cash comprising the Deposited Property without interest.

22. Amendment of Deposit Agreement and Conditions

All and any of the provisions of the Deposit Agreement and these Conditions (other than this Condition 22) may at any time and from time to time be amended by agreement between the Issuer and the Depositary in any respect which they may deem necessary or desirable. Notice of any amendment of these Conditions (except to correct a manifest error) shall be duly given to the Holders by the Depositary, and any amendment (except as aforesaid) which shall increase or impose fees payable by Holders or which shall otherwise, in the opinion of the Depositary, be materially prejudicial to the interests of the Holders (as a class) shall not become effective so as to impose any obligation on the Holders until the expiration of three months after such notice shall have been given. During such period of three months, each Holder shall be entitled to obtain, subject to and upon compliance with Condition 1, delivery of the Deposited Property relative to each GDR held by it upon surrender thereof, payment of the charge specified in Condition 16.1(i) for such delivery and surrender and otherwise in accordance with the Deposit Agreement and these Conditions. Each Holder at the time when such amendment so becomes effective shall be deemed, by continuing to hold a GDR, to approve such amendment and to be bound by the terms

thereof in so far as they affect the rights of the Holders. In no event shall any amendment impair the right of any Holder to receive, subject to and upon compliance with Condition 1, the Deposited Property attributable to the relevant GDR.

For the purposes of this Condition 22, an amendment shall not be regarded as being materially prejudicial to the interests of Holders if its principal effect is to permit the creation of GDRs in respect of additional Common Units to be held by the Depositary which are or will become fully consolidated as a single series with the other Deposited Securities PROVIDED THAT temporary GDRs will represent such Common Units until they are so consolidated.

23. Notices

- 23.1 Any and all notices to be given to any Holder shall be duly given if personally delivered, or sent by mail (if domestic, first class, if overseas, first class airmail) or air courier, or by telex or facsimile transmission confirmed by letter sent by mail or air courier, addressed to such Holder at the address of such Holder as it appears on the transfer books for GDRs of the Depositary, or, if such Holder shall have filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address specified in such request.
- 23.2 Delivery of a notice sent by mail or air courier shall be effective three days (in the case of domestic mail or air courier) or seven days (in the case of overseas mail) after despatch, and any notice sent by telex transmission, as provided in this Condition, shall be effective when the sender receives the answerback from the addressee at the end of the telex and any notice sent by facsimile transmission, as provided in this Condition, shall be effective when the intended recipient has confirmed by telephone to the transmitter thereof that the recipient has received such facsimile in complete and legible form. The Depositary or the Issuer may, however, act upon any telex or facsimile transmission received by it from the other or from any Holder, notwithstanding that such telex or facsimile transmission shall not subsequently be confirmed as aforesaid.
- 23.3 So long as GDRs are listed on the Official List and admitted to trading on the London Stock Exchange and the rules of the Financial Services Authority or the London Stock Exchange so require, all notices to be given to Holders generally will also be published in a leading daily newspaper having general circulation in the UK (which is expected to be the Financial Times).

24. Reports and Information on the Issuer

- 24.1 The Issuer has undertaken in the Deposit Agreement (so long as any GDR is outstanding) to furnish the Depositary with six copies in the English language (and to make available to the Depositary, the Custodian and each Agent as many further copies as they may reasonably require to satisfy requests from Holders) of:
- (i) in respect of the financial year ending on 31 December 2007 and in respect of each financial year thereafter, the non-consolidated (and, if published for holders of Common Units, consolidated) balance sheets as at the end of such financial year and the non-consolidated (and, if published for holders of Common Units, consolidated) statements of income for such financial year in respect of the Issuer, prepared in conformity with International Financial Reporting Standards and reported upon by independent public accountants selected by the Issuer, as soon as practicable;
 - (ii) if the Issuer publishes semi-annual financial statements for holders of Common Units, such semi-annual financial statements of the Issuer, as soon as practicable after the same are published; and
 - (iii) if the Issuer publishes quarterly financial statements for holders of Common Units, such quarterly financial statements, as soon as practicable after the same are published.
- 24.2 The Depositary shall upon receipt thereof give due notice to the Holders that such copies are available upon request at its specified office and the specified office of any Agent.
- 24.3 For so long as any of the GDRs remains outstanding and are “**restricted securities**” within the meaning of Rule 144(a)(3) under the United States Securities Act of 1933, as amended, if at any time the Issuer is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer

has agreed in the Deposit Agreement to supply to the Depositary such information, in the English language and in such quantities as the Depositary may from time to time reasonably request, as is required to be delivered to any Holder or beneficial owner of GDRs or to any holder of Common Units or a prospective purchaser designated by such Holder, beneficial owner or holder pursuant to a Deed Poll executed by the Issuer in favour of such persons and the information delivery requirements of Rule 144A(d)(4) under the U.S. Securities Act to permit compliance with Rule 144A thereunder in connection with resales of GDRs or Common Units or interests therein in reliance on Rule 144A under the Securities Act and otherwise to comply with the requirements of Rule 144A(d)(4) under the Securities Act. Subject to receipt, the Depositary will deliver such information, during any period in which the Issuer informs the Depositary it is subject to the information delivery requirements of Rule 144(A)(d)(4), to any such holder, beneficial owner or prospective purchaser but in no event shall the Depositary have any liability for the contents of any such information.

25. Copies of Issuer Notices

The Issuer has undertaken in the Deposit Agreement to transmit to the Custodian and the Depositary on or before the day when the Issuer first gives notice, by mail, publication or otherwise, to holders of any Common Units or other Deposited Property, whether in relation to the taking of any action in respect thereof or in respect of any dividend or other distribution thereon or of any meeting or adjourned meeting of such holders or otherwise, such number of copies of such notice and any other material (which contains information having a material bearing on the interests of the Holders) furnished to such holders by the Issuer (or such number of English translations of the originals if the originals were prepared in a language other than English) in connection therewith as the Depositary may reasonably request. If such notice is not furnished to the Depositary in English, either by the Issuer or the Custodian, the Depositary shall, at the Issuer's expense, arrange for an English translation thereof (which may be in such summarised form as the Depositary may deem adequate to provide sufficient information) to be prepared. Except as provided below, the Depositary shall, as soon as practicable after receiving notice of such transmission or (where appropriate) upon completion of translation thereof, give due notice to the Holders which notice may be given together with a notice pursuant to Condition 9.1, and shall make the same available to Holders in such manner as it may determine.

26. Moneys held by the Depositary

The Depositary shall be entitled to deal with moneys paid to it by the Issuer for the purposes of the Deposit Agreement in the same manner as other moneys paid to it as a banker by its customers and shall not be liable to account to the Issuer or any Holder or any other person for any interest thereon, except as otherwise agreed and shall not be obliged to segregate such moneys from other moneys belonging to the Depositary.

27. Severability

If any one or more of the provisions contained in the Deposit Agreement or in these Conditions shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained therein or herein shall in no way be affected, prejudiced or otherwise disturbed thereby.

28. Governing Law

- 28.1 The Deposit Agreement and the GDRs are governed by, and shall be construed in accordance with, English law except that the certifications set forth in Schedules 3 and 4 to the Deposit Agreement and any provisions relating thereto shall be governed by and construed in accordance with the laws of the State of New York. The rights and obligations attaching to the Deposited Securities will be governed by Isle of Man law. The Issuer has submitted in respect of the Deposit Agreement and the Deed Poll to the jurisdiction of the English courts and the courts of the State of New York and any United States Federal Court sitting in the Borough of Manhattan, New York City. The Issuer has also agreed in the Deposit Agreement, and the Deed Poll to allow, respectively, the Depositary and the Holders to elect that Disputes are resolved by arbitration.

- 28.2 The Issuer has irrevocably appointed Law Debenture Corporation plc, Fifth Floor, 100 Wood Street, London, EC2V 7EX, as its agent in England to receive service of process in any Proceedings in England based on the Deed Poll and has agreed to receive service of process in connection with any Proceedings in New York by registered post at its registered address in the Isle of Man. If for any reason the Issuer does not have such an agent in England or New York as the case may be, it will promptly appoint a substitute process agent and notify the Holders and the Depositary of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- 28.3 The courts of England are to have jurisdiction to settle any disputes (each a “**Dispute**”) which may arise out of or in connection with the GDRs and accordingly any legal action or proceedings arising out of or in connection with the GDRs (“**Proceedings**”) may be brought in such courts. Without prejudice to the foregoing, the Depositary further irrevocably agrees that any Proceedings may be brought in any New York State or United States Federal Court sitting in the Borough of Manhattan, New York City. The Depositary irrevocably submits to the non-exclusive jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- 28.4 These submissions are made for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdictions (whether concurrently or not).
- 28.5 In the event that the Depositary is made a party to, or is otherwise required to participate in, any litigation, arbitration, or Proceeding (whether judicial or administrative) which arises from or is related to or is based upon any act or failure to act by the Issuer, or which contains allegations to such effect, upon notice from the Depositary, the Issuer has agreed to fully cooperate with the Depositary in connection with such litigation, arbitration or Proceeding.
- 28.6 The Depositary irrevocably appoints The Bank of New York, London Branch, (Attention: The Manager) of 48th Floor, One Canada Square, London E14 5AL as its agent in England to receive service of process in any Proceedings in England based on any of the GDRs. If for any reason the Depositary does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE GDRs WHILE IN MASTER FORM

The GDRs will initially be evidenced by a single Master Regulation S GDR in registered form and a single Master Rule 144A GDR in registered form. The Master Regulation S GDR and the Master Rule 144A GDR will be deposited with The Bank of New York in New York as custodian for DTC and registered in the name of Cede & Co. as nominee for DTC on the date the GDRs are issued.

The Master Regulation S GDR and the Master Rule 144A GDR, or the Master GDRs, contain provisions which apply to the GDRs while they are in master form, some of which modify the effect of the conditions of the GDRs set forth under “*Terms and Conditions of the Global Depositary Receipts*”. The following is a summary of certain of those provisions.

The Master GDRs will only be exchanged for certificates in definitive registered form representing GDRs in the circumstances described in (a), (b), (c) or (d) below in whole but not in part. The Depositary will irrevocably undertake in the Master GDRs to deliver certificates evidencing GDRs in definitive registered form in exchange for the relevant Master GDR to the holders of the GDRs within 60 days in the event that:

- (a) DTC, or any successor, notifies the Issuer that it is unwilling or unable to continue as depositary and a successor depositary is not appointed within 90 calendar days;
- (b) DTC is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, and, in each case, no alternative clearing system satisfactory to the Depositary is available within 45 days;
- (c) in respect of the Master Rule 144A GDR, DTC or any successor ceases to be a “clearing agency” registered under the United States Securities Exchange Act of 1934, as amended; or
- (d) the Depositary has determined that, on the occasion of the next payment in respect of the GDRs, the Depositary or its agent would be required to make any deduction or withholding from any payment in respect of the GDRs which would not be required were the GDRs represented by certificates in definitive registered form, provided that the Depositary shall have no obligation to so determine or to attempt to so determine.

Any exchange shall be at the Issuer’s expense, including printing costs.

A GDR evidenced by an individual definitive certificate will not be eligible for clearing and settlement through DTC. Pursuant to the conditions set forth under “Terms and Conditions of the Global Depositary Receipts”, any exchange of a Master GDR for certificates in definitive registered form, or any exchange of interests between the Master Rule 144A GDR and the Master Regulation S GDR, or any distribution of GDRs or any reduction in the number of GDRs represented thereby following any withdrawal of Deposited Property as defined in the Deposit Agreement shall be entered by the Depositary on the register maintained by the Depositary whereupon the number of GDRs represented by the Master GDR shall be reduced or increased (as the case may be) for all purposes by the amount so exchanged and entered on the register, provided always that if the number of GDRs represented by a Master GDR is reduced to zero such Master GDR shall continue in existence until the Issuer’s obligations under the Deposit Agreement and the obligations of the Depositary pursuant to the Deposit Agreement and the Conditions have terminated.

Payments, Distributions and Voting and Consent Rights

Payments of cash dividends and other amounts (including cash distributions) will, in the case of GDRs represented by the Master Regulation S GDR, be made by the Depositary through DTC, on behalf of persons entitled thereto upon receipt of funds therefor from the Issuer. A free distribution or rights issue of Common Units to the Depositary on behalf of the holders of the GDRs will result in the record maintained by the Depositary being marked up to reflect the enlarged number of GDRs represented by the relevant Master GDR.

Holders of the GDRs will have voting and consent rights as set forth under “*Terms and Conditions of the Global Depositary Receipts*”.

Surrender of GDRs

Surrender of a GDR to the Depositary shall be satisfied by the production by DTC, on behalf of a person entitled to an interest therein of such evidence of entitlement of such person as the Depositary may reasonably require, which is expected to be a certificate or other documents issued by DTC, or, if relevant, an alternative clearing system. The delivery or production of any such evidence shall be sufficient evidence, in favour of the Depositary, any agent and the custodian of the title of such person to receive (or to issue instructions for the receipt of) all money or other property payable or distributable in respect of the Deposited Property represented by such GDRs.

Notices

For as long as the Master Regulation S GDR and the Rule 144A Master GDR are registered in the name of Cede & Co. on behalf of DTC, notices to holders of the GDRs may be given by the Depositary by delivery of the relevant notice to DTC, for communication to persons entitled thereto in substitution for delivery of notices in accordance with their terms.

The Master GDRs shall be governed by and construed in accordance with English law.

TAXATION

The following summary of certain material UK, federal US and Isle of Man tax consequences of ownership of the GDRs is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), published administrative practice and judicial decisions in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the GDRs. This summary does not purport to be a legal opinion or to be exhaustive or to address all tax aspects that may be relevant to a holder of GDRs.

EACH PROSPECTIVE HOLDER IS URGED TO CONSULT HIS, HER OR ITS PROFESSIONAL ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE OWNERSHIP AND DISPOSITION OF GDRs, INCLUDING THE APPLICABILITY AND EFFECT OF ANY OTHER TAX LAWS OR TAX TREATIES, AND OF PENDING OR PROPOSED CHANGES IN APPLICABLE TAX LAWS AS OF THE DATE OF THIS PROSPECTUS AND OF ANY ACTUAL CHANGES IN APPLICABLE TAX LAWS AFTER SUCH DATE.

United Kingdom

The following statements constitute a general summary of certain UK tax consequences of an investment as a holder of Common Units in the Issuer or as a holder of GDRs representing Common Units in the Issuer. This summary is based on current UK law and current published practice of HM Revenue & Customs (“**HMRC**”). It is general in nature, it does not constitute legal or tax advice and it may not apply to certain classes of tax-payers including but not limited to dealers, banks, insurance companies and financial institutions.

This summary only applies to holders of Common Units or holders of GDRs who are:

- (i) resident and (if individuals) ordinarily resident and domiciled for UK tax purposes in the UK (and in no other jurisdiction);
 - (ii) beneficial owners of their Common Units or GDRs;
 - (iii) not owners of their Common Units or GDRs under circumstances where income and gains in respect of their Common Units or GDRs are deemed to be those of other person under UK tax law;
 - (iv) not in control of or holding, either alone or together with one or more associated or connected persons, directly or indirectly, 10% or more of the Common Units and/or GDRs and/or any voting power of the Common Units and/or GDRs; and
 - (v) not (and are not deemed to be) acquiring their Common Units or GDRs by virtue of an office or employment;
- (“**Holders**”).

This summary also assumes that:

- (i) the Issuer does not directly invest in other partnerships; and
- (ii) the register for the Common Units and/or GDRs is maintained outside the UK.

Each prospective holder of Common Units or holder of GDRs should consult his own professional adviser on the implications of making an investment in, holding or disposing of Common Units in the Issuer or GDRs and the receipt of distributions with respect to such Common Units or GDRs under the laws of the countries in which they are liable to taxation.

The Issuer

It is anticipated that the Issuer will be treated in practice as a transparent partnership for UK tax purposes rather than a unit trust scheme. Whilst it is expected that the Issuer will be an offshore fund for the purposes of Chapter V (Offshore Funds) of Part XVII of ICTA (see further below), a disposal of Common Units or of the GDRs should not fall within the scope of the UK offshore funds legislation (provided that the assets held by the Issuer do not themselves constitute interests in offshore funds which would fall within the scope of that legislation). On that basis, and on the basis that the Issuer does not start to carry on a trade, it is expected that the tax treatment of Holders in the Issuer will be as summarised below.

Holders

Holders will be subject to income tax, capital gains tax or corporation tax on their proportionate share of income and gains arising to the Issuer according to the profit-sharing arrangements in the period in which the profit accrued, whether such income and gains are distributed or accumulated.

Taxation of Distributions

It is anticipated that for UK tax purposes, HMRC will treat the assets held by the Issuer as the Holders' source of income or profits.

Therefore, subject to their specific circumstances, Holders who are within the charge to UK income tax or corporation tax will normally be liable to UK income tax or corporation tax in respect of their proportionate share of income arising to the Issuer according to the profit-sharing arrangements applicable in the period in which the profit arises or otherwise accrues, whether or not distributed, subject in certain cases, to deduction of expenses properly incurred and paid by the Issuer out of that income.

In respect of non-UK source income, Holders may be entitled to relief for non-UK tax charged on or withheld from that income under the provisions of any relevant double taxation agreement between the UK and the country of source of the income, or unilaterally under the provisions of Section 790 of the Income and Corporation Tax Act 1988 ("ICTA"). Where that non-UK source income includes a dividend, Holders who are individuals may, in relation to dividends paid on or after 6 April 2008, be entitled to a non-refundable tax credit equal to one ninth of the dividend that they are treated as receiving.

Taxation of Capital Gains

Holders may, depending on their circumstances, be liable to UK tax on capital gains on their apportioned share of any gain arising on the disposal of assets held by the Issuer whether or not such gains are distributed to Holders. A disposal of a Common Unit or a GDR will also be treated as a disposal of a proportionate interest in the underlying assets of the Issuer which fall within the chargeable gains rules.

It is intended that the Issuer can issue further Common Units which may be represented by GDRs. Should this occur a Holder will be treated as making a disposal for the purposes of UK tax on capital gains of a portion of his, her or its proportionate interest in the assets held by the Issuer. Such deemed disposal may depending on the Holder's circumstances give rise to a charge to UK tax on chargeable gains without an actual receipt.

Anti-avoidance

The attention of Holders who are individuals is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Issuer and companies in which it invests on an annual basis.

Offshore Income Gains

The attention of Holders is drawn to the provisions of Chapter V (Offshore Funds) of Part XVII of ICTA which provides that any gain on the disposal of a material interest in an offshore fund which has not obtained certification with HMRC as a distributing fund will be taxed as income so that any relief or exemption then available to capital gains (for example indexation relief) would not be available. The Issuer will be an offshore fund for the purposes of these rules and the Issuer does not intend to seek certification as a distributing fund. Pursuant to the Partnership Agreement, the Issuer 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. Holders should note that the UK Government has announced proposed changes to the offshore funds rules, including changes to the rules relating to distributing fund status (the details of which have not yet been announced). Holders should seek appropriate professional advice as to the application and possible future application of these rules.

Inheritance Tax

Inheritance tax may be payable in respect of the Common Units or the GDRs on the death of an individual Holder or on any gifts of the Common Units or the GDRs during the individual Holder's lifetime that qualify as a chargeable lifetime transfer of value.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No stamp duty or SDRT will be payable on the issue of the Common Units or the GDRs.

No SDRT will be payable on any agreement to transfer the GDRs, and no stamp duty will be payable where such transfer is effected in electronic book entry form in accordance with the procedures of Euroclear, Clearstream or DTC and not by written instrument of transfer.

No SDRT will be payable on any agreement to transfer the Common Units. No UK stamp duty will be payable on a transfer of the Common Units where the instrument of transfer is executed and retained outside of the UK and does not relate to any property situated, or to any matter or thing done or to be done, in the UK. Even if a document effecting a transfer of Common Units is executed in the UK or relates to any property situated, or to any matter or thing done or to be done, in the UK, in practice it should not be necessary to pay any UK stamp duty on such a document unless the document is required for any purpose in the UK. If it is necessary to pay UK stamp duty on such document, it may also be necessary to pay interest and penalties.

Isle of Man

GDR Holders

Holders of GDRs resident in the Isle of Man will, depending upon their particular circumstances, be liable to Manx income tax on dividends received from the Issuer. Holders of GDRs resident outside the Isle of Man will have no liability to Manx income tax on dividends received from the Issuer. There is no capital gains tax, inheritance tax, stamp duty or stamp duty reserve tax in the Isle of Man. A probate fee may be payable in respect of the estate of a deceased holder of GDRs, up to a current maximum of £576.

United States Federal Income Tax Considerations

The following summary describes the principal US federal income tax consequences relating to the acquisition, ownership and disposition by a US Holder (as defined below) of Common Units, which are evidenced by GDRs. This summary only applies to Common Units and GDRs held as capital assets and does not discuss all the tax consequences that may be relevant to a US Holder in light of its particular circumstances or to US Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- tax-exempt organisations;
- real estate investment trusts;
- regulated investment companies;
- persons that have a functional currency other than the US Dollar;
- persons that will own Common Units or GDRs through partnerships or certain other pass-through entities;
- persons who own 10% or more, by vote, of the Issuer’s equity for US federal income tax purposes;
- dealers or traders in securities or currencies;
- certain former citizens or long-term residents of the United States; or
- persons that will hold Common Units or GDRs as a position in a “straddle” or as a part of a “hedging”, “conversion” or other risk reduction transaction for US federal income tax purposes.

Moreover, this description does not address the US federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership or retirement of Common Units or GDRs. Each prospective purchaser should consult its tax adviser with respect to the US federal, state, local and foreign tax consequences of acquiring, owning and disposing of Common Units or GDRs.

This description is based on the US Internal Revenue Code of 1986, as amended (the “**Code**”), existing final and temporary US Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof as well as proposed US Treasury Regulations 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. It is also based in part on representations by the Depositary and assumes that each obligation under the Deposit Agreement and any related agreement will be performed in accordance with its terms.

For purposes of this summary, a “**US Holder**” is a beneficial owner of Common Units or GDRs who for US federal income tax purposes is:

- an individual citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States or any political subdivision thereof (including the District of Columbia);
- an estate the income of which is subject to US federal income taxation regardless of its source; or
- a trust if such trust validly elects to be treated as a US person for US federal income tax purposes or if
 - (1) a court within the United States is able to exercise primary supervision over its administration and
 - (2) one or more US persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or any other entity treated as a partnership for US federal income tax purposes) holds Common Units or GDRs, the tax treatment of a partner in such partnership will generally depend on the status of the partner and on the activities of the partnership. Such a partner or partnership considering the acquisition of Common Units or GDRs should consult its own tax adviser as to its tax consequences.

Persons considering the purchase of Common Units Interests or GDRs should consult their own tax advisers with regard to the application of the US 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.

US Internal Revenue Service Circular 230 Disclosure

Pursuant to US Internal Revenue Service Circular 230, prospective investors are hereby notified that the description set forth herein with respect to US 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 US Internal Revenue Code. Such description was written to support the marketing of Common Units and GDRs. Each taxpayer should seek advice based on their particular circumstances from an independent tax adviser.

Status of the Issuer for US Federal Income Tax Purposes

The Issuer has elected to be classified as a corporation for US federal income tax purposes. Consequently, Common Units will be treated as stock of the Issuer for US federal income tax purposes.

Ownership of GDRs in General

For US federal income tax purposes, a US Holder of GDRs generally will be treated as the owner of Common Units represented by such GDRs.

The US Treasury Department has expressed concern that depositaries for depositary receipts, or other intermediaries between the holders of securities of an issuer and the issuer, may be taking actions that are inconsistent with the claiming of US foreign tax credits by US Holders of such receipts or securities. Accordingly, the analysis regarding the availability of a US foreign tax credit for non-US taxes described below could be affected by future actions that may be taken by such persons.

Distributions

Subject to the discussion below under “—*Passive Foreign Investment Company Considerations*”, the gross amount of any distribution made on Common Units or GDRs (other than certain distributions of Common Units or GDRs distributed pro rata to all of the Issuer’s partners including holders of GDRs), before reduction for any non-US taxes withheld therefrom, will be includible in income on the day on which the distribution is actually or constructively received by a US Holder, which in the case of US Holders of GDRs will be the date on which such distribution is received by the depositary. Such distributions will be treated as dividend income to the extent they are paid out of its current or

accumulated earnings and profits as determined under US federal income tax principles. Under current law, dividends received in taxable years beginning on or before 31 December 2010 by certain non-corporate US investors on common shares of certain foreign corporations may be subject to US federal income tax at lower rates than other types of ordinary income if certain conditions are met. However, because neither the Common Units nor the GDRs are readily tradable on an established securities market in the US and there is no income tax treaty between the Isle of Man and the US, the Issuer currently does not expect those conditions will be met. Such dividends also will not be eligible for the dividends received deduction generally allowed to corporate US Holders. To the extent, if any, that the amount of any distribution exceeds the Issuer's current and accumulated earnings and profits as determined under US federal income tax principles, it will be treated first as a tax-free return of the US Holder's adjusted tax basis in Common Units or GDRs and thereafter as capital gain. The Issuer does not maintain calculations of its earnings and profits under US federal income tax principles. Therefore, US Holders should expect that distributions by the Issuer generally will be reported as dividends for US federal income tax purposes.

Dividends paid to US Holders in any currency other than US Dollars ("**foreign currency**") will be includable in income in a US Dollar amount based on the spot market exchange rate in effect on the date of receipt, which in the case of US Holders of GDRs will be the date on which such distribution is received by the depositary, whether or not converted into US Dollars at that time. If the payment is not converted at that time, the US Holder will have a tax basis in foreign currency equal to that US Dollar amount, which will be used to measure gain or loss resulting from subsequent changes in exchange rates on a later conversion of the foreign currency into US Dollars or other dispositions of the foreign currency. Any gain or loss that a US Holder recognises on a subsequent conversion of foreign currency into US Dollars (or other disposition) generally will be US source ordinary income or loss. If dividends received in foreign currency are converted into US Dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Dividends on Common Units or GDRs received by a US Holder generally will be treated as foreign source income for US foreign tax credit purposes. Subject to limitations under US federal income tax law concerning credits or deductions for foreign taxes and certain exceptions for short-term and hedged positions, any non-US withholding tax imposed on dividends will be treated as a foreign income tax eligible for credit against a US Holder's US federal income tax liability (or at a US Holder's election, may be deducted in computing taxable income if the US Holder has elected to deduct all foreign income taxes for the taxable year). The limitation on foreign taxes eligible for the US foreign tax credit is calculated separately with respect to specific "baskets" of income. For this purpose, the dividends should generally constitute "passive category income", or in the case of certain US Holders, "general category income". The rules with respect to foreign tax credits are complex, and US Holders are urged to consult their own tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Exchange of Common Units or GDRs

A US Holder generally will recognise gain or loss on the sale or exchange of Common Units or GDRs equal to the difference between the US Dollar amount realised (including the gross amount of the proceeds before the deduction of any non-US tax) on such sale or exchange and the US Holder's adjusted tax basis in Common Units or GDRs, determined in US Dollars. The amount realised generally will be the US Dollar value of the payment received determined on (1) the date of receipt of the payment in case of a cash basis US Holder and (2) the date of disposition in the case of an accrual basis US Holder. If the GDRs are treated as traded on an "established securities market", a cash basis taxpayer (or, if it elects, an accrual basis taxpayer) will determine the US Dollar value of the amount received at the spot rate of exchange on the settlement date of the sale. Subject to the discussion below under "*—Passive Foreign Investment Company Considerations*", such gain or loss will be capital gain or loss. In the case of a non-corporate US Holder, the maximum marginal US federal income tax rate applicable to such gain will be lower than the maximum marginal US federal income tax rate applicable to ordinary income if such US Holder's holding period for such Common Units or GDRs exceeds one year (i.e., such gain is long-term capital gain). Gain or loss, if any, recognised by a US Holder generally will be treated as US source gain or loss, as the case may be. The deductibility of capital losses is subject to limitations under the Code. As described under "*—Risk Factors—Risk Factors Relating to the Crude Oil and Gas Industry—The Group is subject to an uncertain tax environment that may lead to disputes with regulatory authorities*", a US Holder may be subject to a Kazakh withholding tax of 20% on any gain from sale or exchange of Units or GDRs if certain amendments to Kazakh tax laws take effect. US Holders may not be able to credit such taxes against their US federal income tax liability under the US foreign tax credit

limitations of the Code since such gain generally would be United States source income, unless such tax can be credited (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

Passive Foreign Investment Company Considerations

A non-US corporation will be classified as a “passive foreign investment company”, or a PFIC, for US federal income tax purposes in any taxable year in which, after applying certain lookthrough rules, either:

- at least 75% of its gross income is “passive income”; or
- at least 50% of the average value of its gross assets is attributable to assets that produce “passive income” or are held for the production of “passive income”.

Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on certain estimates of the Issuer’s gross income and gross assets and the nature of the Issuer’s business, the Issuer believes that it will not be classified as a PFIC for its taxable year ending 31 December 2008. The Issuer has no reason to believe that its assets or activities will change in a manner that would cause the Issuer to be classified as a PFIC in the future, but there can be no assurance that the Issuer will not be considered a PFIC for any taxable year because its status will depend on its assets and activities in those years. If the Issuer were characterised as a PFIC, a US Holder of Common Units or GDRs generally would be subject to imputed interest charges and other disadvantageous tax treatment with respect to any gain from the sale or other disposition of, and certain distributions with respect to Common Units or GDRs.

Qualified Electing Fund Election and Mark-to-Market Election

Where a company that is a PFIC meets certain reporting requirements, a US holder can avoid certain adverse PFIC consequences described above by making a “qualified electing fund” (“**QEF**”) election to be taxed currently on its proportionate share of the PFIC’s ordinary income and net capital gains. The Issuer intends on complying with the necessary accounting and record keeping requirements that would allow a US Holder to make a QEF election with respect to us and any of the Issuer’s subsidiaries that is a PFIC and will provide a PFIC annual information statement or statements to any US Holder who requests it with respect to the Issuer or any such subsidiary. It is possible that the taxable income of a US Holder as a result of such election may exceed the cash distributions received by such holder, possibly by substantial amounts. US Holders are urged to consult their own independent tax advisors regarding the consequences of making a QEF election.

If Common Units or GDRs are “regularly traded” on a “qualified exchange,” a US Holder may make a mark-to-market election with respect to the Common Units or GDRs. The Common Units or GDRs will be treated as “regularly traded” if they are traded on a qualified exchange, other than in de minimis quantities, on at least 15 days during each calendar quarter. The London Stock Exchange may constitute a qualified exchange for this purpose provided it meets certain trading volume, listing, financial disclosure, surveillance, and other requirements set forth in applicable US Treasury regulations. However, the Issuer cannot be certain that the GDRs will continue to trade on the London Stock Exchange or that its GDRs will be traded on at least 15 days in each calendar quarter in other than de minimis quantities. If a US Holder makes the mark-to-market election, for each year in which the Issuer is PFIC, the holder will generally include as ordinary income the excess, if any, of the fair market value of the Common Units or GDRs, at the end of the taxable year over their adjusted tax basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted tax basis of the Common Units or GDRs over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a US Holder makes the election, the holder’s tax basis in the Common Units or GDRs will be adjusted to reflect the amount of any such income or loss. Any gain recognised on the sale or other disposition of Common Units or GDRs will be treated as ordinary income. US Holders should be aware, however, that if we are determined to be a PFIC, the interest charge regime described above could be applied to indirect distributions or gains deemed to be attributable to US Holders in respect of any of the Issuer’s subsidiaries that also may be determined to be a PFIC, and the mark-to-market election generally would not be effective for such subsidiaries. Each US Holder should consult its own tax advisor to determine whether a mark-to-market election is available and the consequences of making an election if the Issuer’s were characterised as a PFIC.

PFIC Reporting Requirements

If the Issuer becomes a PFIC, each US Holder of Common Units or GDRs will be required to make an annual return on Internal Revenue Service Form 8621, reporting distributions received and gains realised with respect to each PFIC which the US Holder holds a direct or indirect interest. Prospective purchasers should consult their own tax advisors regarding the potential application of the PFIC rules.

Backup Withholding Tax and Information Reporting Requirements

US 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, Common Units or GDRs made within the United States or by a US payor or US middleman to a holder of Common Units or GDRs, other than an exempt recipient, including a corporation, a payee that is not a US 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, Common Units or GDRs within the United States or by a US payor or US 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. The backup withholding tax rate is 28% for taxable years through 2010.

Backup withholding is not an additional tax. A US Holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed such holder's US federal income tax liability by filing a refund claim with the IRS. A US Holder will be entitled to credit any amounts withheld under the backup withholding rules against its US 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 tax consequences relating to acquisition, ownership and disposition of Common Units or GDRs. Prospective purchasers of Common Units or GDRs should consult their own tax adviser concerning the tax consequences of their particular situation.

SUBSCRIPTION AND SALE

Underwriting Arrangements

The Lead Manager has entered into the Underwriting Agreement dated 28 March 2008 with the Issuer, ZGL, Amery and Scoulton. Pursuant to the terms and subject to the conditions contained in the Underwriting Agreement the Issuer has agreed to issue limited partnership interests comprising 10,000,000 new Common Units (to be offered in the form of GDRs), which will be converted immediately prior to Admission into Common Units at the Offer Price, and the Lead Manager has agreed to purchase such limited partnership interests.

The Underwriting Agreement contains, amongst others, the following further provisions:

- The Lead Manager will deduct from the proceeds of the Global Offer, certain commissions and expenses payable by the Issuer.
- The Issuer's obligations, together with those of the other parties to the Underwriting Agreement, are subject to certain conditions which are typical for an agreement of this nature. These conditions include, amongst others, the accuracy of the representations and warranties under the Underwriting Agreement and the applications for Admission having been approved on or prior to the Closing Date. The Lead Manager may terminate the Underwriting Agreement in certain circumstances that are typical for an agreement of this nature. These circumstances include the occurrence of certain material changes in the condition (financial or otherwise), business prospects, business affairs or earnings of the Group and certain changes in financial, political or economic conditions (as more fully set out in the Underwriting Agreement). In particular, the Lead Manager may terminate the Underwriting Agreement if it is aware of any event or circumstance that could result in the State exercising its pre-emption right with respect to the limited partnership interests or Common Units sold to the Lead Manager in the Global Offer. If any of the above mentioned conditions are not satisfied (or waived, where capable of being waived) by, or the Underwriting Agreement is terminated prior to the Closing Date, then the Global Offer will lapse.
- The Issuer has agreed to pay or cause to be paid (together with any related value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst others, the Global Offer, Admission or any other arrangement contemplated by the Underwriting Agreement.
- The Issuer, and its general partner, have given certain warranties and indemnities to the Lead Manager, including in relation to the business, financial position and results of operations of the Group.
- Scoulton has given certain warranties and indemnities to the Lead Manager, including in relation to having good title to the existing partnership interests comprising Common Units and its conduct.

If the Lead Manager terminates the Underwriting Agreement prior to the Closing Date or if for any other reason the Global Offer does not proceed, Admission will not take place and any moneys received in respect of the Global Offer will be returned to applicants without interest.

Reorganisation Arrangement

In connection with a restructuring of the Thyler group, Scoulton and Amery will sell at the Offer Price all existing partnership interests held by them in the Issuer to Claremont (an affiliate of Thyler) through the Reorganisation Arrangement with the Lead Manager. Such interests will be immediately converted into Common Units and be sold to Claremont in the form of GDRs or Common Units through the Lead Manager.

Lock-up Arrangements

The Issuer, Claremont, Scoulton and the Directors have entered into certain lock-up arrangements. Each of the Issuer, Claremont, Scoulton and the Directors has severally agreed that it will not: (i) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Common Units or GDRs or any securities convertible into or exercisable or exchangeable for, Common Units or GDRs; (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Common Units or GDRs; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above,

whether any such transaction described in (i) or (ii) above is to be settled by delivery of Common Units or GDRs or such other securities, in cash or otherwise, during the period from the date hereof and ending 180 days (in respect of the Issuer, Claremont and Scoulton) and 365 days (in respect of the Directors) after the Closing Date, without the prior written consent of the Lead Manager.

Dealing Arrangements

All GDRs made available pursuant to the Global Offer will be sold at the Offer Price. It is expected that Admission will take place and unconditional dealings in the GDRs will commence on the London Stock Exchange on 3 April 2008. Prior to that time, it is expected that dealings in the GDRs will commence on a conditional basis on the London Stock Exchange on 28 March 2008. All dealings in the GDRs prior to the commencement of unconditional dealings will be on a “conditional basis”, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. These dates and times may be changed. If the Global Offer does not become unconditional or does not otherwise proceed, all such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

Dilution

Following the Global Offer, and assuming that existing holders of Common Units do not purchase in the Global Offer, the Global Offer will represent an immediate dilution of 10,000,000 Common Units, or 9.1% for existing holders of Common Units.

Selling Restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, GDRs or Common Units in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Prospectus and the offer of GDRs in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Each Manager has severally represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply with applicable laws and Regulations in each jurisdiction in which it offers, sells or delivers GDRs or distributes the Prospectus (and any amendments thereof and supplements thereto) and any other offering or publicity material relating to the GDRs or the Issuer.

United States

The GDRs have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Manager has severally represented that it has not offered or sold, and agrees that it will not offer or sell, any securities constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the securities. Terms used in this paragraph have the meaning given to them by Regulations under the Securities Act.

United Kingdom

Each Manager has severally represented, warranted and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) or participate in a collective investment scheme (within the meaning of section 235 of the FSMA) received by it in connection with the issue or sale of any GDRs in circumstances where section 21(1) of the FSMA and section 238 of the FSMA, respectively does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the GDRs in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), each Manager has severally represented and warranted that it has not made and will not make an offer to the public of any GDRs in that Relevant Member State,

except that it may make an offer to the public in that Relevant Member State of any GDRs at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the GDRs shall result in a requirement for the publication by the Issuer, Scoulton or any Manager 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 GDRs 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 GDRs to be offered so as to enable an investor to decide to purchase any GDRs, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state.

Kazakhstan

The GDRs offered hereby may only be offered or sold in the Republic of Kazakhstan to institutions or individuals in the Republic of Kazakhstan, including banks, brokers, dealer participants, pension funds, and collective investments institutions, as well as central government, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities.

Canada

This document is not, and under no circumstances is it to be construed as, a prospectus, an advertisement or a public offering of the securities described herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence.

Representations and Agreements by Purchasers

The Global Offer is being made in Canada only in the Canadian provinces of Ontario, British Columbia and Québec (the “**Canadian Jurisdictions**”) by way of a private placement of GDRs. The Global Offer in the Canadian Jurisdictions is being made pursuant to this Prospectus through the Lead Manager or through its selling agents who are permitted under applicable law to distribute such securities in Canada. Each Canadian investor who purchases the GDRs will be deemed to have represented to the Issuer, Scoulton and the Lead Manager that: (1) the offer and sale was made exclusively through this Prospectus and was not made through an advertisement of the GDRs in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada; (2) such investor has reviewed the terms referred to below under “*Canadian Resale Restrictions*”; (3) where required by law, such investor is, or is deemed to be, acquiring the GDRs as principal for its own account in accordance with the laws of the Canadian Jurisdiction in which the investor is resident and not as agent or trustee; (4) such investor or any ultimate investor for which such investor is acting as agent is entitled under applicable Canadian securities laws to acquire the GDRs without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing: (i) in the case of an investor resident in British Columbia or Québec, without the Lead Manager having to be registered; (ii) in the case of an investor resident in British Columbia or Québec, such investor is an “accredited investor” as defined in section 1.1 of National Instrument 45-106—*Prospectus and Registration Exemptions* (“**NI 45-106**”); and (iii) in the case of an investor resident in Ontario, such investor, or any ultimate investor for which such investor is acting as agent (a) is an “accredited investor,” other than an individual, as defined in NI 45-106 and is a person to which a dealer registered as an international dealer within the meaning of section 98 of Regulation 1015 to the

Securities Act (Ontario) (the “**OSA**”) in Ontario may sell the GDRs or (b) is an “accredited investor,” including an individual, as defined in NI 45-106 who is purchasing the GDRs from a fully registered dealer within the meaning of section 204 of Regulation 1015 to the OSA; and (5) such investor, if not an individual or an investment fund, has a pre-existing purpose and was not established solely or primarily for the purpose of acquiring the GDRs in reliance on an exemption from applicable prospectus requirements in the Canadian Jurisdictions.

Each resident of Ontario who purchases the GDRs will be deemed to have represented to the Issuer and the Lead Manager that such investor: (a) has been notified by the Issuer that (i) the Issuer is required to provide information (“**personal information**”) pertaining to the investor as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including its name, address, telephone number and the number and value of any GDRs purchased), which Form 45-106F1 is required to be filed by the Issuer under NI 45-106; (ii) such personal information will be delivered to the Ontario Securities Commission (the “**OSC**”) in accordance with NI 45-106; (iii) such personal information is being collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario; (iv) such personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (v) the public official in Ontario who can answer questions about the OSC’s indirect collection of such personal information is the Administration Assistant to the Director of Corporate Finance at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-8086; and (b) has authorised the indirect collection of the personal information by the OSC. Further, the investor acknowledges that its name, address, telephone number and other specified information, including the number of GDRs it has purchased and the aggregate purchase price to the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. Each resident of British Columbia or Québec who purchases the GDRs hereby acknowledges to the Issuer and the Lead Manager that its name and other specific information, including the aggregate amount of the GDRs it has purchased and the aggregate purchase price to the investor, may be disclosed to Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable Canadian securities laws. By purchasing the GDRs, each Canadian investor consents to the disclosure of such information.

Agreement by the Managers

The Managers have represented and agreed that the GDRs will be offered or sold, directly or indirectly, in Canada only in the Canadian Jurisdictions and in compliance with applicable Canadian securities laws and accordingly, any sales of GDRs will be made (i) through an appropriately registered securities dealer or in accordance with an available exemption from the registered securities dealer requirements of applicable Canadian securities laws and (ii) pursuant to an exemption from the prospectus requirements of such laws.

Language of Document

Each purchaser of GDRs in Canada that receives a purchase confirmation hereby agrees that it is such purchaser’s express wish that all documents evidencing or relating in any way to the sale of such GDRs be drafted in the English language only. *Chaque acheteur au Canada des GDRs recevant un avis de confirmation à l’égard de son acquisition reconnaît que c’est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des GDRs soient rédigés uniquement en anglais.*

Canadian Resale Restrictions

The distribution of the GDRs in the Canadian Jurisdictions is being made on a private placement basis. Accordingly, any resale of the GDRs must be made (i) through an appropriately registered dealer or in accordance with an available exemption from the dealer registration requirements of applicable provincial securities laws and (ii) in accordance with, or pursuant to an exemption from, the prospectus requirements of such laws. Such resale restrictions may not apply to resales made outside of Canada, depending on the circumstances. Purchasers of GDRs are advised to seek legal advice prior to any resale of GDRs.

The Issuer is not, and may never be, a “reporting issuer,” as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada and there currently is no public market for any of the securities of the Issuer in Canada, including the GDRs, and one may never develop.

Under no circumstances will the Issuer be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the GDRs to the public in any province or territory of Canada. Canadian investors are advised that the Issuer currently has no intention of filing a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the GDRs to the public in any province or territory in Canada.

Rights of Action for Damages or Rescission (Ontario)

Securities legislation in Ontario provides some investors in GDRs pursuant to this Prospectus with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where this Prospectus or any amendment to it, contains a “Misrepresentation”. Where used herein, “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation.

Section 130.1 of the OSA provides that every purchaser of securities pursuant to an offering memorandum (such as this Prospectus) shall have a statutory right of action for damages or rescission against the issuer in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer;
- (b) the issuer will not be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) the issuer will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Subject to the paragraph below, all or any one or more of the issuer and any selling security holder are jointly and severally liable, and every person or company who becomes liable to make any payment for a Misrepresentation may recover a contribution from any person or company who, if sued separately, would have been liable to make the same payment, unless the court rules that, in all the circumstances of the case, to permit recovery of the contribution would not be just and equitable.

Despite the paragraph above, the issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the Misrepresentation was not based on information provided by the issuer, unless the Misrepresentation (a) was based on information that was previously publicly disclosed by the issuer, (b) was a Misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the issuer prior to the completion of the distribution of the securities.

Section 138 of the OSA provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years from the day of the transaction that gave rise to the cause of action.

The rights referred to in section 130.1 of the OSA do not apply in respect of an offering memorandum (such as this Prospectus) delivered to a prospective purchaser in connection with a distribution made in reliance on the exemption from the prospectus requirement in section 2.3 of NI 45-106 (the “**accredited investor exemption**”) if the prospective purchaser is:

- (a) a Canadian financial institution (as defined in NI 45-106) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

- (c) a subsidiary of any person referred to in paragraph (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The foregoing summary is subject to the express provisions of the OSA and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions contained therein. Such provisions may contain limitations and statutory defences on which the Issuer and Scoulton may rely. ***Prospective purchasers should refer to the applicable provisions of the relevant securities legislation and are advised to consult their own legal advisers as to which, or whether any, of such rights may be available to them.*** The enforceability of these rights may be limited as described herein under “—Enforcement of Legal Rights”.

The rights of action discussed above will be granted to the purchasers to whom such rights are conferred upon acceptance by the Lead Manager of the purchase price for the GDRs. The rights discussed above are in addition to and without derogation from any other right or remedy which purchasers may have at law.

Enforcement of Legal Rights

All of the directors and officers (or their equivalents) of the Issuer and Scoulton, as well as any experts named herein, may be located outside of Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Issuer, Scoulton or such experts. All or a substantial portion of the assets of the Issuer, Scoulton and such experts may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Issuer, Scoulton or such experts in Canada or to enforce a judgment obtained in Canadian courts against the Issuer, Scoulton or such experts outside of Canada.

Canadian Tax Considerations and Eligibility for Investment

This Prospectus does not address the Canadian tax consequences of ownership of the GDRs. Prospective purchasers of GDRs should consult their own tax advisers with respect to the Canadian and other tax considerations applicable to their individual circumstances and with respect to the eligibility of the GDRs for investment by purchasers under relevant Canadian legislation.

Forward-Looking Information

This Prospectus may contain “forward-looking information” (“**FLI**”) as such term is defined under section 1.1 of the OSA. FLI is disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information (“**FOFI**”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. “FOFI” is FLI about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical balance sheet, income statement or cash flow statement. Similarly, a financial outlook is FLI about prospective results of operations, financial position or cash flows that is based on assumptions about future economic conditions and courses of action that is not presented in the format of a historical balance sheet, income statement or cash flow statement. Canadian investors should not rely on any FLI that may be contained within this Prospectus as such information is subject to a variety of risks, uncertainties and other factors that could cause actual results to differ materially from expectations.

Upon receipt of this Prospectus, each Canadian investor hereby acknowledges and agrees that any FLI included herein should not be considered material for the purposes of and may not have been prepared and/or presented consistent with National Instrument 51-102—*Continuous Disclosure Requirements* and that the investor will not receive any additional information updated such FLI during any period that the Issuer is not a “reporting issuer” in any province or territory of Canada, other than as required under applicable securities laws and/or as agreed to in contract.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers are advised to consult their legal counsel prior to making any resale, pledge or transfer of the GDRs.

The Global Offer is being made in accordance with Rule 144A in the United States and Regulation S outside the United States under the Securities Act. None of the GDRs have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold within the United States, or to, or for the account or benefit of, US persons, except to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and to persons outside the United States in accordance with Regulation S. Terms used in this paragraph that are defined in Rule 144A and Regulation S under the Securities Act are used herein as so defined.

Rule 144A

Each purchaser of Rule 144A GDRs will be deemed to have represented, acknowledged and agreed as follows:

1. It acknowledges (or if it is acting for the account of another person, such person has confirmed to it that it acknowledges) that the Master Rule 144A GDR, the Rule 144A GDRs evidenced thereby and the Common Units represented thereby have not been and will not be registered under the Securities Act and that the sale of the Rule 144A GDRs is being made pursuant to and in accordance with Rule 144A.
2. It certifies that (a) it is a QIB and, at the time of issuance of the Rule 144A GDRs, it (or one or more QIBs for whose account it is acting) will be the beneficial owner of the Rule 144A GDRs, and (b) it is aware that the sale to it is being made in reliance on Rule 144A.
3. It agrees (or if it is acting for the account of another person, such person has confirmed to it that such person agrees) that it will not offer, sell, pledge or otherwise transfer the Master Rule 144A GDR, the Rule 144A GDRs evidenced thereby or the Common Units represented thereby (as the case may be) except (i) to a person whom it reasonably believes (or it and anyone acting on its behalf reasonably believe) is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A; (ii) outside the United States in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act; (iii) pursuant to exemptions from registration provided by Rule 144 under the Securities Act (if available); (iv) pursuant to any other available exemption from the Securities Act; or (v) pursuant to an effective registration statement, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.
4. It understands that the Master Rule 144A GDR will contain legends to the following effect, unless the Issuer determines otherwise in compliance with applicable law:

THIS MASTER RULE 144A GLOBAL DEPOSITARY RECEIPT AND THE COMMON UNITS OF ZHAIKMUNAI L.P. REPRESENTED HEREBY (THE "COMMON UNITS") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF BY PURCHASING THE GDRs, AGREES FOR THE BENEFIT OF THAT THE GDRs AND THE COMMON UNITS CORRESPONDING HERETO MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER ("QIB") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER OF THE GDRs WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF SUCH GDRs OF THE RESALE RESTRICTIONS

REFERRED TO ABOVE. THE BENEFICIAL OWNER OF COMMON UNITS RECEIVED UPON CANCELLATION OF ANY RULE 144A GLOBAL DEPOSITARY RECEIPT MAY NOT DEPOSIT OR CAUSE TO BE DEPOSITED SUCH COMMON UNITS INTO ANY DEPOSITARY RECEIPT FACILITY IN RESPECT OF COMMON UNITS ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK, OTHER THAN A RULE 144A RESTRICTED DEPOSITARY RECEIPT FACILITY, SO LONG AS SUCH COMMON UNITS ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THE COMMON UNITS OR ANY RULE 144A GLOBAL DEPOSITARY RECEIPTS.

Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions shall not be recognised by the Issuer or the Depositary in respect of the Master Rule 144A GDR, the Rule 144A GDRs evidenced thereby and the Common Units represented thereby.

Regulation S

Each purchaser of Regulation S GDRs outside of the United States pursuant to Regulation S will be deemed to have represented, acknowledged and agreed as follows:

1. It acknowledges (or if it is acting for the account of another person, such person has confirmed to it that it acknowledges) that the Master Regulation S GDR, the Regulation S GDRs evidenced thereby and the Common Units represented thereby have not been and will not be registered under the Securities Act and that the sale of the GDRs is being made pursuant to and in accordance with Regulation S.
2. It certifies that either: (a) it is, or at the time the Common Units represented by the Regulation S GDRs are deposited and at the time the Regulation S GDRs are issued it will be, the beneficial owner of the Common Units represented by such Regulation S GDRs and (i) it is not a US person (as defined in Regulation S) and it is located outside the United States and has acquired, or has agreed to acquire and will have acquired, Regulation S GDRs outside the United States; (ii) it is not an affiliate of Zhaikmunai L.P. or a person acting on behalf of such an affiliate; and (iii) it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Common Units or the Regulation S GDRs from Zhaikmunai L.P. or any affiliate thereof in the initial distribution of the Common Units or the Regulation S GDRs; or (b) it is a broker-dealer acting on behalf of its customer, its customer has confirmed to it that such customer is, or at the time the Common Units represented by the Regulation S GDRs are deposited and at the time the Regulation S GDRs are issued it will be, the beneficial owner of the Common Units represented by such Regulation S GDRs and (i) it is not a US person (as defined in Regulation S) and it is located outside the United States and has acquired, or has agreed to acquire and will have acquired, the Regulation S GDRs outside the United States; (ii) it is not an affiliate of Zhaikmunai L.P. or a person acting on behalf of such an affiliate; and (iii) it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Common Units or the Regulation S GDRs from Zhaikmunai L.P. or any affiliate thereof in the initial distribution of the Common Units or the Regulation S GDRs.
3. It agrees (or if it is a broker-dealer, its customer has confirmed to it that such customer agrees) that prior to the expiration of 40 days after the latest of the commencement of the Global Offer, the original issue date of the Regulation S GDRs (the “**Restricted Period**”) neither it or such customer will offer, sell, pledge or otherwise transfer any Regulation S GDRs or the Common Units represented thereby except (i) to a person whom it reasonably believes (or it and anyone acting on its behalf reasonably believe) is a QIB in a transaction meeting the requirements of Rule 144A; (ii) in an offshore transaction to a person other than a US person in accordance with Rule 903 or 904 of Regulation S under the Securities Act; (iii) pursuant to an exemption from the legislation requirements of the Securities Act provided by Rule 144A under the Securities Act (if available); or (iv) pursuant to an effective registration statement under the Securities Act, in either case in accordance with any applicable securities laws of any state or other jurisdiction of the United States. It further agrees (or if it is a broker-dealer, its customer has confirmed to it that such customer agrees)

that if it sells or otherwise transfers (or such customer sells or otherwise transfers) the Regulation S GDRs in accordance with clause (i) above prior to the expiration of the Restricted Period, it (or its customer) will, prior to settlement of such sale, obtain proper certification from the purchaser of such Regulation S GDRs in the form thereof reasonably required by the Issuer.

4. It acknowledges that the Issuer, the Lead Manager and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agrees that if any of such acknowledgements, representations and warranties deemed to have been made by virtue of its purchase of the Regulation S GDRs are no longer accurate, it will promptly notify the Issuer, and if it is purchasing Regulation S GDRs as a fiduciary or agent for one or more accounts, it represents that it has sole discretion with respect to each such account and full power to make the foregoing acknowledgements, representations and warranties on behalf of each account.
5. It understands that the Master Regulation S GDR will contain legends to the following effect unless the Issuer determines otherwise in compliance with applicable laws:

“THIS MASTER REGULATION S GLOBAL DEPOSITARY RECEIPT AND THE COMMON UNITS OF ZHAIKMUNAI L.P. REPRESENTED HEREBY (THE “COMMON UNITS”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.
6. It acknowledges that the Issuer, the Depositary, the Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Any sale or other transfer, or attempted sale or other transfer, made other than in compliance with the above-stated restrictions, shall not be recognised by the Issuer or the Depositary in respect of the GDRs and the Common Units represented thereby.

SETTLEMENT AND DELIVERY

Clearing and Settlement of GDRs

Custodial and depositary links have been established with DTC to facilitate the initial issue of the GDRs and cross-market transfers of the GDRs associated with secondary market trading.

DTC

DTC has advised the Issuer as follows:

DTC is a limited-purpose trust company organised under the laws of the State of New York, a “banking organisation” within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic computerised book-entry changes in DTC participants’ accounts. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to the DTC system is also available to others, such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the GDRs holding through DTC will receive, to the extent received by the Depositary, all distributions or other payments with respect to book-entry interests in the GDRs from the Depositary through DTC and DTC participants. Distributions in the United States will be subject to relevant US tax laws and Regulations. See “*Taxation—United States Federal Income Tax Considerations*”.

As DTC can act on behalf of DTC direct participants only, who in turn act on behalf of DTC indirect participants, the ability of beneficial owners who are indirect participants to pledge book-entry interests in the GDRs to persons or entities that do not participate in DTC, or otherwise take actions with respect to book-entry interests in the GDRs, may be limited.

Registration and Form

Book-entry interests in the GDRs held through DTC will be represented by the Master Regulation S GDR and the Master Rule 144A GDR registered in the name of Cede & Co., as nominee for DTC, which will be held by BNY (Nominees) Limited, as custodian for DTC. As necessary, the Depositary will adjust the amounts of GDRs on the relevant register to reflect the amounts of GDRs held through DTC. Beneficial ownership in the GDRs will be held through financial institutions as direct and indirect participants in DTC.

The aggregate holdings of book-entry interests in the GDRs in DTC will be reflected in its book-entry accounts DTC and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the GDRs, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the GDRs. The Depositary will be responsible for maintaining a record of the aggregate holdings of GDRs registered in the name of the nominee for DTC. The Depositary in the case of Master GDRs will make a distribution in accordance with usual practice between the Depositary and DTC. The Issuer will not impose any fees in respect of the GDRs; however, holders of book-entry interests in the GDRs may incur fees normally payable in respect of the maintenance and operation of accounts in DTC and certain fees and expenses payable to the Depositary in accordance with the terms of the Deposit Agreement. See “*Terms and Conditions of the Global Depositary Receipts*”.

Global Clearance and Settlement Procedures

Initial Settlement

The GDRs will be in global form evidenced by the Master GDRs. Purchasers electing to hold book-entry interests in GDRs through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to depositary receipts. DTC participants acting on behalf of purchasers electing to hold book-entry interests on the GDRs through DTC will follow the delivery practices applicable to depositary receipts.

Secondary Market Trading

Transfer restrictions

For a description of the transfer restrictions relating to the GDRs, see “*Transfer Restrictions*”.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the GDRs held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the GDRs through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to depositary receipts.

Trading between DTC Participants

Secondary market sales of book-entry interests in the GDRs held through DTC will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to depositary receipts in DTC’s SDFS system in same-day funds, if payment is effected in US Dollars, or free of payment, if payment is not effected in US Dollars. Where payment is not effected in US Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When the book-entry interests in the GDRs are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg participant, the DTC participant must send to DTC a free of payment instruction at least two business days prior to the settlement date. DTC will in turn transmit such instruction to Euroclear or Clearstream, Luxembourg, as the case may be, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, DTC will debit the account of its participant and will instruct the Depositary to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to credit the relevant account of the Euroclear or Clearstream, Luxembourg participant as the case may be. In addition, on the settlement date DTC will instruct the relevant registrar to decrease the amount of book-entry interests in the GDRs, registered in the name of Cede & Co. and represented by the Rule 144A Master GDR, or the Regulation S Master GDR, as the case may be.

Trading between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

Because of time zone differences, the securities of a Euroclear or Clearstream, Luxembourg account holder purchasing an interest in a security from a DTC participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, Luxembourg, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in such securities settled during such processing day will be reported to the relevant Euroclear or Clearstream, Luxembourg account holder on such day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in securities by or through a Euroclear or Clearstream, Luxembourg account holder to a DTC participant will be received for value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in DTC.

DTC will take any action permitted to be taken by a holder of GDRs only at the direction of one or more DTC participants to whose account or accounts DTC interests in the GDRs evidenced by the Master GDR are credited and only in respect of such portion of the number of GDRs as to which such DTC participant or DTC participants has or have given such direction. However, in the limited circumstances described above, DTC will exchange Master GDRs for individual definitive securities, which will be distributed to its participants. Holders of indirect interests in securities evidenced by the Master GDRs through DTC participants have no direct rights to enforce such interests while the securities are in global form. In the event that the GDRs are issued in definitive certificated form, the Issuer will appoint an agent and registrar in the United Kingdom.

General

Under general principles of Belgian banking secrecy, Euroclear and Clearstream, Luxembourg may not disclose any information about a participant’s account or positions in such accounts without having first obtained such participant’s prior written authorisation.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the GDRs among participants of Euroclear, Clearstream, Luxembourg and DTC, neither Euroclear, Clearstream, Luxembourg nor DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the holders of Common Units, any transfer agent, the registrar, the Depositary, the Custodian nor any affiliate of them or their respective agents will have any responsibility for the performance of Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

INFORMATION RELATING TO THE DEPOSITARY

The Depositary is a state chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was constituted in 1784 in the State of New York. It is a wholly owned subsidiary of The Bank of New York Mellon Corporation, a New York bank holding company. The principal office of the Depositary is located at One Wall Street, New York, NY 10286. Its principal administrative offices are located at 101 Barclay Street, 22 Floor West, New York, NY 10286. A copy of the Depositary's Articles of Association, as amended, together with copies of The Bank of New York Mellon Corporation's most recent financial statements and annual report are available for inspection at the Corporate Trust Office of the Depositary located at 101 Barclay Street, New York, NY 10286 and at The Bank of New York, One Canada Square, London E14 5AL.

LEGAL MATTERS

Certain legal matters in connection with the Global Offer will be passed upon for the Issuer with respect to US and English law by White & Case LLP and Kazakhstan law by White & Case LLC. Certain legal matters in connection with Isle of Man law will be passed upon for the Issuer by Mann & Partners. Certain legal matters with respect to the Global Offer will be passed upon for the Lead Manager with respect to US and English law by Skadden, Arps, Slate, Meagher & Flom (UK) LLP. Certain legal matters with respect to the Global Offer will be passed upon for the Lead Manager with respect to Isle of Man law by Cains.

INDEPENDENT ACCOUNTANTS

Ernst & Young LLP, independent accountants, has reported on the combined financial information of Claydon and Jubilata and their respective subsidiaries as at and for the years ended 31 December 2006, 2005 and 2004. With respect to the unaudited combined condensed interim financial statements of Claydon and Jubilata and their respective subsidiaries as at 30 November 2007, and for the eleven months ended 30 November 2007 and 2006 included in this Prospectus, Ernst & Young LLP has reported that they applied procedures in accordance with professional standards for a review of such information. Ernst & Young LLP's separate report included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

ADDITIONAL INFORMATION

1. Consents and Responsibility Statements

Each of Scoulton, as the general partner of the Issuer as at the date of this Prospectus, together with ZGL, as the proposed general partner of the Issuer with effect from Admission, accepts responsibility for the information contained in this Prospectus, and having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

For the purpose of compliance with the European Commission's Regulation on Prospectuses no. 809/2004 (the "Prospectus Directive Regulation"), Ernst & Young LLP, a member of the Council of the Chamber of Auditors of the Republic of Kazakhstan and whose registered address is 240 G, Furmenov St. Almaty, 050059 Kazakhstan, has given and not withdrawn its written consent to the inclusion in this Prospectus of its accountant's report set out on page F-2 of this Prospectus and its review report set out on page F-28 of this Prospectus, in each case in the form and context in which they are included, for the purposes of Annex X item 23.1 of the Prospectus Directive Regulation and has authorised the contents of such reports for the purposes of Rule 5.5.4R(2)(f) of the Prospectus Directive Regulation. Ernst & Young LLP has also accepted responsibility for its reports as part of the Prospectus and declared that it has taken all reasonable care to ensure that the information contained in such reports are to the best of its knowledge, in accordance with the facts and contains no omission likely to affect their import. This declaration is included in the Prospectus in compliance with Annex X item 1.2 of the Prospectus Directive Regulation. As the GDRs have not been and will not be registered under the Securities Act, Ernst & Young LLP has not filed a consent under the Securities Act.

Ryder Scott, whose registered address is 621, 17th Street, Suite 1550, Denver, Colorado 80293, United States, accepts responsibility for the Ryder Scott Report set out on pages A-2 to A-60 of this Prospectus. To the best of the knowledge of Ryder Scott (which has taken all reasonable care to ensure that such is the case), the information contained in the Ryder Scott Report is in accordance with the facts and contains no omission likely to affect its import. Ryder Scott has authorised and not withdrawn its consent to the inclusion in this Prospectus of the Ryder Scott Report and of references thereto and to its name, each in the form and context in which they are included. Ryder Scott has no material interest in the Issuer.

2. The Issuer and its Subsidiaries

The Issuer was formed on 29 August 2007 pursuant to the Partnership Act 1909 of the Isle of Man as a limited partnership. Its legal and commercial name is Zhaikmunai L.P. The Issuer was registered in Isle of Man with registered number 295P. The principal legislation under which the Issuer operates, and the Common Units were created, is the Partnership Act 1909 of the Isle of Man.

The Issuer's registered office is at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ and its telephone number is +44 (0) 1624 682 179. The Issuer's website address is: www.Zhaikmunai.com.

Save in the circumstance set out in "*Description of the Common Units and the Partnership Agreement—Limited Liability*", the liability of the Issuer's limited partners is limited.

On formation, the Issuer did not have Common Units in issue, but rather percentage ownerships in the interests of all partners of the Issuer as a whole. In connection with the restatement and amendment of the Partnership Agreement on 16 November 2007, such percentage ownerships will be converted into 100,000,000 Common Units in total on Admission pursuant to a resolution of the board of directors of the General Partner on 16 November 2007. In connection with the Global Offer, the number of Common Units will be increased to 110,000,000 Common Units with effect from Admission pursuant to (i) resolutions of the board of directors of the General Partner on 14 March and 27 March 2008 and (ii) the amendment of the Partnership Agreement.

The Issuer will from Admission own and conduct its business through a number of subsidiaries. Information relating to these subsidiaries is set out below. The issued share capital of each of these companies is fully paid and each will be included in the consolidated accounts of the Issuer for the financial year ending 31 December 2008.

<u>Name</u>	<u>Country of incorporation</u>	<u>General nature of business</u>	<u>Percentage of ownership</u>
Claydon Industrial Limited	British Virgin Islands	Holding company	100%
Jubilata Investments Limited . . .	British Virgin Islands	Holding company	100%
Condensate Holdings LLP (a partnership)	Kazakhstan	Holding company	100%
Zhaikmunai LLP (a partnership)	Kazakhstan	Exploration and production of liquid hydrocarbons	100%

3. Significant Change

There has been no significant change in the financial or trading position of the Group since 30 November 2007, the date to which the last combined interim financial statements of Claydon and Jubilata were prepared.

4. Intellectual Property

The Issuer's operations are not materially dependent upon any specific patent or other intellectual property right or intellectual property licence.

5. Material Contracts

No contracts have been entered into by the Issuer or members of the Group otherwise than in the ordinary course of business (i) in the two years immediately preceding the date of this Prospectus and which are, or may be, material or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this Prospectus, other than:

- (a) The Underwriting Agreement dated 28 March 2008 between the Issuer, the General Partner, Scoulton and the Lead Manager providing for the underwriting of the Global Offer, referred to in "*Subscription and Sale*".
- (b) The Relationship Agreement dated 28 March 2008 between the Issuer, the General Partner, Thyler and Claremont providing for the regulation of the relationship between Thyler and the Issuer, referred in "*Related Parties and Related Party Transactions—Relationship Agreement with Thyler, ZGL and Claremont*".
- (c) The Partnership Agreement dated 29 August 2007 between the Issuer, Scoulton and Amery, as amended and restated on 16 November 2007 and 14 March 2008 to include ZGL as the General Partner, referred to in the section headed "*Description of the Common Units and the Partnership Agreement*".
- (d) The PSA dated 31 October 1997 between the Government and Zhaikmunai, described in "*Business—Licences and Contracts*".
- (e) The Licence dated 26 May 1997 between the Government and Zhaikmunai, described in "*Business—Licences and Contracts*".
- (f) The BNP Paribas Facility described in "*Operating and Financial Review*".
- (g) *Saipem Drilling Rig Hire Contract*

In September 2006, Zhaikmunai entered into an agreement with Saipem under which Saipem supplies and operates land drilling rigs in the Chinarevskoye Field. Consideration consists of US\$2.5 million plus daily operating rates of US\$27,200, food and accommodation for employees in addition to lump sum transportation payments ranging between US\$400,000 and US\$500,000 depending on the distance to the camp. Zhaikmunai may also be required to pay a demobilisation payment of US\$327,800 if, following certain termination events, Saipem cannot operate the rig with another oil company, or an early termination fee based on the number of wells drilled and operating rate. Zhaikmunai's payment obligations are secured by a US\$2.0 million guarantee from BTA. The contract will be in force for the period of time required to mobilise, move, rig drill, complete or plug and abandon 20 wells, unless earlier terminated. Each party has the right to terminate the contract in the event of the other party's insolvency or liquidation, while Zhaikmunai has additional termination rights if Saipem is unable to perform its obligations. The parties are subject to standard

indemnification obligations. Furthermore, Zhaikmunai will indemnify Saipem, its subcontractors and their respective personnel for claims relating to (i) damage to or loss of a well or hole arising from blow-out, loss of control of the well or hole, fire and/or explosion; and (ii) damage to or loss of any underground reservoir or productive formation, including oil or gas.

Completion of the wells is expected by the end of 2009.

(h) *UNGG Well Drilling Agreements*

Zhaikmunai and UNGG entered into a general agreement on 1 October 2005 for UNGG to drill, test and overhaul wells in the Chinarevskoye Field from October 2005 to December 2007. Amounts due under the agreement vary according to the activity performed and are indexed to the Tenge/US Dollar exchange rate at the time of payment. In conjunction with their general agreement, as of 30 November 2007 Zhaikmunai and UNGG had entered into four well contracts for the drilling, testing and overhauling of four wells.

In conjunction with their general agreement, Zhaikmunai and UNGG have entered into a contract on 6 July 2006 pursuant to which UNGG will drill, test and conserve or liquidate four wells in the Chinarevskoye Field at a daily rate of US\$14,267. In addition, following completion of the wells Zhaikmunai will pay UNGG a demobilisation fee, unless: (i) Zhaikmunai offers UNGG a new contract for an additional well; or (ii) upon completion UNGG starts work with the drilling rig for another oil company. Zhaikmunai may terminate the agreement if, amongst other things: (i) the drilling rig is destroyed; (ii) the drilling rig is materially damaged and not repaired within 30 days; (iii) UNGG fails to remedy a violation of the agreement within three days of receipt of notice; or (iv) Zhaikmunai gives 30 days' notice. UNGG will indemnify Zhaikmunai for any claims in connection with fulfilment of the contract; provided, however, that Zhaikmunai will be liable for: (i) uninsured damage to UNGG's drilling equipment which is not a result of UNGG's negligence; (ii) a blow-out, loss of or damage to a well, unless caused by UNGG's negligence; and (iii) use or disposal of petroleum emulsions and drilling solutions. Each party will be additionally liable for actual or alleged violations involving its intellectual property.

(i) *Gas Treatment Facility Agreement*

Zhaikmunai entered into an agreement with KSS on 10 August 2007 for KSS to engineer, design and construct the two components of the Gas Treatment Facility being the an associated gas treatment unit (the "AGTU") and a condensate gas treatment unit (the "CGTU"). The total cost of the Gas Treatment Facility is US\$182 million (excluding VAT), generally payable as (i) 30% in advance; (ii) monthly interim payments based on statements of progress prepared by KSS; and (iii) a final payment after work is completed. If either portion of the Gas Treatment Facility is not completed on time, KSS will owe Zhaikmunai delay fees of up to 10% of the corresponding portion of the total price. Both parties have standard indemnification obligations and may terminate the agreement in the event of, amongst other things, force majeure or the other party's insolvency or failure to perform.

(j) *KSS Oil Pipeline Contract*

Zhaikmunai entered into an agreement dated 5 June 2006 (as amended on 21 September 2006, 9 January 2007, 24 September 2007 and 24 October 2007) for KSS to engineer, design and construct an oil pipeline, oil loading terminal and railway network at a total cost of KZT 11.5 billion (including VAT). Both parties have standard indemnification obligations and may terminate the agreement in the event of, amongst other things, force majeure or the other party's insolvency or failure to perform.

(k) *Crude Oil Sales Contract*

Zhaikmunai entered into a sales agreement with Concept Oil Services Ltd ("**Concept Oil**") on 17 March 2006, under which it agreed to sell stated quantities of crude oil to Concept Oil. The agreement is currently in force until 29 February 2008. Zhaikmunai grants certain discounts to Concept Oil, set at US\$12.53 per net US barrel as of 30 November 2007, and will further discount the price if the oil's quality varies significantly. Zhaikmunai sold Concept Oil a total of 111,604 metric tonnes for US\$45.593 million in 2006, and 206,522 metric tonnes for US\$97,158 million through 30 November 2007.

6. Costs and Expenses

The Issuer estimates that its total expenses in relation to the Global Offer will be approximately US\$8 million.

7. Results of Global Offer

The GDRs are not denominated in any currency and have no nominal or par value. The Offer Price was determined based on the results of the book building exercise conducted by the Lead Manager.

8. Documents Available for Inspection

Copies of the following documents will be on display during normal business hours on any weekday, at the Company's registered office and the offices of the Lead Manager at ING Bank, N.V., London Branch, 60 London Wall, London EC2M 5TQ, United Kingdom for one month from the date of this Prospectus:

- (a) this Prospectus;
- (b) the Partnership Agreement;
- (c) the Deposit Agreement;
- (d) the Underwriting Agreement;
- (e) the consent letters referred to in "*—Consents and Responsibility Statements*"; and
- (f) the Ryder Scott Report.

9. Isle of Man Generally

The Isle of Man is an internally self-governing dependent territory of the British Crown. It is politically and constitutionally separate from the United Kingdom and has its own legal system and jurisprudence based on English common law principles. The UK government is, however, responsible for the Island's foreign affairs and defence and, with the Island's consent, the UK parliament may legislate for the Island in some areas of common concern (such as nationality and immigration matters).

The Isle of Man's relationship with the European Union is set out in Protocol 3 of the Act of Accession annexed to the Treaty of Accession 1972, by virtue of which the United Kingdom became a member of the European Community. The Island is neither a member state nor an associate member of the European Community. By virtue of Protocol 3, the Island is part of the customs territory of the European Union.

Therefore, the common customs tariff, levies and other agricultural import measures apply to trade between the Island and non-member countries. There is free movement of goods and agricultural products between the Island and the European Union, but the EU provisions which relate to trade in financial services and products and those in respect of the free movement of persons, services and capital do not apply to the Island. Consequently, European Community law has direct application to the Isle of Man only for very limited purposes.

10. General

The financial information concerning Claydon and Jubilata (and their subsidiaries) contained in this Prospectus does not constitute accounts of the Issuer.

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

“Admission”	Admission to the Official List and to trading on the IOB.
“Affiliate”	A person or entity that controls, is controlled by, or under common control with another entity or person.
“AMEC”	AMEC Earth and Environmental UK Ltd.
“Amery”	Amery Capital Limited of registered address P.O. Box 146, Road Town, Tortola, British Virgin Islands.
“Amersham”	Amersham Oil TO.
“Annual Combined Financial Information”	The financial information included in this Prospectus beginning on page F-2 being the annual combined financial information of Claydon and Jubilata as at and for the years ended 31 December 2004, 2005 and 2006.
“BTA”	JSC Bank TuranAlem.
“Business Day”	A day on which banks are open for business in London, England and Kazakhstan.
“BNP Paribas”	BNP Paribas (Suisse) S.A.
“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.
“Claydon”	Claydon Industrial Limited of registered address Trident Chambers, Road Town, Tortola, British Virgin Islands.
“Clearstream, Luxembourg”	Clearstream Banking S.A.
“Closing Date”	On or around 2 April 2008.
“Combined Financial Information”	The financial information included in this Prospectus beginning on page F-2, being the Annual Combined Financial Information and the Interim Combined Financial Information.
“Common Units”	Limited partner interests each representing a fractional part of the rights and obligations of all limited partners of the Issuer.
“Competent Person’s Report”	The report prepared by Ryder Scott dated 30 October 2007 relating to the Group’s reserves and resources.
“Concept Oil”	Concept Oil Services Ltd.
“CSCES”	The Kazakhstan Committee on State Control of Emergency Situations and Industry Safety (under the Ministry of Emergency Situations).
“Custodian”	BNY (Nominees) Limited, the custodian appointed by the Depositary.

“Deposit Agreement”	The deposit agreement to be dated on or about 2 April 2008 between the Issuer, acting through its general partner, and the Depositary.
“Depositary”	The Bank of New York.
“Deposited Property”	Property and cash deposited with the Custodian which are attributable to the Deposited Securities.
“Deposited Securities”	Common Units together with other securities received by the Depositary or the Custodian under the Deposit Agreement.
“Development Plan”	The development plan submitted by Zhaikmunai to the State Committee for Field Development and approved on 17 November 2006.
“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 2000 (as amended).
“DTC”	The Depositary Trust Company.
“EBITDA”	Earnings before interest, taxes, depreciation and amortisation.
“EBIT”	Earnings before interest and tax.
“Environmental Code”	The Kazakhstan environment code dated 9 January 2007.
“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 entered into for the provision of services by Mr Monstrey and Mr Kessel to the Issuer and other members of the Group between the Issuer and VDS on 27 March 2008.
“Exploration Contract”	The exploration contract between Zhaikmunai and the Government.
“Financial Services Authority” or “FSA”	The Financial Services Authority of the United Kingdom.
“FSMA”	The Financial Services and Markets Act 2000 (as amended).
“Gas Flaring Permits”	The permits granted to Zhaikmunai by the MEMR with respect to gas flaring.
“Gas Treatment Facility”	The proposed facility to be built by KSS and Hanover for the treatment of all gas produced by Zhaikmunai in association with its crude oil production, as well as gas to be produced for commercial sales.
“GDRs”	The global depositary receipts, details of which are set out in “ <i>Terms and Conditions of the Global Depositary Receipts</i> ”.

“General Partner”	As of the date of this Prospectus, Scoulton in its capacity as the general partner of the Issuer. With effect from Admission, ZGL in its capacity as general partner of the Issuer.
“Global Offer”	The offering of 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.
“Government”	The government of the Republic of Kazakhstan.
“Government Pre-Emption Rights”	The pre-emption rights of the State pursuant to the 2004-2005 Amendments.
“Group”	The Issuer and, as the context requires, its direct and indirect consolidated subsidiaries.
“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.
“IRS”	The US Internal Revenue Service.
“Intergaz”	Intergaz Ltd.
“Interim Combined Financial Information”	The financial information included in this Prospectus beginning on page F-28, being the unaudited interim combined financial information for Claydon and Jubilata as at 30 November 2007 and for the eleven month periods ended 30 November 2006 and 30 November 2007.
“Issuer” or “Zhaikmunai L.P.”	Zhaikmunai L.P.
“Jubilata”	Jubilata Investments Limited of registered address Trident Chambers, Road Town, Tortola, British Virgin Islands.
“Justice Department”	The West Kazakhstan Oblast Justice Department.
“KazMunaiGas” or “KazMunaiGas EP”	JSC KazMunaiGas Exploration Production.
“Kazakhstan”	The Republic of Kazakhstan.
“KSS”	JSC OGCC KazStroyService.
“KTO”	KazTransOil.
“Kyoto Protocol”	The Kyoto Protocol to the United Nations Framework Convention on Climate Change.
“Lead Manager”	ING Bank N.V., London Branch in its capacity as Lead Manager.
“Licence”	The licence dated 26 May 1997 between Zhaikmunai and the Government.
“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.
“Managers”	ING Bank N.V., London Branch, Mirabaud Securities, UniCredit CAIB UK Ltd.
“Master GDRs”	The Master Regulation S GDR and the Master Rule 144A GDR.
“Master Regulation S GDR”	The Master Regulation S Global Depositary Receipt evidencing the Regulation S GDRs.
“Master Rule 144A GDR”	The Master Rule 144A Global Depositary Receipt evidencing the Rule 144A GDRs.
“MEMR”	The Kazakhstan Ministry of Energy and Mineral Resources.
“MEP”	The Kazakhstan Ministry of Environmental Protection.
“MWP”	The minimum work programme included in the PSA.
“NC KMG”	NC KazMunaiGas.
“NNG”	AO NIPIneftegaz.
“NUP”	A nature use permit granted by the relevant Government authority that grants a subsoil user a temporary right to pollute the environment.
“Offer Price”	The offer price of the GDRs to be set forth on the cover page of this Prospectus.
“Official List”	The official list of the FSA.
“Order”	The FSMA (Financial Promotion) Order 2005.
“Partnership Act”	The Partnership Act 1909 of the Isle of Man.
“Partnership Agreement”	The amended and restated partnership agreement in respect of the Issuer dated 16 November 2007 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.
“PFIC”	A passive foreign investment company for US federal income tax purposes.
“PORTAL”	The PORTAL TM Market of the NASDAQ Stock Exchange, Inc.
“Pre-release”	The execution and delivery of GDRs or the issue of interests in a Master Regulation S GDR or a Master Rule 144A GDR by the Depositary, prior to the receipt of Common Units.
“Primary GDR Rights Offering”	Offer of rights by the Depositary pursuant to Condition 7(i).
“Probel”	Probel Capital Management N.V.

“Production Permit”	The production permit for the Chinarevskoye Field granted to the Issuer by the Government.
“Prospectus”	This document comprising a Prospectus related to the Issuer prepared in accordance with the Prospectus Rules.
“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.
“Prospectus Rules”	The prospectus rules made by the FSA under section 73A of the FSMA.
“PSA”	The production sharing agreement dated 31 October 1997 between Zhaikmunai and the Government.
“Purchased GDRs”	The limited partnership interests Scoulton will sell to the Lead Manager at the Offer Price conditional upon such limited partnership interests in the form of GDRs being purchased at the Offer Price from the Lead Manager by Claremont.
“Purchased Units”	The limited partnership interests Scoulton will sell to the Lead Manager at the Offer Price conditional upon such limited partnership interests in the form of Common Units being purchased at the Offer Price from the Lead Manager by Claremont.
“QIB”	A qualified institutional buyer as defined in Rule 144A.
“Qualified Investors”	Qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive.
“RSA”	The New Hampshire Revised Statutes of the State of New Hampshire, USA.
“Regulation S”	Regulation S under the Securities Act.
“Regulation S GDRs”	The GDRs offered outside the United States in reliance on Regulation S.
“Regulatory Information Service” or “RIS”	A service, approved by the FSA, through which listed companies shall disseminate regulatory information.
“Relationship Agreement”	The relationship agreement between the Issuer, Thyler ZGL and Claremont dated 28 March 2008.
“Relevant Member State”	A Member State of the European Economic Area which has implemented the Prospectus Directive.
“Reorganisation Arrangement”	The arrangement between Scoulton, Claremont and the Lead Manager pursuant to which Scoulton will sell the balance of all limited partnership interests held by Scoulton, and not purchased by the Lead Manager pursuant to the Global Offer, to the Lead Manager at the Offer Price conditional upon such limited partnership interests (which will be converted immediately prior to Admission into Common Units) being purchased at the Offer Price from the Lead Manager by Claremont (an Affiliate of Thyler).

“Restricted Period”	The time period that is 40 days after the latest of the commencement of the Global Offer, the original issue date of the Regulation S GDRs.
“Rule 144A”	Rule 144A under the Securities Act.
“Rule 144A GDRs”	The GDRs offered in the United States to QIBs in reliance on Rule 144A.
“Ryder Scott”	Ryder Scott Company, L.P.
“Ryder Scott Report”	The report prepared by Ryder Scott dated 30 October 2007 relating to the Group’s reserves and resources.
“Saipem”	Saipem S.p.A.
“SCI”	The Kazakhstan State Committee of Investment.
“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.
“SPE”	The Society of Petroleum Engineers.
“State”	The Republic of Kazakhstan.
“State Share”	The share of hydrocarbon production due (in cash or kind) to the Republic of Kazakhstan under the PSA.
“Subsoil Law”	The Kazakhstan Law dated 27 January 1996 on Subsoil and Subsoil Use as amended.
“Takeover Code”	The UK City Code on Takeovers and Mergers.
“Takeover Panel”	The UK Panel 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.
“UKLA” or “UK Listing Authority”	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000.
“Underwriting Agreement”	The underwriting agreement dated 28 March 2008 amongst the Issuer, ZGL, Scoulton, Amery and the Lead Manager.
“UNGG”	AO Uralskneftegazgeologia.
“US Dollars” or “US\$”	The lawful currency of the United States of America.
“U.S. Securities Act”	The United States Securities Act of 1933.

“VDS”	Frans Van der Schoot B.V.
“Water Code”	The water code of the Republic of Kazakhstan dated 9 July 2003.
“WUP” or “Water Use Permit”	The permit granted by the relevant Government authority with respect to water use pursuant to the Water Code.
“WPC”	The World Petroleum Council.
“Zhaikmunai”	Zhaikmunai LLP, the operating company of the Group.
“Zhaikmunai Group Limited” or “ZGL”	Zhaikmunai Group Limited of registered office Clinch’s House, Lord Street, Douglas, Isle of Man, IM99 1RZ.
“Zhaiktrans”	Zhaiktrans LLP.

GLOSSARY OF TECHNICAL AND OTHER TERMS

The following are definitions of certain oil and gas terms and abbreviations used in this Prospectus:

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.
bpd	Barrels per day.
boe	Barrels of crude oil equivalent.
bbl	Abbreviation for barrel, which is 42 US gallons.
exploration well	A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive for oil or gas in another reservoir, or to extend a known reservoir.
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.
km ²	Square kilometre.
LPG	Liquefied petroleum gas.
m	Metre.
mmbbl	Millions of barrels.
mmboe	Millions of barrels of crude oil equivalent.
oil	Crude oil and condensate.
operator	The individual or company responsible for conducting oil and gas exploration, development and production activities on an oil and gas lease or concession on its own behalf and, if applicable, for other working interest owners, generally pursuant to the terms of a joint operating agreement or comparable agreement.
petroleum	Hydrocarbons, whether solid, liquid or gaseous. The proportion of different compounds in a petroleum find varies from discovery to discovery. If a reservoir primarily contains light hydrocarbons, it is described as a gas field. If heavier hydrocarbons predominate, it is called an oil field. An oil field may feature free gas above the oil and contain a quantity of light hydrocarbons, also called associated gas.

possible reserves	Additional reserves that are less certain to be recovered than probable reserves, as defined by the SPE/WPC.
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 SPE/WPC.
production well	A well that is producing oil or gas, or one that is capable of production.
proved reserves or proven 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 SPE/WPC. 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.
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.
WPC	World Petroleum Congress.

INDEX TO COMBINED FINANCIAL INFORMATION

	<u>Page</u>
Annual Combined Financial Information of Claydon and Jubilata for the years ended 31 December 2006, 2005 and 2004	
Accountant's Report of Ernst & Young LLP	F-2
Combined Balance Sheet at 31 December 2006, 2005 and 2004	F-3
Combined Income Statement for the years ended 31 December 2006, 2005 and 2004	F-4
Combined Statement of Cash Flows for the years ended 31 December 2006, 2005 and 2004 .	F-5
Combined Statement of Changes in Equity for the years ended 31 December 2006, 2005 and 2004.....	F-6
Notes to Financial Statements	F-7
Interim Combined Condensed Financial Information of Claydon and Jubilata as at 30 November 2007 and for the eleven months ended 30 November 2007 and 2006	
Report on Review of Combined Condensed Interim Financial Information by Ernst & Young LLP.....	F-28
Interim Combined Balance Sheet (unaudited) at 30 November 2007 and 31 December 2006.	F-29
Interim Combined Statement of Income (unaudited) for the eleven months ended 30 November 2007 and 2006	F-30
Interim Combined Cash Flow Statement (unaudited) for the eleven months ended 30 November 2007 and 2006	F-31
Interim Combined Statement of Changes in Equity (unaudited) for the eleven months ended 30 November 2007 and 2006	F-32
Notes to Combined Interim Condensed Financial Information (unaudited).....	F-33

ACCOUNTANT'S REPORT

March 25, 2008

The Directors
Zhaikmunai L.P.
Clinch's House
Lord Street, Douglas
Isle of Man, IM 99 1RZ

Dear Sirs

Claydon Industrial Limited and Jubilata Investments Limited and their subsidiaries Condensate Holdings LLP and Zhaikmunai LLP (together the "Combined Entity")

We report on the financial information of the Combined Entity for the years ended December 31, 2004, 2005 and 2006 set out in the section headed "Combined Financial Information" (the "Financial Information") of the Prospectus dated March 28, 2008 of Zhaikmunai L.P. (the "Prospectus". The Financial Information has been prepared for inclusion in the Prospectus on the basis of preparation set out in Note 2 to the Financial Information. This report is required by Item 20.1 of Annex X of Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "PD Regulation") and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under applicable law (including Prospectus Rule 5.5.4R(2)(f)) to any person purchasing partnership interests (or depositary receipts representing such partnership interests) of Zhaikmunai L.P. in reliance on this report as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 23.1 of Annex X to the PD Regulation, consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of Zhaikmunai L.P. are responsible for preparing the Financial Information on the basis of preparation set out in Note 2 to the Financial Information.

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Combined Entity as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 2 to the Financial Information.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex X of the PD Regulation.

Yours faithfully

Ernst & Young LLP

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

**COMBINED BALANCE SHEET
As of December 31, 2006, 2005 and 2004**

	<u>Note</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<i>In thousand of US dollars</i>				
ASSETS				
Non-Current Assets				
Property, plant and equipment.....	4	135,850	60,904	47,821
Advances for equipment and construction works.....		<u>14,231</u>	<u>3,471</u>	<u>—</u>
		<u>150,081</u>	<u>64,375</u>	<u>47,821</u>
Current Assets				
Inventories		3,014	1,345	193
Trade receivable	5	5,580	2,142	2,094
Prepayments and other current assets	6	5,787	1,030	1,478
Cash and cash equivalents	7	<u>2,832</u>	<u>3,236</u>	<u>1,079</u>
		<u>17,213</u>	<u>7,753</u>	<u>4,844</u>
TOTAL ASSETS		<u>167,294</u>	<u>72,128</u>	<u>52,665</u>
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital	8	50	50	50
Retained earnings and translation reserve.....		<u>28,142</u>	<u>14,472</u>	<u>9,678</u>
		<u>28,192</u>	<u>14,522</u>	<u>9,728</u>
Non-Current Liabilities				
Long term borrowings.....	9	93,799	30,887	18,556
Abandonment and site restoration liabilities.....	10	1,214	622	460
Due to Government of Kazakhstan	11	8,094	7,332	7,600
Deferred tax liability	18	<u>15,867</u>	<u>8,489</u>	<u>5,067</u>
		<u>118,974</u>	<u>47,330</u>	<u>31,683</u>
Current Liabilities				
Trade payables	12	12,890	3,266	1,303
Current portion of long term borrowings	9	5,099	6,123	9,405
Other current liabilities.....	13	<u>2,139</u>	<u>887</u>	<u>546</u>
		<u>20,128</u>	<u>10,276</u>	<u>11,254</u>
TOTAL EQUITY AND LIABILITIES		<u>167,294</u>	<u>72,128</u>	<u>52,665</u>

The accounting policies and explanatory notes on pages F-7 through F-27 are an integral part of this combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

COMBINED INCOME STATEMENT

For the years ended December 31, 2006, 2005 and 2004

	<u>Note</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
		<i>In thousand of US dollars</i>		
Sales of crude oil		58,565	32,393	23,198
Cost of sales.....	14	(26,080)	(15,974)	(8,937)
Gross profit		<u>32,485</u>	<u>16,419</u>	<u>14,261</u>
General and administrative expenses	16	(6,891)	(2,457)	(1,271)
Selling and oil transportation expenses.....	15	(4,042)	(2,069)	(1,667)
Finance costs	17	(2,194)	(1,760)	(2,044)
Foreign exchange gain/(loss).....		<u>586</u>	<u>(759)</u>	<u>2,390</u>
Profit before Income Tax		<u>19,944</u>	<u>9,374</u>	<u>11,669</u>
Income tax expense	18	<u>(6,973)</u>	<u>(3,465)</u>	<u>(4,038)</u>
Net Income		<u><u>12,971</u></u>	<u><u>5,909</u></u>	<u><u>7,631</u></u>

The accounting policies and explanatory notes on pages F-7 through F-27 are an integral part of this combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

**COMBINED STATEMENT OF CASH FLOWS
For the years ended December 31, 2006, 2005 and 2004**

	<u>Note</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
		<i>In thousand of US dollars</i>		
Cash flow from operating activities:				
Profit before income tax		19,944	9,374	11,669
Adjustments for:				
Depreciation and amortization	14	14,590	10,120	6,971
Interest expense on borrowings	17	1,279	1,021	1,289
Unwinding of discount on amounts due to Government of Kazakhstan	17	762	691	716
Unrealized foreign exchange (gain)/loss, net		(404)	627	(2,251)
Unwinding of discount on abandonment and site restoration liability	17	153	48	39
Operating profit before working capital changes		36,324	21,881	18,433
Changes in working capital:				
Increase in inventories		(1,601)	(424)	(27)
Increase in trade receivables		(3,316)	(48)	(281)
(Increase)/decrease in prepayments and other current assets		(4,706)	(3,003)	235
Increase/(decrease) in trade payables		9,545	1,950	(294)
Increase in accrued liabilities		1,188	351	238
Cash generated from operations		37,434	20,707	18,304
Income tax paid		(9)	(6)	(135)
Net cash flows from operating activities		37,425	20,701	18,169
Cash flow from investing activities:				
Purchases of property, plant and equipment		(92,851)	(24,477)	(12,158)
Net cash used in investing activities		(92,851)	(24,477)	(12,158)
Cash flow from financing activities:				
Repayment of borrowings		(11,295)	(14,623)	(7,649)
Interest paid		(6,365)	(2,158)	(1,632)
Proceeds from borrowings		72,500	22,846	2,615
Share issue		—	—	50
Net cash provided by/(used in) financing activities		54,840	6,065	(6,616)
Effects of exchange rate changes on cash and cash equivalents		182	(132)	139
Net (decrease)/increase in cash and cash equivalents		(586)	2,289	(605)
Cash and cash equivalents at the beginning of the year ..		3,236	1,079	1,545
Cash and cash equivalents at the end of the year	7	2,832	3,236	1,079

The accounting policies and explanatory notes on pages F-7 through F-27 are an integral part of this combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

**COMBINED STATEMENT OF CHANGES IN EQUITY
For the years ended December 31, 2006, 2005 and 2004**

	<u>Share capital</u>	<u>Retained earnings/ (Accumulated deficit)</u>	<u>Translation reserve</u>	<u>Total</u>
	<i>In thousand of US dollars</i>			
As of December 31, 2003	—	(73)	2,120	2,047
Profit for the year	—	7,631	—	7,631
Share issue.	50	—	—	50
As of December 31, 2004	50	7,558	2,120	9,728
Translation difference	—	—	(1,115)	(1,115)
Profit for the year	—	5,909	—	5,909
As of December 31, 2005	50	13,467	1,005	14,522
Translation difference	—	—	699	699
Profit for the year	—	12,971	—	12,971
As of December 31, 2006	50	26,438	1,704	28,192

The accounting policies and explanatory notes on pages F-7 through F-27 are an integral part of this combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION

For the years ended December 31, 2006, 2005 and 2004

1. GENERAL

This combined financial information represents the combination of the financial statements of Claydon Industrial Limited (BVI) ("Claydon"), Jubilata Investments Limited (BVI) ("Jubilata") and their subsidiaries. These entities together own 100% of Zhaikmunai LLP (the "Partnership"), an oil and gas producing entity located in Kazakhstan and Condensate Holdings LLP. Both Claydon and Jubilata (jointly the "Combined Entity") are ultimately controlled, through Thyler Holdings Limited, by Frank Monstrey. The immediate parent of the Combined Entity is Scoulton Holdings Limited ("Scoulton").

The principal operation of the Combined Entity is the Partnership. The Partnership was established in 1997 for the purpose of exploration and development of Chinarevskoye oil and gas condensate field in the Western Kazakhstan Region. The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the "Contract") dated October 31, 1997 in accordance with the license MG No. 253D (the "License") for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field between the State Committee of Investments of the Republic of Kazakhstan and the Partnership.

This combined financial information has been prepared because the entity which is anticipated to be used in the planned public offering, Zhaikmunai Limited Partnership ("Zhaikmunai LP"), was formed only on August 29, 2007 in the Isle of Man. Zhaikmuani LP will hold the the beneficial ownership in the issued share capital in Claydon and Jubilata immediately following admission of Global Depository Receipts (GDR's) to the official list of the United Kingdom Listing Authority. In consideration for the issue of the partnership interests in Zhaikmunai LP, Scoulton will become the general partner of Zhaikmunai LP holding 99.9% of the partnership interests and Amery Capital Limited will become a limited partner with an interest of 0.1%. This special purpose combined financial information has been prepared on the basis that Claydon and Jubilata were under the common control of Frank Monstrey for the three years ended December 31, 2006.

The registered address of Claydon is Trident Chambers, Road Town, Tortola, British Virgin Islands.

The registered address of Jubilata is Trident Chambers, Road Town, Tortola, British Virgin Islands.

This financial information was authorised for issue by Montrond Incorporated and Bluebrook on March 25, 2008.

Licence terms

The term of the license of the Partnership originally included a 5 year exploration period and a 25 year production period. The exploration period was initially extended for an additional 4 years and then for a further 2 years according to the supplements to the Contract dated January 12, 2004 and June 23, 2005, respectively. The final exploration extension of 2 years did not change the license term, which will expire in 2031.

Royalty Payments

The Partnership is required to make monthly royalty payments throughout the entire Production Period, at the rates specified in the Contract.

Royalty rates depend on crude oil recovery levels and the phase of production and can vary from 2% to 6% of produced petroleum and natural gas.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

Government 'profit share'

The Partnership makes payments to the Government of its 'profit share' as determined in the Contract. The 'profit share' depends on crude oil production levels and varies from 10% to 40% of production after deducting royalties and reimbursable expenditures. Reimbursable expenditures include operating expenses, costs of additional exploration and development costs. Government profit share is expensed as incurred.

2. BASIS OF PREPARATION

The basis of preparation and accounting policies used in preparing the combined financial information for the years ended December 31, 2004, 2005 and 2006 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented.

This combined financial information has been prepared in accordance with the requirements of the Prospectus Directive regulation and the UK Listing Rules and in accordance with this basis of preparation. The basis of preparation describes how the combined financial information has been prepared in conformity with International Financial Reporting Standards ("IFRS") except as described below. As discussed in Note 1, the parent entity which is to be used in the planned public offering, Zhaikmunai LP, was formed only on August 29, 2007. As a result, Claydon and Jubilata have been combined as described in the basis of combination below. The combined financial information does not constitute a set of general purpose financial statements under paragraph 3 of IAS 1 and consequently there is no explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 14 of IAS 1.

Basis of preparation

The combined financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") except as described below. IFRSs do not provide for the preparation of combined financial information, and accordingly, in preparing the combined information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical information) issued by the UK Auditing Practices Board have been applied. The basis of preparation under which these accounts have been prepared results in the following material departures from IFRSs. In other respects IFRSs have been applied:

- IAS 27 "Consolidated and Separate Financial Statements" defines a group as a parent and its subsidiaries and further describe how consolidated financial statements are prepared. The historical financial information is prepared on a combined basis and therefore does not comply with the requirements of IAS 27.

The combined financial information, which has been prepared specifically for the purpose of the prospectus, is prepared on a basis that combines the results and assets and liabilities of Claydon and Jubilata and the companies which they, in aggregate, control by applying the principles underlying the consolidation procedures of IAS 27 for each of the three years to December 31, 2004, 2005, 2006 and as of those dates. The underlying financial statements of Claydon and Jubilata have been prepared using the principles of IFRS. Internal transactions between Claydon, Jubilata and their subsidiaries have been eliminated on combination.

This special purpose combined financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in this note to the combined financial information and for no other purpose.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

The combined financial information is presented in US Dollars, which is the functional and presentation currency of Jubilata and Claydon. Each entity in the Combined Entity determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, Condensate-Holdings LLP and Zhaikmunai LLP, is the Kazakhstani Tenge (“Tenge” or “KZT”). As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Combined Entity at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the translation are taken directly to equity.

Basis of combination

The combined financial information incorporates the results of Claydon and Jubilata and their subsidiaries. The results of the subsidiaries are included from the date on which effective control was acquired up to the date control ceased to exist. Subsidiaries are those enterprises controlled by Claydon and Jubilata regardless of the amount of shares owned or partnership interests held. Control exists when Claydon and/or Jubilata have the power, either directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are combined from the date on which control is transferred and cease to be combined from the date on which control is transferred to a third party. The financial statements of subsidiaries are prepared for the same reporting periods as Claydon and Jubilata using consistent accounting policies. All intercompany transactions and balances, including unrealized profits arising from transactions between Claydon and Jubilata and their subsidiaries, have been eliminated on combination.

Changes in Accounting Policies

The following new standards, amendments to standards and interpretations are mandatory for the financial year ended December 31, 2006:

IAS 19 (Amendment), *Actuarial Gains and Losses, Group Plans and Disclosures*, effective for annual periods beginning on or after January 1, 2006, introduces an additional recognition option for actuarial gains and losses in post-employment defined benefit plans. The amendments to IAS 19 did not have a material impact on the Partnership’s financial position or results of operations.

IAS 21 (Amendment), *Net Investment in a Foreign Operation*, effective for annual periods beginning on or after January 1, 2006. The amendments to IAS 21 did not have a material impact on the Partnership’s financial position or results of operations.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

IAS 39 (Amendment), *The Fair Value Option*; IAS 39 (Amendment), *Cash Flow Hedge Accounting of Forecast Intragroup Transactions*; IAS 39 and IFRS 4 (Amendment), *Financial Guarantee Contracts*, all effective for annual periods beginning on or after January 1, 2006, clarified the use of fair values, clarified that the definition of a financial hedge extends to certain intercompany transactions and clarified the accounting for insurance contracts.

The amendments to IAS 39 and IFRS 4 did not have a material impact on the Partnership's financial position or results of operations.

IFRS 6, *Exploration for and Evaluation of Mineral Resources*, is effective for annual periods beginning on or after January 1, 2006. IFRS 6 permits the continued use of recognition and measurement practices for exploration and evaluation assets applied immediately before adopting the IFRS. IFRS 6 also provides specific guidance on impairment of exploration and evaluation assets. The adoption of IFRS 6 did not have a material impact on the Partnership's financial position or results of operations.

IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, is effective for annual periods beginning on or after January 1, 2006. The adoption of IFRIC 4 did not have a material impact on the Combined Entity's financial position or results of operations.

IFRIC 5, *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*, is effective for annual periods beginning on or after January 1, 2006. The adoption of IFRIC 5 did not have a material impact on the Combined Entity's financial position or results of operations.

IFRIC 6, *Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment*, is effective for annual periods beginning on or after December 1, 2005. The adoption of IFRIC 6 did not have a material impact on the Combined Entity's financial position or results of operations.

IFRSs and IFRIC Interpretations not yet effective

The Combined Entity has not applied the following IFRSs and IFRIC Interpretations that have been issued but are not yet effective:

- IFRS 3 "Business Combinations"—amendment;
- IFRS 7 "Financial Instruments: Disclosures";
- IFRS 8 "Operating Segments";
- IAS 1 "Presentation of Financial Statements"—amendment;
- IAS 23 "Borrowing Costs"—amendment;
- IAS 27 "Consolidation and Separate Financial Statements"—amendment;
- IFRIC 8 "Scope of IFRS 2";
- IFRIC 9 "Reassessment of Embedded Derivatives";
- IFRIC 10 "Interim Financial Reporting and Impairment";
- IFRIC 11 "IFRS 2—Group and Treasury Share Transactions";
- IFRIC 12 "Service Concession Arrangements";
- IFRIC 13 "Customer Loyalty Programmes";
- IFRIC 14 "IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction".

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

The Combined Entity expects that the adoption of the pronouncements listed above will have no significant impact on the Partnership's results of operations and financial position in the period of initial application, except that the adoption of IFRS 7 and amendment to IAS 1 will result in additional disclosures, including sensitivity analysis for market risks and capital management disclosures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimation and Assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material change to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Oil and gas reserves

Oil and gas reserves are a material factor in the Partnership's computation of depreciation, depletion and amortization (the "DD&A"). The Partnership estimates its reserves of oil and gas in accordance with the methodology of the Society of Petroleum Engineers (the "SPE"). In estimating its reserves under SPE methodology, the Partnership uses long-term planning prices which are also used by management to make investment decisions about development of a field. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year end spot prices. Management believes that long-term planning price assumptions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

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

The Partnership has included in proved reserves only those quantities that are expected to be produced during the initial license period. This is due to the uncertainties surrounding the outcome of such renewal procedures, since the renewal is ultimately at the discretion of the Government. An increase in the Partnership's license periods and corresponding increase in reported reserves would generally lead to lower DD&A expense and could materially affect earnings. A reduction in proved developed reserves will increase DD&A expense (assuming constant production), reduce income and could also result in an immediate write-down of the property's book value. Given the relatively small number of producing fields, it is possible that any changes in reserve estimates year on year could significantly affect prospective charges for DD&A.

Foreign Currency Translation

The functional currency of Jubilata, Claydon and the foreign operations, Condensate LLP and Zhaikmunai LLP, is the Kazakhstani Tenge ("Tenge" or "KZT"). Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The combined financial information is presented in US Dollars, which is the presentation currency of the Combined Entity. As at the reporting date, the assets and liabilities are translated into the presentation currency of the Combined Entity at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to equity.

Property, Plant and Equipment

Oil and Gas Properties

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalized within property, plant and equipment (construction work-in-progress) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration and materials and fuel used, rig costs and payments made to contractors. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off.

All capitalized costs of oil and gas properties are amortized using the unit-of-production method based on estimated proved developed reserves of the field, except in the case of assets that have a useful life shorter than the lifetime of the field, in which case the straight line method is applied.

Oil and Gas Reserve

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 assets

The Combined Entity assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Combined Entity makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Other Properties

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Combined Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings and Improvements	7-15
Vehicles	5
Machinery and Equipment	3-13
Other	3-10

Borrowing Costs

The Combined Entity capitalizes borrowing costs on qualifying assets. Assets qualifying for borrowing costs capitalization include all assets under construction that are not being depreciated, depleted, or amortized, provided that work is in progress at that time. Qualifying assets mostly include wells and other oilfield infrastructure under construction. Capitalized borrowing costs are calculated by applying the capitalization rate to the expenditures on qualifying assets. The capitalization rate is the weighted average of the borrowing costs applicable to the Partnership borrowings that are outstanding during the period.

Inventories

Inventories are stated at the lower of cost or net realizable value ("NRV"). Cost is determined on the First-in-First-out ("FIFO") method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

Trade Receivables

Accounts receivable are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for uncollectible amounts is made when collection of the full amount is no longer probable. These estimates are reviewed periodically, and as adjustments become necessary, they are reported as expense (credit) in the period in which they become known. Bad debts are written off when identified.

Cash and Cash Equivalents

Cash and cash equivalents are recognized and measured at the fair value of consideration received. Cash and cash equivalents consist of cash on hand and bank deposits that mature within ninety days from the date of origination and are free from contractual encumbrances.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the combined financial information over the period of the borrowings using the effective interest method.

Gains and losses are recognized in the income statement when the liabilities are derecognized, as well as through amortization of the borrowings using the effective interest method.

Provisions

Provisions are recognized when the Combined Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Abandonment and site restoration (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the 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 tangible fixed asset of an amount equivalent to the provision is also created. This asset is subsequently depreciated as part of the capital costs of the oil and gas properties on a unit-of-production basis.

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

- (a) are added to, or deducted from, the cost of the related asset in the current period. If deducted from the cost of the asset the amount deducted shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the income statement; and
- (b) if the adjustment results in an addition to the cost of an asset, the Partnership 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.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

Financial Instruments

Derecognition of financial assets and liabilities

The Combined Entity derecognizes a financial asset or a portion of a financial asset when, and only when, the Combined Entity loses control of the contractual rights that comprise the financial asset (or a portion of the financial asset). The Combined Entity loses such control if it has fully utilized the rights to benefits specified in a contract, the rights expire, or the Combined Entity surrenders those rights.

The Combined Entity derecognizes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished—that is, when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet method. Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Trade and Other Payables

Trade and other payables are carried at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Combined Entity.

Revenue Recognition

The Partnership sells crude oil under short-term agreements priced by reference to Platt's index quotations and adjusted for freight, insurance and quality differentials.

Revenue from the sale of crude oil is recognized when delivery has taken place and risks and rewards of ownership of the goods have passed to the customer.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Combined Entity and the amount of revenue can be reliably measured.

Expense Recognition

Expenses are accounted for at the time the actual flow of the related goods or services occur, regardless of when cash or its equivalent is paid, and are reported in the financial statements in the period to which they relate.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

Social Tax and Deductions to Pension Fund

The Partnership contributes 21% of the gross income of employees as a Social tax to the Government of the Republic of Kazakhstan. Social tax and related staff costs are expensed as incurred.

The Partnership also withholds and contributes up to 10% from the salary of its employees as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits and the Partnership has no present or future obligation to pay its employees upon their retirement.

Related Parties

Related parties include the Combined Entity's shareholders, key management personnel, and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Combined Entity's shareholders or key management personnel.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

4. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment for the years ended December 31, 2006, 2005 and 2004 was as follows:

	Oil and gas properties		Total oil and gas properties	Non oil and gas properties			Total non oil gas properties	Total
	Working assets	CIP		Buildings	Machinery & Equipment	Others		
<i>In thousand of US dollars</i>								
Balance at December 31, 2003, net of accumulated depreciation	25,013	11,116	36,129	308	202	297	807	36,936
Additions.	1,569	11,225	12,794	123	406	58	587	13,381
Write offs	—	—	—	(25)	(14)	(26)	(65)	(65)
Transfer.	5,553	(5,553)	—	—	—	—	—	—
Depreciation charge	(6,745)	—	(6,745)	(33)	(69)	(70)	(172)	(6,917)
Depreciation of write offs	—	—	—	2	1	6	9	9
Translation difference	3,385	1,004	4,389	31	8	49	88	4,477
Balance at December 31, 2004, net of accumulated depreciation	28,775	17,792	46,567	406	534	314	1,254	47,821
Additions.	4,414	18,740	23,154	381	28	408	817	23,971
Write offs	—	—	—	—	—	(4)	(4)	(4)
Transfer.	13,965	(13,965)	—	—	—	—	—	—
Depreciation charge	(9,103)	—	(9,103)	(44)	(121)	(84)	(249)	(9,352)
Depreciation of write offs	—	—	—	—	—	3	3	3
Translation difference	(931)	(568)	(1,499)	(12)	(16)	(8)	(36)	(1,535)
Balance at December 31, 2005, net of accumulated depreciation	37,120	21,999	59,119	731	425	629	1,785	60,904
Additions.	1,297	82,355	83,652	1,279	218	1,096	2,593	86,245
Write offs	—	—	—	—	(17)	(66)	(83)	(83)
Transfers	28,713	(28,918)	(205)	—	—	205	205	—
Depreciation charge	(13,639)	—	(13,639)	(90)	(130)	(207)	(427)	(14,066)
Depreciation of write offs	—	—	—	—	10	36	46	46
Translation difference	1,917	807	2,724	40	23	17	80	2,804
Balance at December 31, 2006, net of accumulated depreciation	55,408	76,243	131,651	1,960	529	1,710	4,199	135,850
At cost at December 31, 2004	42,873	17,792	60,665	522	663	543	1,728	62,393
Accumulated depreciation	(14,098)	—	(14,098)	(116)	(129)	(229)	(474)	(14,572)
Balance at December 31, 2004, net of accumulated depreciation	28,775	17,792	46,567	406	534	314	1,254	47,821
At cost at December 31, 2005	62,306	21,999	84,305	887	671	931	2,489	86,794
Accumulated depreciation	(25,186)	—	(25,186)	(156)	(246)	(302)	(704)	(25,890)
Balance at December 31, 2005, net of accumulated depreciation	37,120	21,999	59,119	731	425	629	1,785	60,904
At cost at December 31, 2006	95,501	76,243	171,744	2,215	908	2,210	5,333	177,077
Accumulated depreciation	(40,093)	—	(40,093)	(255)	(379)	(500)	(1,134)	(41,227)
Balance at December 31, 2006, net of accumulated depreciation	55,408	76,243	131,651	1,960	529	1,710	4,199	135,850

Category “Oil and Gas properties” represents mainly wells, oil treatment facilities and other related assets.

Category “Non Oil and Gas properties” represents mainly buildings and constructions, vehicles, machinery and equipment.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

The Partnership calculates depreciation, depletion and amortization of oil and gas properties using the unit-of-production method. A depletion rate is computed by dividing the unamortized costs of proved oil and gas properties by the total estimated proved developed reserves. This depletion rate is applied to the physical units of oil and gas produced during the relevant period. The unamortized costs of proved oil and gas properties include all capitalized costs net of accumulated amortization. The depletion rate for oil and gas working assets was 19.69%, 22.27% and 19.27% in 2006, 2005 and 2004 respectively.

The Partnership engaged independent petroleum engineers to perform a reserves evaluation as of January 1, 2006. Depreciation has been calculated using the unit of production method based on these reserves estimates.

As of December 31, 2006 machinery and equipment amounting to US Dollars 440 thousand were pledged in accordance with the loan agreement with Blavin Holdings Limited dated October 30, 2003 (Note 9).

A depreciation charge of US Dollars 14,590 thousand has been charged to depreciation and amortization expense for 2006 and US Dollars 524 thousand represent the effect of capitalization of depreciation as part of crude oil inventory (2005: US Dollars 10,120 thousand and US Dollars 768 thousand, respectively; 2004: US Dollars 6,971 thousand and US Dollars 54 thousand, respectively).

The Combined Entity incurred borrowing costs of US Dollar 7,138 thousand, US Dollar 2,931 thousand and US Dollar 2,669 thousand for the years ended December 31, 2006, 2005 and 2004, at the average interest rates of 10.96%, 10.14% and 10.07% per annum, respectively. For the same periods, the Combined Entity capitalized borrowing costs totalling US Dollars 4,221 thousand, US Dollars 1,910 thousand and US Dollars 1,380 thousand, respectively.

5. TRADE RECEIVABLES

As of December 31, trade receivables were denominated in US Dollars.

6. PREPAYMENTS AND OTHER CURRENT ASSETS

As of December 31, prepayments and other receivables comprised the following:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Advances paid	806	742	1,227
VAT receivable	4,894	274	189
Other	87	14	62
	<u>5,787</u>	<u>1,030</u>	<u>1,478</u>

7. CASH AND CASH EQUIVALENTS

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Current accounts in US Dollars	1,887	3,185	996
Current accounts in Tenge	930	37	50
Cash on hand in Tenge	15	14	33
	<u>2,832</u>	<u>3,236</u>	<u>1,079</u>

No interest is earned on current accounts.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

8. SHARE CAPITAL

The authorized share capital of the Combined Entity comprises 50,000 shares of Jubilata and 50,000 shares of Claydon with par value of US Dollar 1 each. At December 31, 2006, 2005 and 2004 the share capital of the Combined Entity is presented as follows:

	Authorized, issued and paid shares (number of shares)	Issued shares (number of shares)	Share capital (thousands of US dollars)
Jubilata	50,000	2	—
Claydon	50,000	50,000	50
	100,000	50,002	50

9. BORROWINGS

Borrowings, including interest accrued thereon comprise the following as of December 31:

	2006			2005			2004		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
	<i>In thousand of US dollars</i>								
Credit line due to Bank Turan Alem	1,462	88,200	89,662	42	20,700	20,742	—	—	—
Loan due to Blavin Holdings Limited.	3,637	5,599	9,236	3,637	7,874	11,511	2,909	9,872	12,781
Loan due to the Shareholder	—	—	—	2,044	2,313	4,357	2,055	—	2,055
Credit line due to Halyk Bank Kazakhstan	—	—	—	400	—	400	4,441	8,684	13,125
	5,099	93,799	98,898	6,123	30,887	37,010	9,405	18,556	27,961

Credit line due to Bank Turan Alem

The General credit line agreement (“Credit Line”) signed between the Partnership and Bank Turan Alem (“the Bank”) on July 7, 2005 was provided to finance the development of the Chinarevskoye oil and gas condensate field. The Credit Line is repayable by monthly installments of US Dollars 460 thousand starting from January 25, 2008 and US Dollars 1,608 thousand from May 12, 2008 with final maturity on October 6, 2012. The total credit facility available under the Credit Line was US Dollar 96 million as of December 31, 2006 and 2005. Interest on the credit line is set at 12% per annum. The interest rate can be varied at the discretion of Bank Turan Alem in the event that the Bank’s cost of capital changes. The carrying value of the loan approximates its fair value. The current portion of the loan payable as of December 31, 2006 and 2005 represents a short-term loan drawn by the Partnership under the credit line.

The Credit Line is secured by a 30% share in the Partnership held by Condensate Holding LLP and by future cash inflows into the Partnership’s bank accounts, with the Bank, up to US Dollars 50,000 thousand.

Loan due to Blavin Holdings Limited

The loan agreement, dated May 20, 1999, was initially signed between First International Oil Company (the “FIOC”) and the Partnership. In accordance with an additional agreement, dated May 16, 2003, the right of claim was transferred by FIOC to Albatross Holding Ltd. In accordance with a Factoring Agreement, dated October 30, 2003, Albatross Holding Ltd transferred the right

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

of claim to Blavin Holding Ltd. The loan was provided to finance exploration and development of the Chinarevskoye oil and gas condensate field. The loan is repayable in equal quarterly instalments during the period from January 1, 2004 to December 31, 2008. Interest is set at the rate of 10% per annum and is to be paid in 2008 in equal quarterly instalments and is included within non-current portion of the borrowings.

As of December 31, 2006 machinery and equipment amounting to US Dollars 440 thousand were pledged in accordance with the loan agreement with Albatross Holding Ltd.

Loan due to the Shareholder

The US Dollar credit line agreement, signed with the Thyler, a related party, on November 1, 2004, was made to finance current operations of the Partnership. As of December 31, 2006 the loan had been repaid in full. Interest on the loan in 2006 was US Dollars 428 thousand (2005: US Dollars 391 thousand; 2004: US Dollars 10 thousand). The interest was set at the rate of 10% per annum.

10. ABANDONMENT AND SITE RESTORATION LIABILITIES

The summary of changes in abandonment and site restoration liabilities during the years ended December 31 is as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Abandonment and site restoration liability as of January 1,	622	460	374
Unwinding of discount	153	48	39
Additional provision	310	114	47
Change in estimates	129	—	—
As of December 31,	<u>1,214</u>	<u>622</u>	<u>460</u>

As of December 31, 2006 the abandonment and site restoration liabilities were discounted at the interest rate of 10.96% per annum (2005 and 2004: 10.40% per annum).

11. DUE TO GOVERNMENT OF KAZAKHSTAN

The amount due to Government of the Republic of Kazakhstan has been recorded to reflect the present value of expenditures made by the Government in the time period prior to signing the Contract that were related to exploration of the Contract territory and the construction of surface facilities in fields discovered therein and that are reimbursable by the Partnership to the Government during the production period.

Reimbursement of this liability shall begin from May, 2008 and shall be made in equal quarterly instalments of US Dollars 88,650 until May 26, 2031. The total amount of liability due to Government as stipulated by the Contract is US Dollars 25,000 thousand. The balances as of December 31, and changes in the amount due to Government for the year were as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Due to Government as of January 1,	7,332	7,600	6,884
Unwinding of discount	762	691	716
Revision of contractual timing	—	(959)	—
	<u>8,094</u>	<u>7,332</u>	<u>7,600</u>

As described in *Note 1* "Licence terms" phase two of the exploration period has been extended from May 2006 to May 2008. This has resulted in a revision of the amount due to Government by US Dollars 959 thousand, which has been credited to oil and gas properties. The liability was discounted at 10.40%.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

12. TRADE PAYABLES

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
US dollar denominated trade payables	4,152	2,327	—
Tenge denominated trade payables	8,503	939	1,303
Trade payables denominated in other currencies	235	—	—
	<u>12,890</u>	<u>3,266</u>	<u>1,303</u>

13. OTHER CURRENT LIABILITIES

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Taxes payable, other than corporate income tax	1,103	597	315
Due to employees	81	156	58
Other	955	134	173
	<u>2,139</u>	<u>887</u>	<u>546</u>

14. COST OF SALES

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Depreciation and amortization	14,590	10,120	6,971
Repair, maintenance and other services	2,235	864	256
Royalties	2,085	559	342
Well workover costs	1,703	909	243
Payroll and related taxes	1,669	865	605
Materials and supplies	1,097	302	84
Management fees (Note 19)	697	1,800	—
Rent and operation of oil separation units	687	—	—
Environmental levies	582	173	169
Government profit share	510	317	213
Other transportation services	62	13	12
Other	163	52	42
	<u>26,080</u>	<u>15,974</u>	<u>8,937</u>

15. SELLING AND OIL TRANSPORTATION EXPENSES

Sales and transportation expenses consist primarily of costs in transporting oil to the railway loading terminal and costs of using the railway loading terminal. Staff costs related to sales are not significant.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

16. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Management fees (Note 19)	1,811	55	—
Payroll and related taxes	1,281	773	360
Training	881	255	103
Bank charges	583	267	51
Other taxes	542	167	70
Sponsorship	299	216	142
Social program	250	250	250
Communication	186	72	29
Lease payments	175	54	35
Business trip	167	96	18
Professional services	112	169	120
Materials and supplies	112	53	29
Other	492	30	64
	<u>6,891</u>	<u>2,457</u>	<u>1,271</u>

17. FINANCE COSTS

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Interest expense on borrowings	1,279	1,021	1,289
Unwinding of discount on amounts Due to Government (Note 11)	762	691	716
Unwinding of discount on Abandonment and Site Restoration Liability (Note 10)	153	48	39
	<u>2,194</u>	<u>1,760</u>	<u>2,044</u>

18. INCOME TAX EXPENSE

The provision for income taxes consisted of the following:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Income tax expenses comprise:			
– current income tax expense	9	6	137
– deferred income tax expense	6,964	3,459	3,901
Total income tax expense	<u>6,973</u>	<u>3,465</u>	<u>4,038</u>

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

A reconciliation of income tax expense applicable to profit before income tax at the statutory income tax rate of 30% to current income tax expense was as follows for the years ended December 31:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousands of Tenge</i>		
Profit before income tax	19,944	9,374	11,669
Statutory tax rate	30%	30%	30%
Theoretical tax charge at statutory rate of 30%	5,983	2,812	3,501
Non-deductible interest expense on borrowings	700	474	387
Unwinding of discount on abandonment and site restoration and Due to Government of Kazakhstan	275	222	227
Withholding tax	167	21	75
Other	(152)	(64)	(152)
Income tax expense reported in the accompanying combined financial information	<u>6,973</u>	<u>3,465</u>	<u>4,038</u>

Deferred tax balances are calculated by applying the statutory tax rates in effect at the respective balance sheet dates to the temporary differences between the tax base and the amounts reported in the combined financial information and are comprised of the following at December 31:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Deferred tax asset:			
Accruals	114	67	79
	114	67	79
Deferred tax liability:			
Property, plant and equipment	(15,959)	(8,244)	(5,118)
Crude oil inventory	(22)	(312)	(28)
Net deferred tax liability	<u>(15,867)</u>	<u>(8,489)</u>	<u>(5,067)</u>

In accordance with the License the Partnership is in the exploration stage for income tax reporting purposes and for calculation and payment of applicable taxes as of December 31, 2006. As such, in accordance with the License terms, the accumulated capital investments are fully offset against oil and gas earnings in the oil and gas properties until the commencement of commercial production. Corporate income tax accrued for the year ended December 31, 2006 in the amount of US Dollars 9 thousand (2005: US Dollars 6 thousand; 2004: US Dollars 14 thousand) represents income tax on non-subsoil contract revenues. This has resulted in an increase in the deferred tax liability related to property, plant and equipment.

As at December 31, the movements in the deferred tax liability were as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Balance at January 1,	(8,489)	(5,067)	(1,080)
Current year charge/(benefit) to translation reserve	(414)	37	(86)
Current year charge to statement of income	(6,964)	(3,459)	(3,901)
Balance at December 31,	<u>(15,867)</u>	<u>(8,489)</u>	<u>(5,067)</u>

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

19. RELATED PARTY TRANSACTIONS

For the purpose of these combined financial information transactions with related parties include mainly transactions between the Combined Entity and associated companies.

Balances with related parties at the balance sheet dates and transactions with related parties for the respective years follow.

Accounts payable to related parties at December 31 consisted of the following:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Trade payables			
Tensor Asset Management B.V.	—	300	—
Total	<u>—</u>	<u>300</u>	<u>—</u>

During the years ended December 31, 2006, 2005 and 2004 the Combined Entity had the following transactions with related parties:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>In thousand of US dollars</i>		
Operating Expenses and General and Administrative Expenses incurred			
Tensor Capital Management B.V. – management fees.	—	800	—
Tensor Assets Management B.V. – management fees	2,508	1,000	—
Member of the Board of Directors – professional services.	—	55	—
Total	<u>2,508</u>	<u>1,855</u>	<u>—</u>

Management fees are payable in accordance with the Technical Assistance Agreement signed between the Partnership, Tensor Assets Management B.V. and Tensor Capital Management B.V. and relate to the rendering of geological, geophysical, drilling, scientific, technical and other consultancy services.

Annual remuneration of four key managers and directors amounted to salaries of US Dollar 143 thousand for 2006 (2005: five, US Dollar 136 thousand; 2004: four, US Dollar 112 thousand).

All related parties are companies indirectly controlled by Frank Monstrey.

20. CONTINGENT LIABILITIES

Political and economic environment

Whilst there have been certain improvements in the Kazakhstani economy, such as an increase in the gross domestic product, the Republic of Kazakhstan continues to implement economic reforms and improve development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Litigation

In the ordinary course of business, the Combined Entity is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Combined Entity.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

The Combined Entity assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its combined financial information only where it is probable that actual events giving rise to a liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in this combined financial information for any of the contingent liabilities mentioned above.

Environmental

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. Penalties for violations of Kazakhstan's environmental laws can be severe. Potential liabilities which may arise as a result of stricter enforcement of existing regulations, civil litigation or changes in legislation cannot be reasonably estimated. Management believes that there are no probable or possible environmental liabilities which could have a material adverse effect on the Company's financial position, statement of income or cash flows.

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, 2006. As at December 31, 2006 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Partnership's tax positions will be sustained, except as provided for or otherwise disclosed in this combined financial information.

21. COMMITMENTS

Capital Commitments

As of December 31, 2006 the Partnership had contractual capital commitments in amount of US Dollars 28,500 thousand (2005: US Dollars 1,140 thousand; 2004: nil).

Operating leases

The Partnership entered into a lease agreement for the main administrative office in Uralsk in October 2006 for a period of 20 years for US Dollar 12 thousand per month.

Social and education commitments

As required by the Contract with the Government, the Partnership is obliged to spend: (i) US Dollars 250 thousand per annum to finance social infrastructure and (ii) one percent from the capital expenditures incurred during the year for education purposes of the citizens of Kazakhstan on an annual basis until the end of the Contract.

Insurance policies

The Partnership held no insurance policies in relation to its oil and gas properties as of December 31, 2006. The Partnership has intention to implement a new insurance policy which covers oil and gas properties in 2007.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

22. FINANCIAL RISK MANAGEMENT

Interest Rate Risk

Interest rate risk is the risk of changes in the market interest rates, reducing the overall return on its investments and increasing the cash outflow on its borrowings. The Partnership is exposed to interest rate risk as rates of interest on its borrowings are fixed for the whole term of such borrowings. However management believes that interest rates can be renegotiated with the lenders in case of significant interest rate fluctuations which will enable the Partnership to mitigate the interest rate risk as and when it arises.

Foreign Exchange Risk

As significant portion of the Combined Entity's operation is the Kazakhstani Tenge denominated, the Combined Entity's balance sheet can be affected significantly by movements in the US Dollar/Tenge exchange rates. The Combined Entity mitigates the effect of its structural currency exposure by borrowing in US Dollars and denominating sales in US Dollars.

Liquidity Risks

Liquidity risk is the risk that the Partnership will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Commodity Price Risk

The Partnership is exposed to commodity price risk, since oil prices are determined by the world market. The Partnership does not hedge this risk.

Credit Risk

Financial instruments, which potentially subject the Partnership to credit risk, consist primarily of accounts receivable and cash in banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Partnership considers that its maximum exposure is reflected by the amount of trade accounts receivable and advances.

The Partnership places its cash with one of the internationally rated local banks. The Partnership does not guarantee obligations of other parties.

23. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale. As no readily available market exists for a large part of the Partnership's financial instruments, judgment is needed to arrive at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

Management believes that the Partnership's carrying value of financial assets and liabilities consisting of cash and cash equivalents, trade accounts receivable and advances, trade and other payables and obligations under debt instruments are not significantly different from their fair values at December 31, 2006, 2005 and 2004.

24. SUBSEQUENT EVENTS

In August, 2007 the Partnership increased its credit line with Bank Turan Alem (*Note 9*) to US Dollar 246 million.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

COMBINED FINANCIAL INFORMATION

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the years ended December 31, 2006, 2005 and 2004 (continued)

In August, 2007 the Partnership received and accepted a notice from Bank Turan Alem that the annual interest rate on the Credit Line will be increased from 12 % to 15%.

On August 10, 2007 the Partnership signed a contract with a local construction company totalling US Dollar 181 million (excluding VAT) for construction of a gas treatment plant.

The Partnership has entered into a US\$ 550,000,000 senior secured reducing facility agreement with BNP Paribas as mandated lead arranger maturing no later than 31 December 2014 with the Partnership as borrower and Zhaikmunai LP and the Combined Entity as guarantors. The Partnership drew down on March 7, 2008 approximately US\$291 million for (inter alia) the purpose of fully refinancing the BTA Facility and fully refinancing the Blavin Loan. Thereafter the Partnership will use the proceeds of the BNP Paribas Facility to finance the construction of the Gas Treatment Facility and otherwise towards developing the field. The BNP Paribas Facility will comprise three tranches of US\$200 million, US\$200 million and US\$150 million. All customary documentary conditions precedent have been met. However, only approximately US\$341 million of the BNP Paribas Facility is available until not less than US\$90 million has been invested in Zhaikmunai LP. Furthermore (once the investment referred to above has taken place) the second US\$50 million of tranche 3 shall only become available upon a successful syndication (or if the Majority Lenders consent) and the final US\$50 million of tranche 3 shall only become available if there is a successful syndication and shall be exclusively dedicated to the funding of cost overruns.

The rate of interest payable on outstanding amounts under each tranche will be LIBOR plus mandatory cost plus, under tranche 1, a margin of 3%, under tranche 2, a margin of 4% and under tranche 3, a margin of 5%.

The total amount outstanding is repayable in accordance with a reduction schedule, reducing the total commitments to US\$450 million on December 31, 2010 and reducing to zero by December 31, 2014. In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals, debt offerings and a cash sweep of 50% of the Group's (Zhaikmunia LP and the Combined Entity including the Partnership) collected revenue (in excess of US\$25 million). The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Group will be required to give customary representations and warranties, repeated periodically, and certain covenants. The Group will also be required to maintain a hedging programme pursuant to which it will hedge a minimum Brent crude oil price of US\$70 per bbl for at least 25% of the initial production profile for the NE and W Tournasian horizons for the period 2008 to 2013. The Partnership will additionally be required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. Lastly, the Partnership will be required to maintain annual oil and gas off-take contracts (gas to be commenced in 2010) with off-takers required to purchase 80% of total production and 100% of production available for export. The Partnership's obligations under the BNP Paribas Facility are secured by various forms of security, including, (i) a pledge over 100% of the participatory interests in the Partnership; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the Gas Treatment Facility; and (v) assignment of the benefit of the Partnership's relevant existing and future insurance policies.

REPORT ON REVIEW OF CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

To the Board of Directors and Shareholders of Jubilata Investments Limited and Claydon Industrial Limited and their subsidiaries Condensate Holdings LLP and Zhaikmunai LLP (together the “Combined Entity”):

Introduction

We have reviewed the accompanying condensed interim combined balance sheet of the Combined Entity as of November 30, 2007 and the related condensed interim combined statements of income, changes in equity and cash flows for the eleven month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim combined financial information in accordance with the basis of preparation set out in Note 2 to the condensed interim combined financial information. Our responsibility is to express a conclusion on this condensed interim combined financial information based on our review.

Save for any responsibility arising under Prospectus Rule 5.5.4R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex X to the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying combined condensed interim financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the condensed interim combined financial information.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex X of the PD Regulation.

Ernst & Young LLP

March 25, 2008

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

CONDENSED INTERIM COMBINED BALANCE SHEET (UNAUDITED)

	<u>Notes</u>	<u>November 30, 2007 (unaudited)</u>	<u>December 31, 2006</u>
<i>In thousands of US dollars</i>			
ASSETS			
Non-Current Assets			
Property, plant and equipment.....	3	280,192	135,850
Advances for equipment and construction works.....	3	70,085	14,231
		<u>350,277</u>	<u>150,081</u>
Current Assets			
Inventories		2,232	3,014
Trade receivables		11,969	5,580
Prepayments and other current assets	4	13,419	5,787
Cash and cash equivalents		5,113	2,832
		<u>32,733</u>	<u>17,213</u>
TOTAL ASSETS		<u>383,010</u>	<u>167,294</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		50	50
Retained earnings and translation reserve.....		63,459	28,142
		<u>63,509</u>	<u>28,192</u>
Non-Current Liabilities			
Long term borrowings.....	5	190,579	93,799
Abandonment and site restoration liabilities.....	6	1,860	1,214
Due to Government of Kazakhstan	7	8,866	8,094
Deferred tax liability		25,999	15,867
		<u>227,304</u>	<u>118,974</u>
Current Liabilities			
Trade payables		43,441	12,890
Current portion of long term borrowings	5	38,096	5,099
Income taxes payable	12	5,847	—
Other current liabilities.....		4,813	2,139
		<u>92,197</u>	<u>20,128</u>
TOTAL EQUITY AND LIABILITIES		<u>383,010</u>	<u>167,294</u>

The notes on pages F-33 through F-42 are an integral part of the condensed interim combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

CONDENSED INTERIM COMBINED STATEMENT OF INCOME (UNAUDITED)

		Eleven months ended November 30	
		2007 (unaudited)	2006 (unaudited)
	<u>Notes</u>	<i>In thousands of US dollars</i>	
Sales of crude oil		97,158	51,954
Cost of sales	8	(32,933)	(20,232)
Gross profit		64,225	31,722
General and administrative expenses	9	(9,392)	(5,650)
Selling and oil transportation expenses	10	(7,061)	(3,540)
Finance costs	11	(4,822)	(2,195)
Foreign exchange gain/(loss)		6,074	(218)
Profit before Income Tax		49,024	20,119
Income tax expense	12	(15,642)	(7,061)
Net Income		33,382	13,058

The notes on pages F-33 through F-42 are an integral part of the condensed interim combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

CONDENSED INTERIM COMBINED CASH FLOW STATEMENT (UNAUDITED)

		Eleven months ended November 30	
	Notes	2007 (unaudited)	2006 (unaudited)
		In thousands of US dollars	
Cash flow from operating activities:			
Profit before income tax		49,024	20,119
Adjustments for:			
Depreciation and amortization	8	5,376	9,919
Interest expense on borrowings	11	3,941	1,342
Unwinding of discount on amounts due to Government of Kazakhstan	11	772	711
Unrealized foreign exchange gain		(6,232)	319
Unwinding of discount on abandonment and site restoration liability	11	109	142
Operating profit before working capital changes		52,990	32,552
Changes in working capital:			
(Increase)/decrease in inventories		(936)	378
Increase in trade receivables		(6,017)	(2,416)
Increase in prepayments and other current assets		(7,225)	(4,012)
Increase in trade payables		20,358	2,638
Increase in other current liabilities		2,542	2,318
Cash generated from operations		61,712	31,458
Income tax paid		(696)	(6)
Net cash flows from operating activities		61,016	31,452
Cash flow from investing activities:			
Purchases of property, plant and equipment	3	(171,225)	(79,092)
Net cash used in investing activities		(171,225)	(79,092)
Cash flow from financing activities:			
Repayment of borrowings		(6,955)	(10,288)
Interest paid		(15,341)	(5,561)
Proceeds from borrowings		134,614	63,271
Net cash provided by financing activities		112,318	47,422
Effects of exchange rate changes on cash and cash equivalents ..		172	154
Net increase/(decrease) in cash and cash equivalents		2,109	(218)
Cash and cash equivalents at the beginning of period		2,832	3,236
Cash and cash equivalents at the end of period		5,113	3,172

The notes on pages F-33 through F-42 are an integral part of the condensed interim combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**CONDENSED INTERIM COMBINED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Translation reserve</u>	<u>Total</u>
		<i>In thousands of US dollars</i>		
As of December 31, 2005	50	13,467	1,005	14,522
Translation difference	—	—	455	455
Profit for the period	—	13,058	—	13,058
As of November 30, 2006	50	26,525	1,460	28,035
As of December 31, 2006	50	26,438	1,704	28,192
Translation difference	—	—	1,935	1,935
Profit for the period	—	33,382	—	33,382
As of November 30, 2007	50	59,820	3,639	63,509

The notes on pages F-33 through F-42 are an integral part of the condensed interim combined financial information.

General Director of Jubilata Investments Limited

General Director of Claydon Industrial Limited

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

1. GENERAL

This condensed interim combined financial information represents the combination of the interim financial statements of Claydon Industrial Limited (BVI) (“Claydon”) and Jubilata Investments Limited (BVI) (“Jubilata”). These entities together own 100% of Zhaikmunai LLP (the “Partnership”), an oil and gas producing entity located in Kazakhstan and Condensate Holdings LLP. Both Claydon and Jubilata (jointly the “Combined Entity”) are ultimately controlled by Frank Monstrey. The immediate parent of the Combined Entity is Scoulton Holdings Limited (“Scoulton”).

The principal operation of the combined entity is the Partnership. The Partnership was established in 1997 for the purpose of exploration and development of Chinarevskoye oil and gas condensate field in the Western Kazakhstan Region. The Partnership carries out its activities in accordance with the Contract for Additional Exploration, Production and Production-Sharing of Crude Hydrocarbons in the Chinarevskoye oil and gas condensate field (the “Contract”) dated October 31, 1997 in accordance with the license MG No. 253D (the “License”) for the exploration and production of hydrocarbons in Chinarevskoye oil and gas condensate field between the State Committee of Investments of the Republic of Kazakhstan and the Partnership.

This condensed interim combined financial information is being prepared because the entity which is anticipated to be used in the planned public offering, Zhaikmunai Limited Partnership (“Zhaikmunai LP”), was only formed on August 29, 2007 in the Isle of Man. Zhaikmunai LP will hold the beneficial ownership in the issued share capital in Claydon and Jubilata immediately following admission of Global Depository Receipts (“GDRs”) to the official list of the United Kingdom Listing Authority. In consideration for the issue of the partnership interests in Zhaikmunai LP, Scoulton will become the general partner of Zhaikmunai LP holding 99.9% of the partnership interests and Amery Capital Limited will become a limited partner with an interest of 0.1%. This special purpose condensed interim combined financial information has been prepared on the basis that Claydon and Jubilata were under the common control of Frank Monstrey from the beginning of the earliest period presented, i.e. January 1, 2006.

The registered address of Claydon is Trident Chambers, Road Town, Tortola, British Virgin Islands.

The registered address of Jubilata is Trident Chambers, Road Town, Tortola, British Virgin Islands.

This condensed interim combined financial information was authorised for issue by Montrond Incorporated and Bluebrook on March 25, 2008.

2. BASIS OF PREPARATION

This condensed interim combined financial information has been prepared in accordance with IAS 34, except as described in the Combined Entity’s annual combined financial information and should be read in conjunction with the Combined Entity’s annual combined financial information for the year ended December 31, 2006.

The condensed interim combined financial information is presented in US Dollars, which is the functional and presentation currency of Jubilata and Claydon. Each entity in the Combined Entity determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, Condensate-Holdings LLP and Zhaikmunai LLP, is the Kazakhstani Tenge (“Tenge” or “KZT”). As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Combined Entity at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the translation are taken directly to equity.

Accounting Policies

The accounting policies applied in preparation of this condensed interim combined financial information are consistent with those applied in preparation of the annual combined financial information for the year ended December 31, 2006.

New accounting developments

- IFRS 3 “Business Combinations”—revised;
- IFRS 7 “Financial Instruments: Disclosures”;
- IFRS 8 “Operating Segments”;
- IAS 1 “Presentation of Financial Statements”—revised;
- IAS 23 “Borrowing Costs”—amendment;
- IAS 27 “Consolidated and Separate Financial Statements”—revised;
- IFRIC 8 “Scope of IFRS 2”;
- IFRIC 9 “Reassessment of Embedded Derivatives”;
- IFRIC 10 “Interim Financial Reporting and Impairment”;
- IFRIC 11 “IFRS 2—Group and Treasury Share Transactions”;
- IFRIC 12 “Service Concession Arrangements”;
- IFRIC 13 “Customer Loyalty Programmes”;
- IFRIC 14 “IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”.

The Combined Entity expects that the adoption of the pronouncements listed above have or will have no material impact on the Combined Entity’s results of operations and financial position, except that the adoption of IFRS 7 and amendment to IAS 1 will result in additional disclosures, including sensitivity analysis for market risks and capital management disclosures in the annual combined financial information for the year ended December 31, 2007.

3. PROPERTY, PLANT AND EQUIPMENT, NET

During the eleven months ended November 30, 2007, the Combined Entity had net additions of property, plant and equipment of US dollars 136,786 thousand (December 31, 2006—US Dollars 86,245 thousand). These additions included capitalised interest of

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

US Dollars 12,457 thousand (December 31, 2006—US Dollars 4,221 thousand) and abandonment and site restoration assets of US Dollars 537 thousand (December 31, 2006—US Dollars 439 thousand). The Combined Entity also increased payables for fixed assets by US Dollars 25,870 thousand (December 31, 2006—US Dollars 7,820 thousand). and advances by US Dollars 54,827 thousand (December 31, 2006—US Dollars 10,760 thousand).

The depletion rate of Oil and Gas assets is dependant on estimated proven oil reserves of the Partnership. As at July 1, 2007 an independent valuation was completed by Ryder Scott. As a result the Partnerships' estimated proven oil reserves were increased from 588,967 to 3,789,915 resulting in a decrease in the depletion rate from 19.96% as at December 31, 2006 to 6.10% as at November 30, 2007.

4. PREPAYMENTS AND OTHER CURRENT ASSETS

	November 30, 2007 (unaudited)	December 31, 2006
	<i>In thousands of US dollars</i>	
Taxes recoverable	9,168	4,894
Advances paid	4,152	806
Other	99	87
	<u>13,419</u>	<u>5,787</u>

Prepayments and other current assets are denominated in Tenge.

5. BORROWINGS

	November 30, 2007 (unaudited)		December 31, 2006	
	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>
	<i>In thousands of US dollars</i>			
Credit line due to Bank Turan Alem	31,394	190,579	1,462	88,200
Loan due to Blavin Holdings Limited	6,702	—	3,637	5,599
	<u>38,096</u>	<u>190,579</u>	<u>5,099</u>	<u>93,799</u>

Credit line due to Bank Turan Alem

The General credit line agreement (“Credit Line”) signed between the Partnership and Bank Turan Alem (“the Bank”) on July 7, 2005 was provided to finance the development of Chinarevskoye oil and gas condensate field. The Credit Line is repayable by monthly instalments of US Dollars 460 thousand starting from January 25, 2008 and US Dollars 2,755 thousand from May 12, 2008 with final maturity on October 6, 2012. The total credit facility available under the Credit Line was US Dollar 246,000 thousand as of November 30, 2007 (December 31, 2006—US Dollar 96,000 thousand). Interest on the credit line was set at 12% per annum. The interest rate can be varied at the discretion of Bank Turan Alem in the event that the Bank's cost of capital changes. The carrying value of the loan approximates its fair value.

The Credit Line is secured by a 30% share in the Partnership held by Condensate Holding LLP and by total future cash inflows in the Partnership's bank accounts, with the Bank up to US Dollar 50,000.

In August 2007, the Partnership received a notice from Bank Turan Alem that the annual interest rate on the Credit Line was increased from 12% to 15%.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

Loan due to Blavin Holdings Limited

The loan agreement, dated May 20, 1999, was initially signed between First International Oil Company (the "FIOC") and the Partnership. In accordance with an additional agreement, dated May 16, 2003, the right of claim was transferred by FIOC to Albatross Holding Ltd. In accordance with the Factoring Agreement, dated October 30, 2003, Albatross Holding Ltd transferred the right of claim to Blavin Holding Ltd. The loan was provided to finance exploration and development of the Chinarevskoye oil and gas condensate field. The loan amount totals US Dollars 14,546 thousand and is repayable in equal quarterly instalments during the period from January 1, 2004 to December 31, 2008. The interest was fixed in the agreement at the rate of 10% per annum and is to be paid commencing January 1, 2008 in equal quarterly instalments and has been included within non-current portion of the borrowings.

As of November 30, 2007 and December 31, 2006 property, plant and equipment amounting to US Dollars 420 thousand were pledged in accordance with the loan agreement with Albatross Holding Ltd.

6. ABANDONMENT AND SITE RESTORATION LIABILITIES

	November 30, 2007 (unaudited)	December 31, 2006
	<i>In thousand of US dollars</i>	
Abandonment and site restoration liability at the beginning of period . .	1,214	622
Unwinding of discount	109	153
Additional provision	682	310
Change in estimates	(145)	129
At the end of period	<u>1,860</u>	<u>1,214</u>

As of November 30, 2007 the abandonment and site restoration liabilities were discounted at the interest rate of 11.15% per annum (2006: 10.96% per annum).

During the eleven month period ended November 30, 2007 the Partnership reassessed its estimate of discount rate for the calculation of abandonment and site restoration liabilities. The Partnership increased the discount rate from 10.96% per annum to 11.15% per annum due to the fact that in 2007 the Partnership obtained a loan from Bank Turan Alem at a higher interest rate, which affected the Partnership's incremental borrowing rate.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

7. DUE TO GOVERNMENT OF KAZAKHSTAN

The amount due to the Government of the Republic of Kazakhstan has been recorded to reflect the present value of expenditures made by the Government 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.

Reimbursement of this liability shall begin from May 2008, the commencement of the production period, and shall be made in equal quarterly instalments of US Dollars 88,650 until May 26, 2031. The total amount of liability due to the Government as stipulated by the Contract is US Dollars 25,000 thousand. The balances and changes in the amount due to Government were as follows:

	November 30, 2007 (unaudited)	December 31, 2006
	<i>In thousand of US dollars</i>	
Due to Government at the beginning of period.....	8,094	7,332
Unwinding of discount	772	762
At the end of period	8,866	8,094

The liability was discounted at the interest rate of 10.40% per annum.

8. COST OF SALES

	Eleven months ended November 30, 2007 (unaudited)	2006 (unaudited)
	<i>In thousands of US dollars</i>	
Well workover costs.....	6,396	1,558
Depreciation and amortization	5,376	9,919
Royalties	4,755	1,823
Repair, maintenance and other services.....	4,195	2,185
Payroll and related taxes.....	2,827	1,471
Rent and operation of oil separation units	2,453	463
Management fees (<i>Note 13</i>)	1,991	692
Materials and supplies.....	1,437	938
Other transportation services.....	1,158	57
Government profit share.....	882	452
Environmental levies	873	529
Other	590	145
	32,933	20,232

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Eleven months ended November 30,	
	2007	2006
	(unaudited)	(unaudited)
	<i>In thousands of US dollars</i>	
Payroll and related taxes.....	1,988	1,154
Training	1,812	593
Management fees (<i>Note 13</i>)	1,785	1,666
Bank charges	1,148	528
Other	727	354
Professional services	679	112
Sponsorship	287	149
Communication.....	264	168
Social program	229	247
Materials and supplies.....	178	29
Lease payments	166	100
Business trip	127	147
Other taxes	2	403
	9,392	5,650

10. SELLING AND OIL TRANSPORTATION EXPENSES

Selling and oil transportation expenses consist primarily of the costs of transporting oil to the railway loading terminal. The increase in selling and oil transportation expenses is primarily attributable to the increase in transportation tariffs and volume of oil sold.

11. FINANCE COSTS

	Eleven months ended November 30,	
	2007	2006
	(unaudited)	(unaudited)
	<i>In thousands of US dollars</i>	
Interest expense on borrowings.....	3,941	1,342
Unwinding of discount on Due to Government (<i>Note 7</i>)	772	711
Unwinding of discount on Abandonment and Site Restoration Liability (<i>Note 6</i>)	109	142
	4,822	2,195

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

12. INCOME TAX EXPENSE

The income tax expense consisted of the following:

	Eleven months ended November 30,	
	2007	2006
	(unaudited)	(unaudited)
	<i>In thousands of US dollars</i>	
Income tax expenses comprise:		
– current income tax expense.....	6,454	—
– deferred income tax expense	9,188	7,061
Total income tax expense	15,642	7,061

In accordance with the Licence the Partnership was in the exploration stage for income tax reporting purposes and for calculation and payment of applicable taxes till December 31, 2006. In 2007, in accordance with the Licence terms, the Partnership commenced commercial production from the first horizon for income tax reporting purposes. Therefore, the Partnership considers its revenue from crude oil sales related to the first horizon as taxable revenue and its expenses related to the first horizon as deductible expenses, except those expenses, which are not deductible in accordance with the tax legislation of the Republic of Kazakhstan. This has resulted in a current year charge to income tax expense. Previously income tax was deferred.

13. RELATED PARTY TRANSACTIONS

For the purpose of this condensed interim combined financial information related parties transactions include mainly balances and transactions between the Combined Entity and associated companies.

Balances with related parties at the balance sheet dates and transactions with related parties for the respective periods follow.

	November 30,	December 31,
	2007	2006
	(unaudited)	
	<i>In thousands of US dollars</i>	
Trade receivables and advances		
Frans van der Schoot.....	1,500	—

The balance represents advances paid for future services.

	November 30,	December 31,
	2007	2006
	(unaudited)	
	<i>In thousands of US dollars</i>	
Trade payables		
Probel Capital Management.....	190	—

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

	Eleven months ended November 30,	
	2007	2006
	(unaudited)	(unaudited)
	<i>In thousands of US dollars</i>	
Operating Expenses and General and Administrative Expenses incurred		
Probel Capital Management – management fees	1,991	—
Frans van der Shoot B.V. – management fees	901	—
Amersham Oil – management fees	884	—
Tensor Asset Management B.V – management fees	—	2,358
Total	3,776	2,358

Certain senior managers provide their services to the Partnership pursuant to a service agreement dated March 27, 2007 between Probel Capital Management N.V. (“Probel”) and the Partnership (the “Probel Services Agreement”). Under the Probel Services Agreement, the Partnership 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 the Partnership to Probel under the Probel Services Agreement was US\$1.991 million for the eleven months ended November 30, 2007.

The Partnership has entered into a management services agreement with Frans van der Schoot B.V. (“VDS”). Under this agreement, VDS provides consultation and assistance on business matters, including general business development, strategic planning, budgeting and recruiting outside of Kazakhstan, in return for which the Partnership pays VDS an annual service fee. The agreement is valid until December 31, 2007. The Partnership intends to seek renewal of this agreement for 2008. The aggregate compensation paid by the Partnership to VDS under this agreement was US\$902 thousand for the eleven months ended November 30, 2007.

Certain other personnel provide their services to the Partnership pursuant to a service agreement dated October 25, 2006 between Amersham Oil TO (“Amersham”) and the Partnership (the “Personnel Agreement”). Under the Personnel Agreement, the Partnership 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 the Partnership to Amersham under the Personnel Agreement was nil for the financial year ended December 31, 2006 and US\$884 thousand for the eleven months ended November 30, 2007.

Management fees for 2006 were payable in accordance with the Technical Assistance Agreement (“TAA”) signed between the Partnership, Tensor Asset Management B.V. and Tensor Capital Management B.V. and relate to the rendering of geological, geophysical, drilling, scientific, technical and other consultancy services. The TAA was terminated with effect from December 31, 2006.

All related parties are companies indirectly controlled by Frank Monstrey.

14. CONTINGENT LIABILITIES

Political and economic environment

Whilst there have been certain improvements in the Kazakhstani economy, such as an increase in the gross domestic product, the Republic of Kazakhstan continues to implement economic reforms and improve development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstani economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

Litigation

In the ordinary course of business, the Partnership is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Combined Entity.

The Combined Entity assesses the likelihood of material liabilities arising from individual circumstances and makes provision in its financial information only where it is probable that actual events giving rise to a liability will occur and the amount of the liability can be reasonably estimated. No provision has been made in this condensed interim financial information for any of the contingent liabilities mentioned above.

Environmental

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. Penalties for violations of Kazakhstan's environmental laws can be severe. Potential liabilities which may arise as a result of stricter enforcement of existing regulations, civil litigation or changes in legislation cannot be reasonably estimated. Management believes that there are no probable or possible environmental liabilities which could have a material adverse effect on the Company's financial position, statement of income or cash flows.

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 November 30, 2007. As at November 30, 2007 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Partnership's tax positions will be sustained.

15. COMMITMENTS

Capital Commitments

As of November 30, 2007 the Combined Entity had contractual capital commitments of US Dollars 156,447 thousand (December 31, 2006: US Dollars 28,500 thousand).

Operating leases

The Partnership entered into a lease agreement with NipiNefteGas for the main administrative office in Uralsk in October 2006 for a period of 20 years for US Dollars 12 thousand per month.

**JUBILATA INVESTMENTS LIMITED, CLAYDON INDUSTRIAL LIMITED
AND THEIR SUBSIDIARIES CONDENSATE HOLDINGS LLP AND ZHAIKMUNAI LLP**

CONDENSED INTERIM COMBINED FINANCIAL INFORMATION

**NOTES TO THE CONDENSED INTERIM COMBINED FINANCIAL INFORMATION
(UNAUDITED)**

Social and education commitments

As required by the Contract with the Government the Partnership is obliged to spend: (i) US Dollars 250 thousand per annum to finance social infrastructure and (ii) one percent from the capital expenditures incurred during the year for the education purposes of citizens of Kazakhstan on an annual basis until the end of the Contract. As at November 30, 2007 Management believes that it is in compliance with the social and education commitments within the Contract.

16. SUBSEQUENT EVENTS

The Partnership has entered into a US\$ 550,000,000 senior secured reducing facility agreement with BNP Paribas as mandated lead arranger maturing no later than 31 December 2014 with the Partnership as borrower and Zhaikmunai LP and the Combined Entity as guarantors. The Partnership drew down on March 7, 2008 approximately US\$291 million for (inter alia) the purpose of fully refinancing the BTA Facility and fully refinancing the Blavin Loan. Thereafter the Partnership will use the proceeds of the BNP Paribas Facility to finance the construction of the Gas Treatment Facility and otherwise towards developing the field. The BNP Paribas Facility will comprise three tranches of US\$200 million, US\$200 million and US\$150 million. All customary documentary conditions precedent have been met. However, only approximately US\$341 million of the BNP Paribas Facility is available until not less than US\$90 million has been invested in Zhaikmunai LP. Furthermore (once the investment referred to above has taken place) the second US\$50 million of tranche 3 shall only become available upon a successful syndication (or if the Majority Lenders consent) and the final US\$50 million of tranche 3 shall only become available if there is a successful syndication and shall be exclusively dedicated to the funding of cost overruns.

The rate of interest payable on outstanding amounts under each tranche will be LIBOR plus mandatory cost plus, under tranche 1, a margin of 3%, under tranche 2, a margin of 4% and under tranche 3, a margin of 5%. The total amount outstanding is repayable in accordance with a reduction schedule, reducing the total commitments to US\$450 million on December 31, 2010 and reducing to zero by December 31, 2014. In addition, the BNP Paribas Facility is mandatorily prepayable to the extent of the proceeds of any material disposals, debt offerings and a cash sweep of 50% of the Group's (Zhaikmunai LP and the Combined Entity including the Partnership) collected revenue (in excess of US\$25 million). The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Group will be required to give customary representations and warranties, repeated periodically, and certain covenants. The Group will also be required to maintain a hedging programme pursuant to which it will hedge a minimum Brent crude oil price of US\$70 per bbl for at least 25% of the initial production profile for the NE and W Tournasian horizons for the period 2008 to 2013. The Partnership will additionally be required to maintain and fund a debt service reserve account with a balance equal to at least 5% of the amount outstanding under the BNP Paribas Facility. Lastly, the Partnership will be required to maintain annual oil and gas off-take contracts (gas to be commenced in 2010) with off-takers required to purchase 80% of total production and 100% of production available for export. The Partnership's obligations under the BNP Paribas Facility are secured by various forms of security, including, (i) a pledge over 100% of the participatory interests in the Partnership; (ii) pledges over its bank accounts; (iii) the assignment of rights under the off-take contracts; (iv) assignment of all guarantees or performance bonds issued in connection with the contract with KSS for the Gas Treatment Facility; and (v) assignment of the benefit of the Partnership's relevant existing and future insurance policies.

ANNEX I

COMPETENT PERSON'S REPORT

[THIS PAGE LEFT INTENTIONALLY BLANK]

COMPETENT PERSON'S REPORT

ON

ZHAIKMUNAI LP

Estimated
Future Reserves and Income
Attributable to the Terms of the
Production Sharing Agreement for the

CHINAREVSKOYE FIELD

Between

THE REPUBLIC of KAZAKHSTAN

And

ZHAIKMUNAI LLP

AS OF
JULY 1, 2007

Table of Contents

Estimated Future Reserves and Income	2-3
Estimated Gross Reserves	3-4
Price Sensitivity Cases	5
Reserves and Resources Included in This Report	6
Estimates of Reserves	8
Future Production Rates	8
Hydrocarbon Prices	8
Costs	9
Licence Description	9
Summary	9
Geographic Location, Natural Environment and Infrastructure	11
Geology	14
Chinarevskoye Field	19
Reservoirs and Hydrocarbon Presence	19
Seismic Control-Mapping of Accumulations and Prospects	20
Characteristics of Hydrocarbons	22
Drilling History, Well Test and Coring	23
Production History	24
Expected Production Performance	26
General Assumptions	26
Specific Assumptions for Production Profile Modeling	26
Tournaisian North	26
Tournaisian South	27
Biski & Afoninski	28
Givetian-Mullinski and Ardatovski reservoirs	30
Additional Exploration Potential	32
Possible Reserves	32
Prospective Resource	34
Professional Qualifications	36
General	36

Figures

Figure 1: Regional Location Map	11
Figure 2: Local infrastructure Map	12
Figure 3: Generalized Stratigraphic Column	16
Figure 4: Seismic markers of Devonian/Carboniferous section	17
Figure 5: Chinarevskoye 3-D seismic survey location map	21
Figure 6: Chinarevskoye Well status as of October 1, 2007	24
Figure 7: Chinarevskoye Well production per year	25
Figure 8: Reserves and well location map Tournaisian reservoir	27
Figure 9: Reserves and well location map Afoninski reservoir	29
Figure 10: Reserves and well location map Biski reservoir	30
Figure 11: Reserves and well location map Givetian Mullinski reservoir	31
Figure 12: Reserves and well location map Givetian Ardatovski reservoir	32
Figure 13: Chinarevskoye Prospect map	34

Tables

Table 1: Reservoir parameters Tournaisian reservoirs	28
Table 2: Reservoir parameters Biski and Afoninski	28
Table 3: Reservoir parameters Givetian	31
Table 4: Possible Reserves as of July 1, 2007	33
Table 5: Resource Expectations for Mapped Prospects the Chinarevskoye Area	35

APPENDIX

PROPERTY RANKING..... A

SUMMARY OF GROSS AND NET RESERVE AND INCOME DATA B

SUMMARY OF INITIAL BASIC DATA..... C

GRAND SUMMARIES - CASHFLOW
LEASE TABLES..... 1-38



RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

FAX (303) 623-4258

621 SEVENTEENTH STREET SUITE 1550 DENVER, COLORADO 80293 TELEPHONE (303) 623-9147

October 30, 2007

Zhaikmunai LP
Acting by its General Partner, Scoulton Holdings Limited
Trident Chambers
Road Town
Tortola
British Virgin Islands

Attn: Mr. Steve McGowan

ING Bank N.V.
60 London Wall
London EC2M 5TQ
United Kingdom

Attn: Mr. Mark Martin

Gentlemen:

At the request Zhaikmunai LP (the "Issuer"), we have prepared a Competent Person's Report ("CPR") which contains an estimate of the proven, probable, and possible hydrocarbon reserves, future production and income of the proven and probable hydrocarbon reserves attributable to the terms of the Production Sharing Agreement ("PSA") for the Chinarevskoye Field between the Republic of Kazakhstan and Zhaikmunai LLP (the "Company") as of July 1, 2007. This CPR is required for the purposes of a prospectus that is being prepared in relation to the proposed initial public offering of securities of the Issuer ("the Offering"), which shall be submitted to the United Kingdom Listing Authority ("UKLA") and in the preliminary prospectus and the final prospectus relating to such Offering. Finally, we have also prepared an estimate of the recoverable resource potential of four structures in the Licence area. The Chinarevskoye Field is located in the Republic of Kazakhstan. The income data were estimated using the Issuer's Corporate price policy.

As a result of both economic and political forces, there is significant uncertainty regarding the forecasting of future hydrocarbon prices. The recoverable reserves and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

1100 LOUISIANA, SUITE 3800
1200, 530 8TH AVENUE, S.W.

HOUSTON, TEXAS 77002-5218
CALGARY, ALBERTA T2P 3S8

TEL (713) 651-9191
TEL (403) 262-2799

FAX (713) 651-0849
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
As of July 1, 2007

	Proved			
	Developed		Undeveloped	Total Proved
	Producing	Non-Producing		
<u>Net Remaining Reserves</u>				
Oil/Condensate – Barrels	8,258,719	5,990,539	34,669,253	48,918,511
Plant Products – Barrels	1,191,703	1,658,169	14,766,258	17,616,130
Gas – MMCF	12,785	21,013	239,976	273,774
<u>Income Data M\$</u>				
Future Gross Revenue	\$480,520	\$387,911	\$2,558,178	\$3,426,609
Deductions	<u>163,316</u>	<u>131,767</u>	<u>975,327</u>	<u>1,270,412</u>
Future Net Income (FNI)	\$317,204	\$256,144	\$1,582,851	\$2,156,197
Discounted FNI @ 10%	\$189,653	\$156,902	\$800,481	\$1,147,036

Zhaikmunai LLP
Estimated Future Reserves and Income Attributable
to the Terms of the Production Sharing Agreement
Between the Republic of Kazakhstan and Zhaikmunai LLP
As of July 1, 2007

	Probable		
	Non-Producing	Undeveloped	Total Probable
<u>Net Remaining Reserves</u>			
Oil/Condensate – Barrels	31,637,186	58,254,128	89,891,314
Plant Products – Barrels	1,404,144	30,113,651	31,517,795
Gas – MMCF	15,062	525,290	540,352
<u>Income Data M\$</u>			
Future Gross Revenue	\$1,586,015	\$4,653,412	\$6,239,426
Deductions	<u>485,635</u>	<u>1,723,045</u>	<u>2,208,680</u>
Future Net Income (FNI)	\$1,100,380	\$2,930,367	\$4,030,746
Discounted FNI @ 10%	\$439,385	\$1,326,645	\$1,766,030

Zhaikmunai LLP
Estimated Future Reserves and Income Attributable
to the Terms of the Production Sharing Agreement
Between the Republic of Kazakhstan and Zhaikmunai LLP
As of July 1, 2007

	Proved + Probable			
	Developed		Undeveloped	Total
	Producing	Non-Producing		Proved + Probable
<u>Net Remaining Reserves</u>				
Oil/Condensate – Barrels	8,258,719	37,627,725	92,923,381	138,809,825
Plant Products – Barrels	1,191,703	3,062,313	44,879,909	49,133,925
Gas – MMCF	12,785	36,075	765,266	814,126
<u>Income Data M\$</u>				
Future Gross Revenue	\$480,520	\$1,973,926	\$7,211,590	\$9,666,035
Deductions	<u>163,316</u>	<u>617,403</u>	<u>2,698,374</u>	<u>3,479,092</u>
Future Net Income (FNI)	\$317,204	\$1,356,523	\$4,513,216	\$6,186,943
Discounted FNI @ 10%	\$189,653	\$596,287	\$2,127,126	\$2,913,065

The following tables present the total gross reserves before the terms of the PSA expected from the Chinarevskoye Field from July 1, 2007 through the end of the Licence term.

Chinarevskoye Field
Estimated Gross Reserves
As of July 1, 2007

	Proved			
	Developed		Undeveloped	Total Proved
	Producing	Non-Producing		
Oil/Condensate – Barrels	9,302,483	6,768,071	40,253,595	56,324,149
Plant Products – Barrels	1,376,471	1,914,021	17,219,937	20,510,429
Gas – MMCF (after shrink)	22,091	26,439	288,047	336,577

Note: 17,571 MMcf is the total gross gas production volume during 2007-2008 to be used as fuel in the field operations or flared.

Chinarevskoye Field
Estimated Gross Reserves
As of July 1, 2007

	Probable			
	Developed		Undeveloped	Total Probable
	Producing	Non-Producing		
Oil/Condensate – Barrels	0	36,740,001	68,045,819	104,785,820
Plant Products – Barrels	0	1,631,351	35,222,816	36,854,167
Gas – MMCF (after shrink)	0	17,587	615,400	632,987

Note: 725 MMcf is the total gross gas production volume during 2007-2008 to be used as fuel in the field operations or flared.

Chinarevskoye Field
Estimated Gross Reserves
As of July 1, 2007

	Proved + Probable			
	Developed		Undeveloped	Total Proved + Probable
	Producing	Non-Producing		
Oil/Condensate – Barrels	9,302,483	43,508,072	108,299,414	161,109,969
Plant Products – Barrels	1,376,471	3,545,372	52,442,753	57,364,596
Gas – MMCF (after shrink)	22,091	44,026	903,447	969,564

Note: 18,296 MMcf is the total gross gas production volume during 2007-2008 to be used as fuel in the field operations or flared.

Liquid hydrocarbons are expressed in standard 42 gallon barrels. All gas volumes are sales gas expressed in millions of cubic feet (MMCF).

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 85 percent and gas reserves account for the remaining 15 percent of total future gross revenue from proved reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown on each estimated projection of future production and income presented in a later section of this report and in summary form as follows.

Discount Rate Percent	Discounted Future Net Income \$M As of July 1, 2007		
	Total Proved	Total Probable	Total Proved and Probable
12	\$1,023,160	\$1,512,053	\$2,535,213
15	\$867,028	\$1,202,491	\$2,069,519
20	\$666,696	\$825,785	\$1,492,481
25	\$519,494	\$567,127	\$1,086,621

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Price Sensitivity Cases

The sensitivity of the future net income and future net income discounted at 10 percent to variations of the base price forecast was evaluated and are summarized in the following tables. The base forecast for oil was \$65.00 per barrel for 2007, \$60.50 per barrel for 2008 and \$50.00 per barrel thereafter. The long term value (2009 and thereafter) for each case is shown in parenthesis.

Total Proved
As of July 1, 2007

Price Variance	Future Net Income M\$	Future Net Income M\$ Discounted @10%
+50% (\$75)	\$3,816,693	\$2,102,556
+40% (\$70)	\$3,479,376	\$1,907,801
+30% (\$65)	\$3,142,107	\$1,713,070
+20% (\$60)	\$2,821,108	\$1,529,512
+10% (\$55)	\$2,511,053	\$1,352,623
-10% (\$45)	\$1,824,747	\$955,772
-20% (\$40)	\$1,492,354	\$763,969

Total Probable
As of July 1, 2007

Price Variance	Future Net Income M\$	Future Net Income M\$ Discounted @10%
+50% (\$75)	\$7,072,842	\$3,220,261
+40% (\$70)	\$6,456,984	\$2,924,930
+30% (\$65)	\$5,841,078	\$2,629,575
+20% (\$60)	\$5,248,390	\$2,348,211
+10% (\$55)	\$4,641,283	\$2,057,953
-10% (\$45)	\$3,422,751	\$1,474,936
-20% (\$40)	\$2,815,340	\$1,184,043

Total Proved & Probable
As of July 1, 2007

Price Variance	Future Net Income M\$	Future Net Income M\$ Discounted @10%
+50% (\$75)	\$10,889,535	5,322,817
+40% (\$70)	\$9,936,361	\$4,832,731
+30% (\$65)	\$8,983,185	\$4,342,646
+20% (\$60)	\$8,069,498	\$3,877,723
+10% (\$55)	\$7,152,338	\$3,410,576
-10% (\$45)	\$5,247,497	\$2,430,708
-20% (\$40)	\$4,307,696	\$1,948,013

Reserves and Resources Included in This Report

The proved reserves included herein conform to the 2007 Petroleum Resource Management System 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). The probable reserves included herein conform to definitions of probable reserves approved by the SPE/WPC/AAPG/SPEE using the deterministic methodology and the possible reserves included herein conform to definitions of possible reserves approved by the SPE/WPCAAPG/SPEE using deterministic methodology. The definitions of proved, probable and possible reserves and resources are as follows:

Proved Reserves are those quantities of hydrocarbons, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Proved reserves can be categorized as developed or undeveloped. Reserves status categories define the development and producing status of wells and reservoirs.

Developed Reserves

Developed reserves are expected to be recovered from existing wells including reserves behind pipe. Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be sub-categorized as producing or non-producing.

Producing

Reserves sub-categorized as producing are expected to be recovered from completion intervals which 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.

Non-Producing

Reserves sub-categorized as non-producing include shut-in and behind pipe reserves. 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 started producing, (2) wells which were shut-in awaiting pipeline connections or as a result of a market interruption, or (3) wells not capable of production for mechanical reasons. Behind pipe reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future recompletion prior to the start of production.

Undeveloped Reserves

Undeveloped reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

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.

Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest 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) Reserves, which is equivalent to the high estimate scenario. In this context, 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.

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.

Uncertainty in **Resource Estimates** is best communicated by reporting a range of potential results. However, if it is required to report a single representative result, the "best estimate" is considered the most realistic assessment of recoverable quantities. It is generally considered to represent the sum of Proved and Probable estimates (2P) when using the deterministic scenario or the probabilistic assessment methods. It should be noted that under the deterministic incremental (risk-based) approach, discrete estimates are made for each category, and they should not be aggregated without due consideration of their associated risk.

Undiscovered hydrocarbons initially-in-place is that quantity of hydrocarbons estimated, as of a given date, to be contained within accumulations yet to be discovered.

Prospective Resources are those quantities of hydrocarbons estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The proved and probable reserves and income quantities attributable to the different reserve classifications that are included herein have not been adjusted to reflect the varying degrees of risk associated with them and thus are not comparable. Possible reserves and prospective resources reserves have been included in this report for completeness; however, no economic value has been evaluated or included in this report.

Because of the direct relationship between volumes of proved undeveloped reserves and development plans, we include in the proved undeveloped category only reserves assigned to undeveloped locations that we have been assured will definitely be drilled.

Estimates of Reserves

In general, the reserves included herein were estimated by performance methods or the volumetric method; however, other methods were used in certain cases where characteristics of the data indicated such other methods were more appropriate in our opinion. The reserves estimated by the performance method utilized extrapolations of various historical data in those cases where such data were definitive. This typically is the analysis of the change in production rates and production fluids ratios versus time and versus cumulative production as reservoir fluids are withdrawn providing valuable information to predict ultimate recoverable quantities. Reserves were estimated by the volumetric method in those cases where there were inadequate historical performance data to establish a definitive trend or where the use of production performance data as a basis for the reserve estimates was considered to be inappropriate. The volumetric method uses a geoscience description of the reservoir rock volume, the rock properties along with the reservoir fluid properties to calculate hydrocarbons in-place. Given estimates of the hydrocarbons in-place, that portion that can be recovered by a defined set of wells and operating conditions can be estimated based on analog field or well performance and/or simulation studies using the available reservoir information.

The reserves included in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered, and if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Moreover, estimates of reserves may increase or decrease as a result of future operations.

Future Production Rates

Initial production rates are based on the current producing rates for those wells now on production. Test data were used to estimate the anticipated initial production rates for those wells or locations which are not currently producing. If no production decline trend has been established, future production rates were held constant, or adjusted for market conditions where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied to depletion of the reserves. If a decline trend has been established, this trend was used as the basis for estimating future production rates. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Zhaikmunai LLP.

The future production rates from wells now on production may be more or less than estimated because of changes in marketing conditions. Wells or locations which are not currently producing may start producing earlier or later than anticipated in our estimates of their future production rates.

Hydrocarbon Prices

The following hydrocarbon prices were provided by the Issuer and used in this report.

Future prices for oil and condensate were assumed to be \$65.00 per barrel for 2007, \$60.50 per barrel for 2008, \$50.00 per barrel for 2009 and thereafter.

Future prices for plant products were assumed to be to be \$41.00 per barrel for 2007, \$36.00 per barrel for 2008, \$30.00 per barrel for 2009 and thereafter.

The future gas price was assumed to be \$1.982 per thousand cubic feet (MCF) for the life of the properties.

Costs

Operating costs were based on information supplied by Zhaikmunai LLP. This information was based on current costs in the field and data from operations of other similar fields and feasibility studies carried out by independent Kazakh institutes. Operating costs were on both a fixed and variable basis and in our opinion represent the expected increased costs as production increased. They also include salary costs and adjustments to salary costs based on the number employees as well as a yearly salary increase until 2017.

Transportation costs of \$6.58/bbl for oil/condensate and \$7.90/bbl LPG ("plant products" or "LPG") were supplied by Zhaikmunai.

Development costs were supplied by Zhaikmunai LLP. Costs for drilling and completion of future wells is 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 includes commissioning, management costs, insurances and contingencies.

Licence Description

Summary

The Company holds an interest in certain oil and gas properties located in the Chinarevskoye Field, Republic of Kazakhstan. The Company entered into a Licence and Production Sharing Agreement ("PSA") with the Republic of Kazakhstan in May 1997 and October 1997 respectively. The PSA sets forth parameters for the exploration and development of the field and the fees, profit oil sharing, and tax liabilities payable to the Republic of Kazakhstan.

Chinarevskoye is a multi-formation field. There are several hydrocarbon accumulations in different strata in the pre-salt section. The presence of seven reservoir intervals in the pre-salt formations was proven by well P9, a wildcat well drilled in 1989. Based on the results of this well and of a 2-D seismic survey exploration well 4 was drilled in 1991, which discovered a gas-condensate accumulation in the Middle Devonian Biski horizon at a depth of 5,150m. Well 10, drilled in 1992 confirmed the existence of a gas-condensate accumulation in the Biski horizon and tested gas-condensate in the overlying Afoninski horizon and an oil accumulation in the Lower Carboniferous Tournaisian horizon. Current data suggests that a separate gas-condensate layer could be present in the uppermost part of the Tournaisian reservoir.

The Tournaisian was proven to be gas-condensate bearing in the southern accumulation by well 23 and oil bearing in the western area by well 29. Wells 22, 28 and 54 successfully tested oil in the Middle Devonian Givetian reservoirs. The Permian was tested successfully by well 20 in the Filipovski horizon and in well 29 in the Asselski horizon. Both horizons are oil bearing.

As a result of exploration work, the field was divided into three sub-sections: the North-Eastern, Southern part and Western parts. The exploration status in each of these areas is different. In the North-Eastern part, the appraisal of the Tournaisian reservoir has been finalized and the five and a half year test production period came to an end in December 2006. A development plan has been prepared and submitted to State authorities for approval for this part of the field. The approval of the development plan was obtained in November 2006 from CCD (Republic of Kazakhstan Central Committee for Development ("ZKR")). The daily production from the Tournaisian in the North-Eastern accumulation as

of July 1, 2007 amounted to 3,830 bbl/d. Current production (24.10.2007) is 5,034 bbl/d. Additionally oil is being produced from production tests of the Givetian Mullinski reservoir. The production varies depending on the number of wells tested at the same time. In 2007 the production ranges between 170 bbl/d and 1500 bbl/d.

The appraisal of the Biski & Afoninski horizons in the North-Eastern area was completed in 2006 as Well 28 was proven to be gas-condensate bearing in the Afoninski reservoir. The Biski horizon tested the zone of the gas-water contact and proved previous estimates at a depth of between 5,023m and 5,065m. The Republic of Kazakhstan State Committee on Reserves (GKZ) approved the reserves for the Biski & Afoninski reservoir on June 15, 2006. As a next step, the development plan for the North-Eastern area of the Biski & Afoninski reservoirs is being prepared and will be submitted to State Authorities for approval mid of next year.

In the Southern area well 23 found the gas-water contact in the Biski horizon at 4,890m. Appraisal of the Biski & Afoninski reservoirs in a direction up-dip of well 23 will be performed by two new appraisal wells, which will investigate the Tournaisian reservoirs in the Southern area during 2007 and 2008. The first well, well 31, is currently under test operations and the second well, well 32 is under drilling. In the western area two appraisal wells (well 27 and well 33) are being drilled in order to appraise the Tournaisian reservoir and the extension of the Biski & Afoninski reservoir, which has proved to be hydrocarbon (HC) bearing towards the West. (Well 4).

Significant upside potential is expected for the Givetian horizon. The Givetian was successfully tested by wells 22, 28, 30 and 54. There are three prospective horizons within the Frasnian-Givetian strata. According to the commitments of the second extended exploration period under the PSA two exploration wells must test the Givetian before mid-2008. Well 29 was the first well to test the Givetian in order to fulfill part of this commitment. The second exploration well – well 28 – was drilled in August 2006 and carried out a long term production test in the Givetian Ardatovski horizon.

The Permian reservoir has been successfully tested by a MDT¹ in well 29 and open-hole tests in wells P9, 20 and 31. In well 20 the Permian tested oil and gas from a 30m interval at 2,686m. There are high expectations of upside potential from the Lower Permian formation due to the fact that the logs from all other wells showed similar hydrocarbon saturations to those in well 20.

The remaining exploration potential is linked to several mapped prospects in the Tournaisian, Biski & Afoninski and Givetian reservoirs.

Significant new information was acquired by the Company since mid-2006, including new processing and interpretation of 3D seismic, drilling of eight new exploration and production wells and production of more than 200,000 cubic meters of crude oil and condensate.

The utilization of associated gas and gas-condensate is based on a gas utilization concept prepared by the NIPneftegaz Institute in the Spring of 2006, which was presented to the Kazakh Committee of Gas Utilization in June 2006. This plan envisions an on-site gas processing facility with the resulting dry gas being shipped to export markets through the Company's own gas pipeline connected to the Orenburg-Novopskov gas pipeline. A protocol of intent was signed with Intergaz to agree on technical specifications for a gas pipeline connection. Negotiations for the sale of the dry gas output have been initiated with KazRosGaz- a joint venture between the national Kazakh oil and gas company KazMunaiGaz and Gazprom.

The plant products that will be produced are expected to be transported by truck to a rail-loading terminal close to the city of Uralsk.

¹ MDT - this is a Modular Formation Dynamics Tester for pressure measurement and high-quality fluid sampling.

Crude oil and condensate² is expected to be processed on-site in an oil treatment unit and shipped through the Company's own oil pipeline from the field site to the city of Uralsk. This oil pipeline, which is currently under construction, will be connected to the Company's future rail loading terminal for further export by railcar and to an oil pipeline running from Uralsk to Samara for pipeline export.

The location of the Company's own rail-loading terminal has been identified and agreed with the national railway company Temir Zholy and the construction of the terminal has started and is expected to be finalized together with the oil pipeline by the end of the first quarter of 2008.

The crude oil quality is high with a gravity of 41 API degrees (a density of 820 kg/m³) and the condensate gravity ranges between 47.5-54.5 API degrees (the density of the condensate falls between 760 kg/m³ and 790 kg/m³).

Geographic Location, Natural Environment and Infrastructure

The Chinarevskoye Field is located in northwestern Kazakhstan on the border of the Republic of Kazakhstan (the Republic) and the Russian Federation as shown in below.



² Currently being transported from the field to the rail terminal by truck.

Figure 1: Regional Location Map

The Chinarevskoye oil and gas condensate field is part of the Chinarevskoye Licence block located in the region of west Kazakhstan (Batyk Kazakhstan) near the border between Kazakhstan and the Russian Federation. The west Kazakhstan administrative center Uralsk (Oral) is about 80 km southwest of the Chinarevskoye field. The nearest villages are Rozhkovo, Chesnokovo, Chebotariovo, Balbanov and Chinarev.

Surface features are hilled plain, abundant with ravines, hollows and brooks. The flora is typical for dry steppe including feather grass and wormwood. There are no woods but the field is in the vicinity of the Ural river. The average temperature ranges -14.2°C to -14.4°C in January and $+22^{\circ}\text{C}$ to $+23^{\circ}\text{C}$ in July, where the lowest is -42°C in winter, and the highest is $+40^{\circ}\text{C}$ in summer. Annual precipitation ranges between 300 and 350 mm. The maximum freezing depth of soil is 1.5m. Winter road conditions last from early November till early April and the snow can be firm for as long as 130 days. Wind speed is 5 to 9m/s in February and 3 to 6 m/s in August-September. Regular changes of wind direction occur in spring, mainly northwards.

The existing nearby infrastructure allows for an efficient development program for the Chinarevskoye Field. As shown on the infrastructure map the Orenburg gas pipeline crosses the Licence area, the Atyrau-Samara oil pipeline is located 100 kilometers to the west, a railway is located 55 kilometers to the south and a large oil and gas refinery has been constructed 75 kilometers to the southeast at the Karachaganak Field to process unstable condensate.



Figure 2: Local infrastructure map

The Licence granting the right to use the subsurface in the Republic of Kazakhstan for the exploration and production of hydrocarbons in the Chinarevskoye oil and gas condensate field was issued to the

Company in May 26, 1997 based on the Licence Series MG #253-D(oil) by the Government of the Republic of Kazakhstan.

The Licence encompasses the following blocks:

- XII-12-D (partial), E (partial), F (partial)
- XIII-12-A (partial), B (partial), C (partial), F (partial) and
- XIII-13-A (partial)

The duration of the original license was for a period of 30 years. First five years of exploration followed by a 25 years production period. The exploration period comprised two phases, each of which had an option for extension. The production phase starts for each accumulation depending on the date at which development plan for such accumulation enters into force.

The contract is a combined Licence and Production Sharing Agreement with the Republic of Kazakhstan. It includes a "Minimum Work Program" with a "minimum capital expenditure requirement.

The original Minimum Work Program foresaw the drilling of four exploration wells during the first exploration stage and nine exploration wells during the second exploration phase.

Currently the second exploration phase is in its second extension period. The second phase started in November 2001 and was extended twice and now runs until May 2008. During this second phase and its extension periods a total of nine additional wells were required to be drilled to fulfill the Minimum Work Program with a total capital investment of US\$100.5 million (just for the second phase, including the two extension phases). Of these nine wells, two wells must be drilled in the Givetian formation, four new exploration wells and three future production wells must be drilled in the Tournaisian formation. In addition, production tests of the Permian reservoirs should be performed in four wells (while drilling exploration or future production wells).

The overall Minimum Work Program capital expenditure requirement for both exploration phases amounts to US\$125.5 million.

To date, four commitment wells relating to the first exploration phase have been drilled (wells 10, 12, 13, 24) and all the 9 commitment wells of the second phase have been finalized (wells 20, 22, 23, 28, 29, 50, 53, 56 and 30), of which two wells (well 29 and 30) reached the Givetian reservoir. Wells 28, 29 and 30 are currently undergoing test operations whereas wells 20, 22, 50, 53 and 56 are in production and well 29 is awaiting a decision to be completed as water injection well.

Four additional exploration wells (wells 27, 31, 32 and 33) will have been drilled before the end of 2007. All four wells have been spudded and well 31 is currently under test operations. The additional exploration wells have been decided in order to completely assess the hydrocarbon bearing potential of the whole licence area before end of exploration phase in May 2008.

Besides the PSA, the Company performs its current operations under two main permits with the Government:

- **The Exploration Contract** and
- **The Production Permit** for North-Eastern area of the Tournaisian reservoir (including a permit for gas flaring)

The Exploration Contract is to be completed by May 2008 and the Production Permit for the North-Eastern part of Tournaisian formation is valid until December 31, 2031.

The main commitments under the current **Exploration Contract** are as follows:

- Acquisition of a 3-D seismic survey
- Drilling of 11 exploration wells of which three wells can be future production wells under the Test Production project for the North-Eastern area of the Tournaisian reservoir (which was in place until end of year 2006)
- Drilling of water disposal well R1
- Construction of the first stage of an Oil Treatment unit
- Construction of an oil pipeline from the field site to Uralsk

Subsequent to the extension of the second exploration phase until May 2008 the following commitments were added:

- Drilling of two additional exploration wells to the Givetian formation
- Four tests of the Permian formation

Outstanding commitment work:

- o One test in the Permian formation – which will be performed in upcoming production wells
- o Commissioning of oil pipeline before end of year 2007

The main original commitments under the **development plan** are as follows:

- o Drilling of 32 additional production and water injection wells
- o Full gas utilization of associated gas by end of year 2008
- o Start of water injection in year 2007 to support reservoir pressure and to achieve an oil recovery of at least 30.8% by December 31, 2031, when the Production Permit terminates.
- o The approved development plan for the Tournaisian North accumulation is under implementation. However, the development plan is currently under revision. The revised development plan will include the drilling of horizontal wells according to the results of the dynamic modeling of the Tournaisian North reservoir.

Geology

The Chinarevskoye field is located on the Northern margin of the Pre-Caspian Basin. The Pre-Caspian Basin covers an area of approximately 550,000 km² and represents a huge, deeply subsided portion of the Russian Platform. The basin is entirely bounded by deep-seated regional faults upon which most of the basin's Paleozoic and Mesozoic subsidence has taken place. The entire southern part of the basin lies along a Hercynian-aged suture zone. The Chinarevskoye field area experienced a similar tectonic history of basement-related block faulting throughout the Paleozoic period. A ring of uplifts fringing the basin margin were positive features for much of the geological history. The Chinarevskoye Field discovery lies within this uplift zone.

These uplift features are believed to be long-lived structural highs. During the Paleozoic Age, sedimentation on these highs was dominated by shelf carbonates with reef development on the margins. The deeper interblock areas predominantly received shales and deepwater carbonates. Much of the structural setting of the Carboniferous and Devonian intervals is therefore represented by broad, gentle structures with minor or no identifiable faulting. By the Middle Permian Age, the basin became partially closed, and restricted marine influx allowed for the accumulation of a thick Kungurian (Lower Permian) evaporite section.

The Frasnian unconformity represents the main event in the pre-salt section. Below this unconformity the prevalent trapping mechanism is tectonic (tilted fault blocks). Above the unconformity, the traps are mainly of a lithological type.

Two main intervals of Devonian and Carboniferous source rock generated hydrocarbons mainly during and after the accumulation of the Kungurian evaporites. These evaporites present a regional seal which divides the pre-salt hydrocarbon system from the post-salt.

All hydrocarbon bearing reservoirs in the Chinarevskoye area belong to different strata of the pre-salt section. This also applies to all adjacent fields. Most of these fields also have two or more independent reservoir horizons.

The lithological and stratigraphic sections of the Chinarevskoye Field are represented by crystalline basement rocks and sedimentary formations.

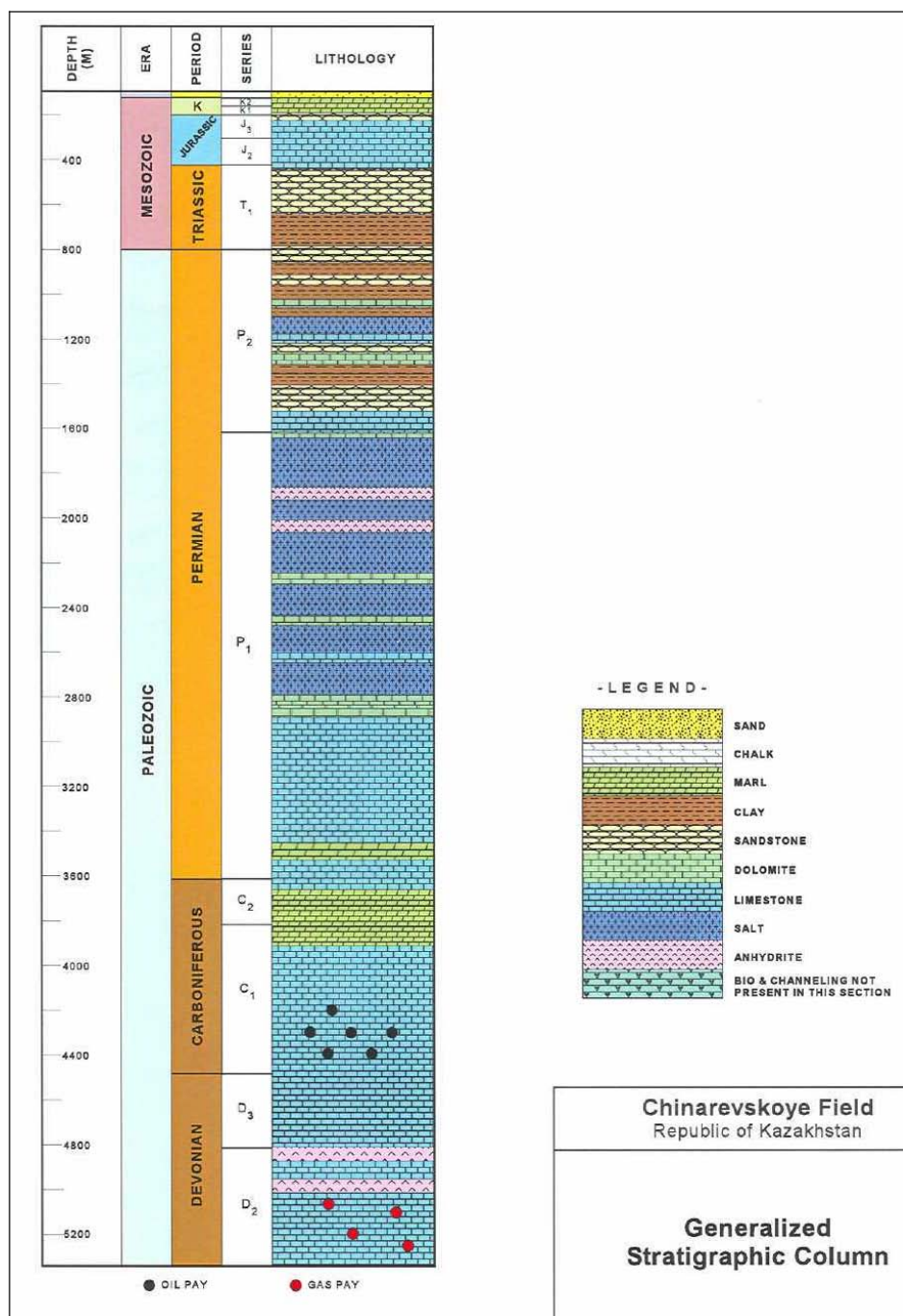


Figure 3: Generalized Stratigraphic Column³

³ NSA report 2003: Estimate of Reserves and Future Revenues from the Zhaikmunai LLP Interest in Certain Oil and Gas Properties located in the Chinarevskoye Field, Republic of Kazakhstan as of September 30, 2003; Netherland, Sewell and Associates, Inc (NSA)

The Crystalline basement of the Chinarevskoye uplift was identified by three wells: P-9, 10, and 4. The age of the basement rocks is Proterozoic and they are represented by fallow-pink, large-grained granites. The top of the basement is associated with the "F" reflector (figure below)

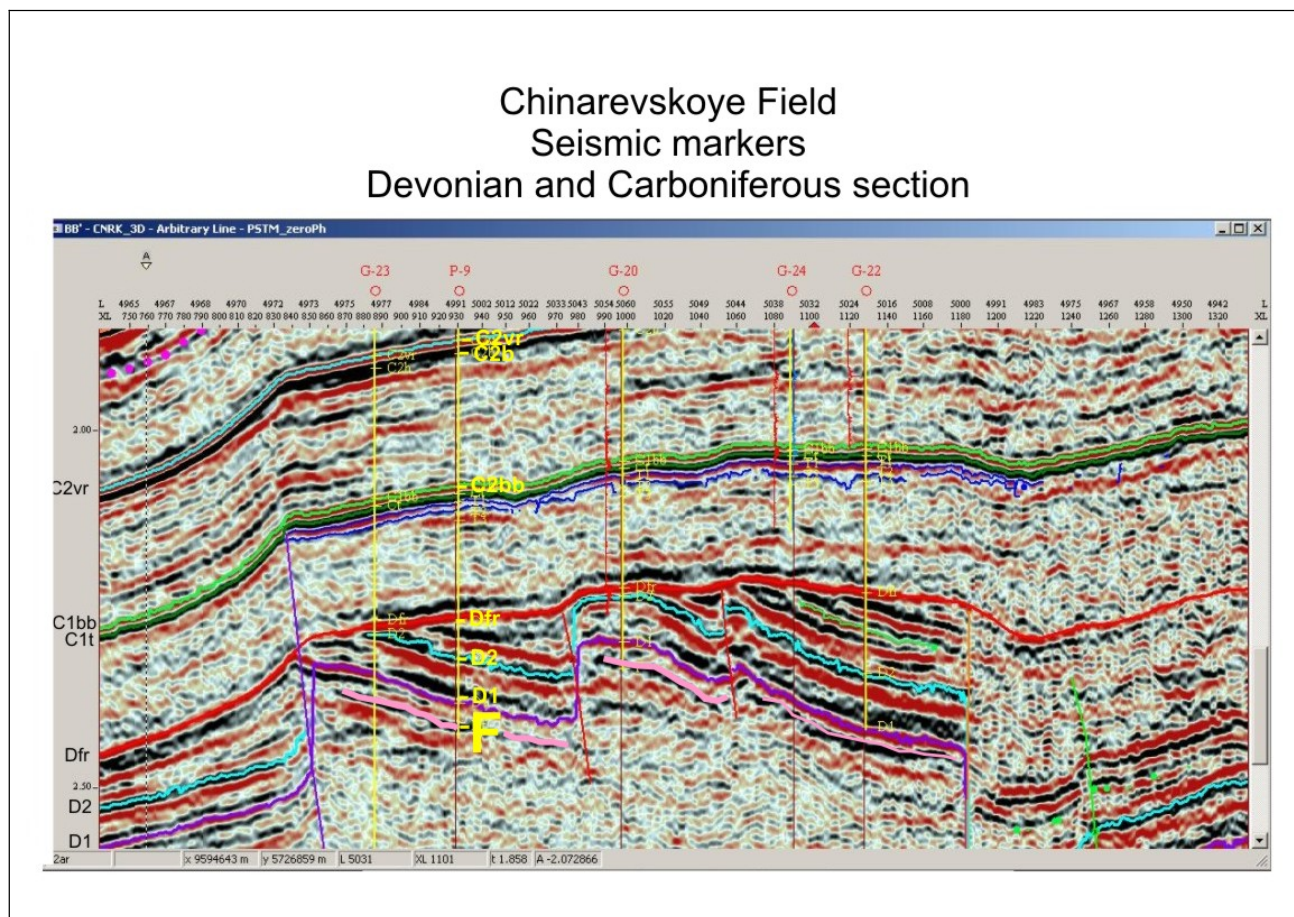


Figure 4: Seismic markers of Devonian/Carboniferous section

Devonian system sediments in the area are represented by lower, middle and upper sections.

The lower section is represented by unequal interbedding of gravel-sandstones, greenish-grey sandstones and dark-cherry argillites. The thickness of the Lower Devonian sediment is between 45m and 80m. The top of the Lower Devonian sediments and the base of the Middle Devonian Biski sediments are associated with the "D1" reflector.

The middle section is represented by Eifelian and Givetian stages. The Eifelian stage is represented by the Biski and Afoninski horizons.

The Biski horizon is characterized by interbedding of dolomitized, bio-homogeneous limestones with biomorphic, detrital, dolomitized limestones and dark-brown, biomorphic, detrital dolomites unequally saturated with bituminous substance. In well 4 there are bioherm limestone differences. The thickness of Biski sediments varies from 110m to 240m. The top of the Biski sediments is associated with the D2bs reflector.

The Afoninski horizon is, lithologically, mainly represented by carbonate rocks. The upper part of this horizon is represented by the interbedding of clayey bituminous limestones with marls and argillites. The color of the rocks is dark, highly bituminous, and thinly layered with fauna. The thickness of the Afoninski sediments is between 0m and 265m. The top of the Afoninski sediments is associated with the D2af (D2) reflector.

The Givetian stage is lithologically represented by argillites with limey areas. Argillites are thin-plated and dense. The thickness of the Givetian sediments is between 0m and 350m. The top of the Givetian stage is associated with the "D3" (Dfr) reflector.

The Upper section is represented by the Famennian stage sediments. Sediments of the Frasnian stage are absent within the limits of the oil accumulation on account of pre-Famennian erosion.

In Givetian sediments the Famennian stage occurs with some erosion. Lithologically it is represented by grey, dark-grey, biomorphic detrital, dolomitic, slightly bituminous limestone. The thickness of Famennian sediments is between 280m and 385m.

Carboniferous system: Sediments of the Carboniferous stage lie conformably on Devonian rocks and are represented by two sections: Lower and Middle. Sediments of the upper section are absent from the Pre-Asselian erosion.

The Lower section is represented by the Tournaisian, Visean and Serpukhovski stages.

The Tournaisian section is represented by Lower and Upper substages, composed of grey, dark-grey, and over crystallized limestones, with dolomitic and clayey areas. The lithological boundary between substages passes within the limestones and is characterized by a change from clayey plated accumulations into massive detrital accumulations. In the Chinarevskoye area a core was taken from the P-9 well where the Tournaisian is represented by light-grey, dense, massive limestones with single organic remnants. In the Lower part there is a slight smell of hydrogen sulfide. The thickness of Tournaisian sediments varies between 100m and 195 m.

The Visean stage is represented by carbonate sediments, grey, dark-grey, thin, granular, dense sediments and terrigenous sediments - from dark argillites to black ones of the Bobrikovski horizon. They serve along with dense clayey limestones of the Upper part of the Tournaisian stage as a seal for the Tournaisian oil accumulation. The thickness of the horizon amounts to 25-30 m. The top of the Bobrikovski horizon is associated with the "C1bb" reflector. The thickness of Visean sediments is between 325m and 360m.

The Serpukhovian stage is represented by light-grey, biomorphic detrital, foraminiferal-algal limestones with leached and vuggy areas. The thickness of Serpukhovian sediments ranges between 165m and 265m.

The Middle section is defined in the structure of Bashkirian and Moscovian stages.

The Bashkirian stage is represented only by the Lower Bashkirian substage, the overlying sediments being absent as a result of the Pre-Vereyski erosion. It is composed of light-grey, organogenic detrital, oolitic and over-crystallized limestones. The thickness of Bashkirian sediments is between 40m and 100m.

The Moscovian stage is represented within the limits of the oil accumulation only by the Vereyski horizon. The Kashirsko-Myachkovskiy part of the section is absent as a result of Pre-Asselian erosion.

The Vereyski horizon is lithologically represented by dark-grey to black argillites, with a bituminous substance. The top of the Vereyski sediments is associated with the "C2vr" reflector. The thickness of the Vereyski sediments amounts to between 45m and 85 m.

The Vereyski horizon is a regional seal for Lower Bashkirian oil and gas accumulations, as revealed in the zone of Visean-Bashkirian carbonate flange scarp (Daryinskoye, Rostoshenskoye).

Permian System: The Lower part is represented by two types of sediments; the Lower section carbonates in the structure of the Asselian, Sakmarian and Artinskian stages and the Upper section evaporates of the Kungurian stage. The base of the Permian is associated with the "P2" reflector.

Asselian and Artinskian stages are lithologically homogeneous and are represented by limestones and grey dolomites to dark-grey, massive, sturdy dolomites, with organogenic and cloddy areas. The top of the Artinskian stage is associated with the "P1_10" reflector. The thickness of the Asselian and Artinskian rock series is between of 710m and 870m.

The Kungurian stage is represented by two series: The Lower series sulphate-carbonates of the Filipovski horizon and the Upper series evaporites with sulphate and terrigenous interlayers of the Irenski formation.

Sediments of the Filipovski horizon are represented by anhydrites with dolomite interlayers. The top of sediments of the Filipovski horizon is associated with the "S" reflector. The thickness of Filipovski horizon sediments ranges between 145m and 260m.

Sediments of the Irenski formation are represented by alternative layers of salt and anhydrites. The top of the Irenski formation is associated with the "VI" reflector. The thickness of the Irenski formation is between 805m and 1,235m.

Post salt Paleozoic sediments occur with an unconformity on the Kungurian halogen series and are composed of interbedded series of sand, clayey, carbonate and salt-bearing rocks. The thickness of these sediments amounts is between 800m and 900m.

Mesozoic and Cenozoic strata: Lithologically, they are mainly represented by terrigenous rocks with the interbeds of carbonate rocks in Jurassic and Cretaceous accumulations. The total thickness of Mesozoic-Cenozoic accumulations is between 655m and 795m.

Chinarevskoye Field

Reservoirs and Hydrocarbon Presence

The Chinarevskoye Field is a multi-formation structure. It has tested hydrocarbons at significant rates from:

1. **Lower Permian** horizons at 2,700m to 2,900m, represented by limestones and dolomitic limestones.
2. Limestones of the **Lower Carboniferous Tournaisian** formation at about 4,200 m depth with a gross thickness of about 200m.
3. **Middle Devonian Givetian** (Mullinski, Ardatovski and Vorobyovski) horizons at about 5,000m depth, represented by sandstones with carbonate cements.
4. **Middle Devonian Biski and Afoninski** formations at a depth of approximately 5,000m with a gross thickness of 200m and represented by limestones and dolomitic limestones.

Oil was found in the Lower Permian, Tournaisian and Givetian Mullinski reservoirs. Gas-condensate was found in the Tournaisian and Biski & Afoninski and Givetian Ardatovski reservoirs.

The seal for the Lower Permian reservoirs are anhydrites, argillites and tight carbonate rocks. In the Lower Carboniferous Tournaisian reservoir tight carbonates are locally sealed. The vertical seals for the Middle Devonian Givetian reservoirs are claystones and argillites which belong to different stratigraphic units depending on the Frasnian unconformity. The seal for the Biski-Afoninski formations are Chernoyarski claystones and argillites. They represent a regional seal. A carbonaceous claystone exists between the Biski and Afoninski horizons which could be a local seal.

The main source rocks are the Chernoyarski claystones. They are represented by deep-marine sediments which contain a Type II kerogen. Directly below the Frasnian unconformity lie the Pashiyski und Kinovski claystones and argillites which were accumulated in former sedimentation troughs and could be present in the Chinarevskoye field area. These rocks also have a good generation potential. Another possible source rock of the Lower Carboniferous and Upper Famennian are the carbonaceous mudstones of the Domanikovskaya formation which occur north of the Chinarevskoye area in the Buzuluk depression.

Seismic Control – Mapping of Accumulations and Prospects

The Chinarevskoye Licence area is covered by approximately 400 kilometers of 2-D seismic lines and by a 462 km² 3-D seismic survey. There are two primary sets of 2-D seismic data comprising a total of 41 lines. One survey was acquired during 1985 and 1986, and a second survey was conducted from 1989 through 1991. The lines are on a 1-by-1.8 kilometer grid with dip lines running north-northeast to south-southwest and strike lines running west-northwest to east-southeast. Seismic coverage density is 1.33 kilometres per km². The 2-D seismic data was reprocessed, and data quality is fair to very good.

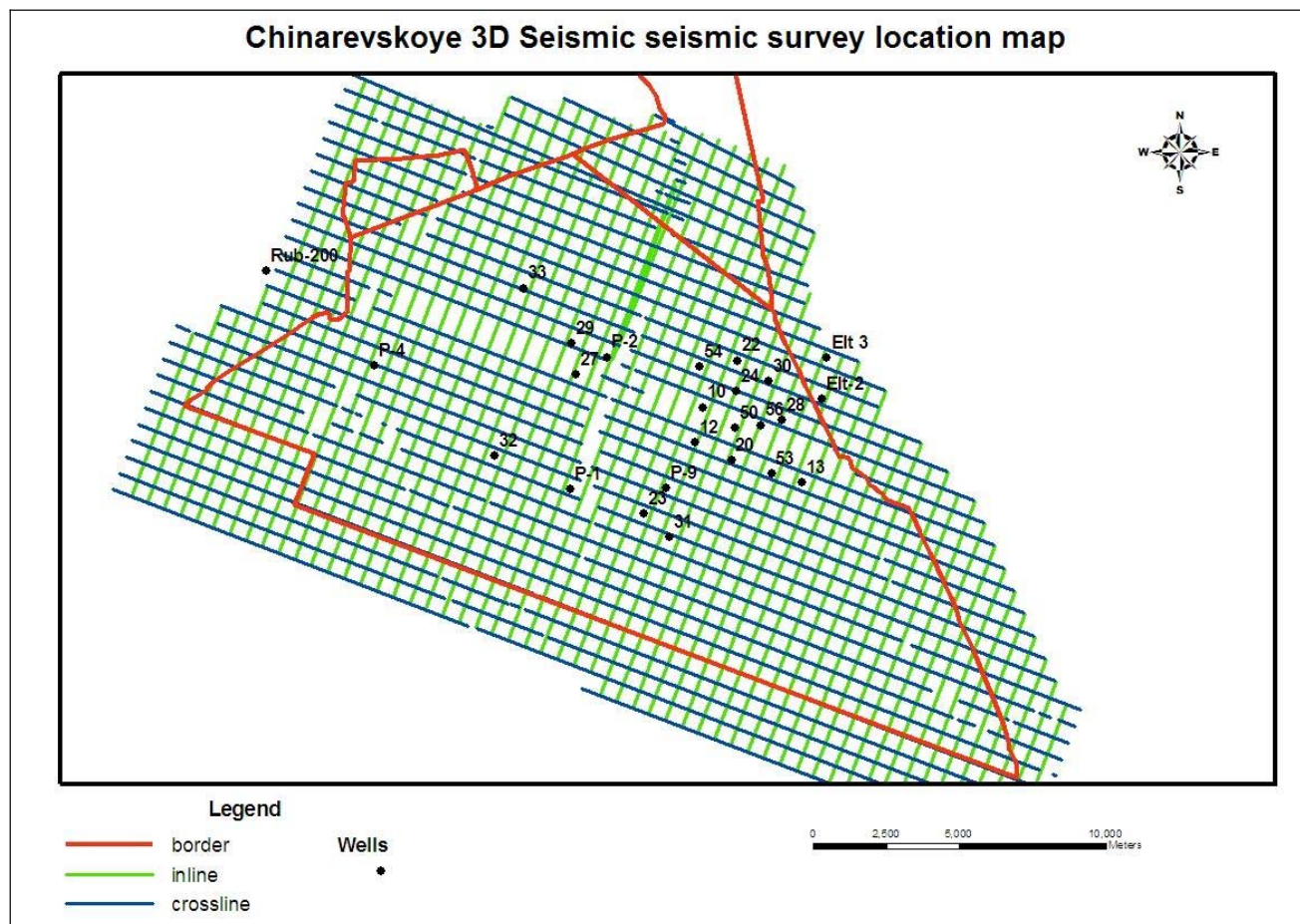


Figure 5: Chinarevskoye 3-D seismic survey location map

The 3-D seismic survey was acquired and processed by GEOTEX (now Azimuth) in 1998, and the data quality is very good. The major mapping horizons are easily correlated, and faults are well defined

Teknica Overseas Ltd. completed a first interpretation of the 3-D seismic survey in year 1999.

This interpretation was reviewed in 2003 by NSAI for their report⁴ and extended the structural mapping for volumetric calculations to the Biski and Afoninski levels.

In 2006/2007 a completely new re-processing and interpretation of the 3-D seismic was performed by PGS-RES which took all new well results and production testing into account. Sophisticated processing and interpretation techniques have allowed for the creation of accurate maps of all resources below the Kungurian salt.

⁴ NSA report 2003: Estimate of Reserves and Future Revenues from the Zhaikmunai LLP Interest in Certain Oil and Gas Properties located in the Chinarevskoye Field, Republic of Kazakhstan as of September 30, 2003; Netherland, Sewell and Associates, Inc (NSA)

As of July 1, 2007 the following accumulations were identified within the Chinarevskoye licence area

Accumulations: (Hydrocarbons have been proven by well tests)

Tournaisian reservoir:

- Northern accumulation
- Southern accumulation (Area well 23&P9)

Biski and Afoninski reservoirs:

- Well 10 accumulation
- Well 20 accumulation
- Well 4 accumulation

Givetian reservoir:

Mullinski horizon

- Area Givetian Mullinski West
- Area Givetian Mullinski Northeast

Ardatovski horizon

- Area Ardatovski West
- Area well Ardatovski Northeast

Characteristics of Hydrocarbons

Biski horizon: The content of methane in the separated gas is 77.91%, ethane is 12.34%, propane is 4.94%, butane is 1.62%, C5+ at 0.82%. Content of acid components in gas are: carbonic acid - up to 1.8%, hydrogen sulphide - up to 0.5%, nitrogen - does not exceed 0.2%. The condensate with a density of 760 kg/m³ contains common sulphur of 0.1%, mercaptans - from 0.006 to 0.01%, sulphides - from 0.003 to 0.005%.

Afoninski horizon: The content of methane in gas is 76.99%, ethane 14.33%, propane 3.67%, butane 0.68%, and pentane + the highest at 0.24%. The content of acid components in gas of the Afoninski oil-accumulation is approximately the same as in the Biski oil-accumulation, hydrogen sulphide being absent. In condensate with a density of 775 kg/m³ the content of sulphur does not exceed 0.1%, mercaptan -0.01%, sulphides - from 0.003% to 0.005 %.

Tournaisian horizon: The average oil density is 705 kg/m³ under reservoir conditions. Under surface conditions the density is 822 kg/m³, the sulphur content is 0.01%, mercaptans are 0.015%. The GOR is 195.1 m³/m³. The content of methane in gas from separation is 60.99%, ethane – 18.14%, propane – 10.3%, butane – 3.55%, C5+ - 1.53%. The H₂S content is 1.1mol%. The gas after degasation has an average content of methane - 16.67%, ethane is 27.16, propane is 31.6% butane is 15.57% and C5+ is 6.75%.

Ardatovski horizon: The content of methane in the reservoir fluid is 80.48%, ethane - 7.74%, propane - 3.34%, butane - 1.34%, pentane + higher - 5.57%. Content of acid components in gas are: carbonic acid - 1.11%, hydrogen sulphide - 0.00%, nitrogen - 0.37%. The condensate has a density of 786.6 kg/m³. Sulphur content is 0.01, mercaptans and sulphides content are less than 0.001.

Mullinski horizon: The average oil density is 543 kg/m³ under reservoir conditions and 795 kg/m³ under surface conditions. Mercaptans are 0.001% under surface conditions. The GOR is 550 m³/m³. The content of methane in gas from separation is 72.41%, ethane – 15.69%, propane – 6.61%, butane – 2.14%, C5+ - 0.89%. The H₂S content is 0.03mol% The gas from degasation has an average content of methane content – 22.55%, ethane is 27.74, propane is 28.84% butane is 13.82% and C5+ is 5.75%.

Drilling History, Well Tests and Coring

In well 4 hydrocarbons were discovered in the Biski & Afoninski reservoirs in 1991. The discovery of the Tournaisian reservoir was made in 1992 in well 10. In 2003 well 22 discovered the Givetian accumulation. In 2004 well 20 successfully tested the Lower Permian reservoir. In 2007 well 54 found oil in the Bashkirian formation (well results still being studied).

In the North Eastern part of the Field 4 wells were drilled during the Soviet era (5, 10, 12, 13) and 3 wells were drilled thereafter: 20, 22 and 24. Three wells (10, 12, and 13) which were drilled in Soviet times were reactivated. Wells 12 and 13 were deepened by directional drilling to the main Tournaisian reservoir. Well 28 and well 30 have been drilled in 2006/07 and are still under test production. Wells 50, 53 and 56 have been finalized as production wells and further production wells will be drilled back to back over the coming months and years. By the end of June 2007 a total of 14 wells had reached the Tournaisian reservoir horizon. Wells 20, 22, 24, 50, 53 and 56 are currently in production.

Outside the North-Eastern area a total of 5 wells (P1, P2, P9, 4, 7) were drilled during the Soviet era. All of them were plugged and abandoned due to technical or geological reasons. Amongst them was well 4 which was effectively the "discovery well" for the Chinarevskoye field.

In the Southern block, appraisal well 23 was drilled in 2005 and successfully tested for gas condensate in the Tournaisian in February 2006. The Western part of the Chinarevskoye Field is being explored by well 29, which reached the Tournaisian reservoir in April 2006. The well was also intended to test the prospective Permian horizons. Two down-hole oil samples were taken by Schlumberger MDT producing oil without water. The oil density is 0.814 g/cm and the GOR 300 m³/m³.

As of end of June 2007 a total of 20 wells have been drilled - P1, P2, 4, 5, 7, P9, 10, 12, 13, 20, 22, 23, 24, 28, 29, 30, 50, 53, 54 and 56. Four wells are under drilling operations (wells 31, 32, 33 and 27). Six wells are producing (20, 22, 24, 50, 53, 56), four wells were in test operations (28, 29, 30, 54). Well 10, is temporarily shut down and awaiting workover. Wells 12 and 13 are under workover operations. All other wells have been plugged and abandoned. An overview of the wells drilled in the Chinarevskoye block is given in the Figure below.

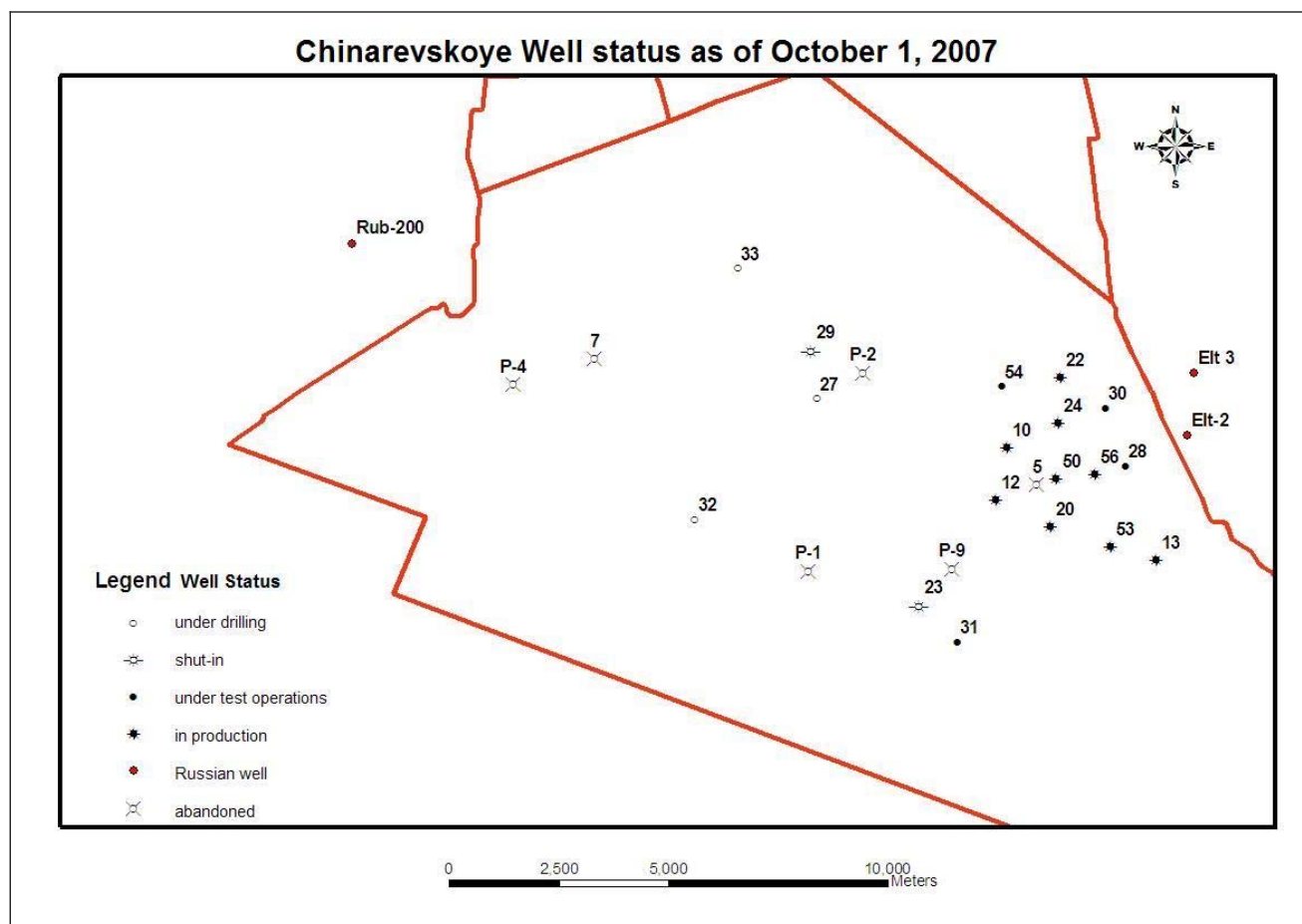


Figure 6: Chinarevskoye Well status as of October 1, 2007

A total of 74 DST and Casing tests have been carried out and 33 of them resulted in a hydrocarbon flow.

Production history

In the North-Eastern area six wells are currently producing from the Tournaisian reservoir. The first production was obtained in 2000 from well 10.

By December 31, 2006, a total of 766,241 m³ (4,819,510 Bbls) of oil had been produced from this area. About 59% of the total production was recovered from well 10. The difference in the production volumes between wells is partly due to technological reasons. The two wells with the highest production from the Tournaisian T2 horizon were wells 10 and 22. These two wells had a successful acid treatment which led to a significant increase in well productivity.

Well 24 is the only well which produces exclusively from the Tournaisian T1 reservoir horizon. By the end of 2005 only a small interval was perforated in this well. Well 20 started production only in December 2005 and is the only well that has not undergone acid treatment. An acid operation will be performed in the second half of 2007 and should significantly increase the well's daily oil production.

In 2006 the upper part of the T1 reservoir horizon in well 24 was perforated and the interval that was formerly producing was isolated. This now isolated interval was previously producing 85 cubic meters of oil per day. The well is currently producing 80 cubic meters of oil per day from the newly perforated

interval. The pressure in this part of the reservoir is 100 atm above the pressure in the lower part of the T1 reservoir. Well 22 was also perforated in the upper section of T1 and the production is about 280-300 m³ per day (1,761-1,887 bbls/day). The pressure in the upper part of the T1 reservoir was in the same range as in well 10.

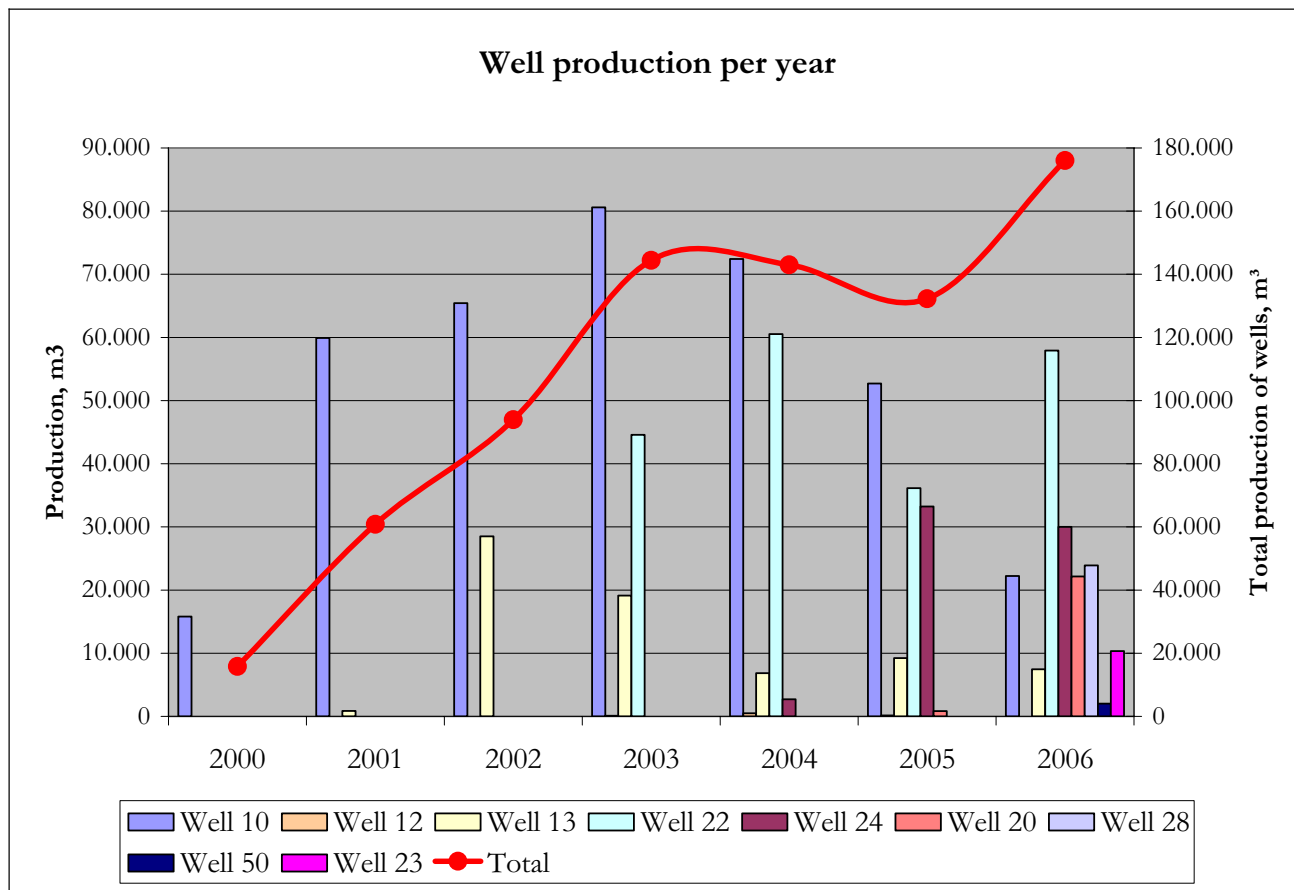


Figure 7: Chinarevskoye Well production per year

Until April 2006 all production was achieved using natural reservoir energy. Eruptive production is possible as long as the bottom hole pressure is higher than 260 atm.

So far, any associated gas that has been produced has been flared. When the future gas processing plant is completed at the end of 2008 and is operational associated gas will be fully utilized.

Acid stimulation was used in order to increase production in wells 10, 13, 22, 50 and 56. Acid stimulation has historically given an increase in production of 1.5 to 2 times the starting quantity. For selective acid treatment as described above the total production from high and low permeable reservoirs can increase up to 3 times. In high quality reservoirs an acid job can double the production rate. In wells with lower reservoir quality the acid treatment can increase production by up to 6 times.

Four drilling rigs are currently operating on the field site. Using four rigs, eight to twelve wells per year can be drilled.

Expected Production Performance

General Assumptions

The production profiles cover the full license period until December 31, 2032 for all accumulations except the Tournaisian North where production phase ends as of December 31, 2031. The oil production from 2007-2009 will be coming only from wells in the Tournaisian North and from production tests of the other reservoirs. Sales gas and LPG production will start in October 2008 with the commissioning of the gas treatment facility. However, in our calculations the gas treatment facility is set operational as per January 1, 2009. According to Zhaikmunai, water injection starts with a pilot project in the Tournaisian North area in November 2007 and will be expanded in 2008-2010.

For the oil accumulations the LPG and the condensate volumes were calculated based on the composition of the separator gas and the gas from oil degassing. For the gas-condensate accumulations the LPG and condensate volumes were calculated from the gas composition of the gas produced, taking into account the changes in the composition due to the pressure decline of the reservoir.

As we assume in our calculations the gas plant is expected to be operational from January 1, 2009 on, the sales of gas, LPG is expected to start in January 2009 also from the leaner gas-condensate accumulations. There is a small shift in the forecasts between the year of condensate peak production and the peak production of sales gas and plant products, as the condensate saturation of the gas under reservoir conditions is near the dew point pressure. As the reservoir pressure continues to drop during production the amount of condensate in the produced gas stream reduces. Therefore a shift between the peak production of condensate and sales gas occurs.

Specific Assumptions for Production Profile Modeling

Tournaisian North

- Type of reservoir: carbonates with vuggy and intracrystalline porosity
- Number of layers: 4 independent reservoirs, T1g, T1o, T2 and T3
- The upper layer T1g is a gas condensate layer, the three reservoirs below are oil reservoirs
- Development type: Oil production at early stage with initial artificial gas lift by perforation T1g reservoir, edge waterflooding for pressure support from 2008 on.
- Total wells: 38, including 3 horizontal wells (horizontal section= 1660m), two of them are planned to be used as injectors, one as producer, 7 wells will be used after their completion as injectors, not more than 26 wells will be producing simultaneously from the reservoirs.
- A Secondary to Primary recovery is assumed to be 1 : 1 based on analogous waterflood performance of fields with similar reservoir properties located in the Permian Basin, West Texas, United States.

Tournaisian South

- Type of reservoir: carbonates with vuggy and intracrystalline porosity
- Number of layers: 3 independent reservoirs, T1, T2 and T3
- The upper layer T1 is a gas condensate layer, the T2 reservoir below is and oil reservoir, reservoir T3 has not been tested yet
- Development type: Production planned only from the T1 gas condensate layer: Total wells: 14 vertical wells

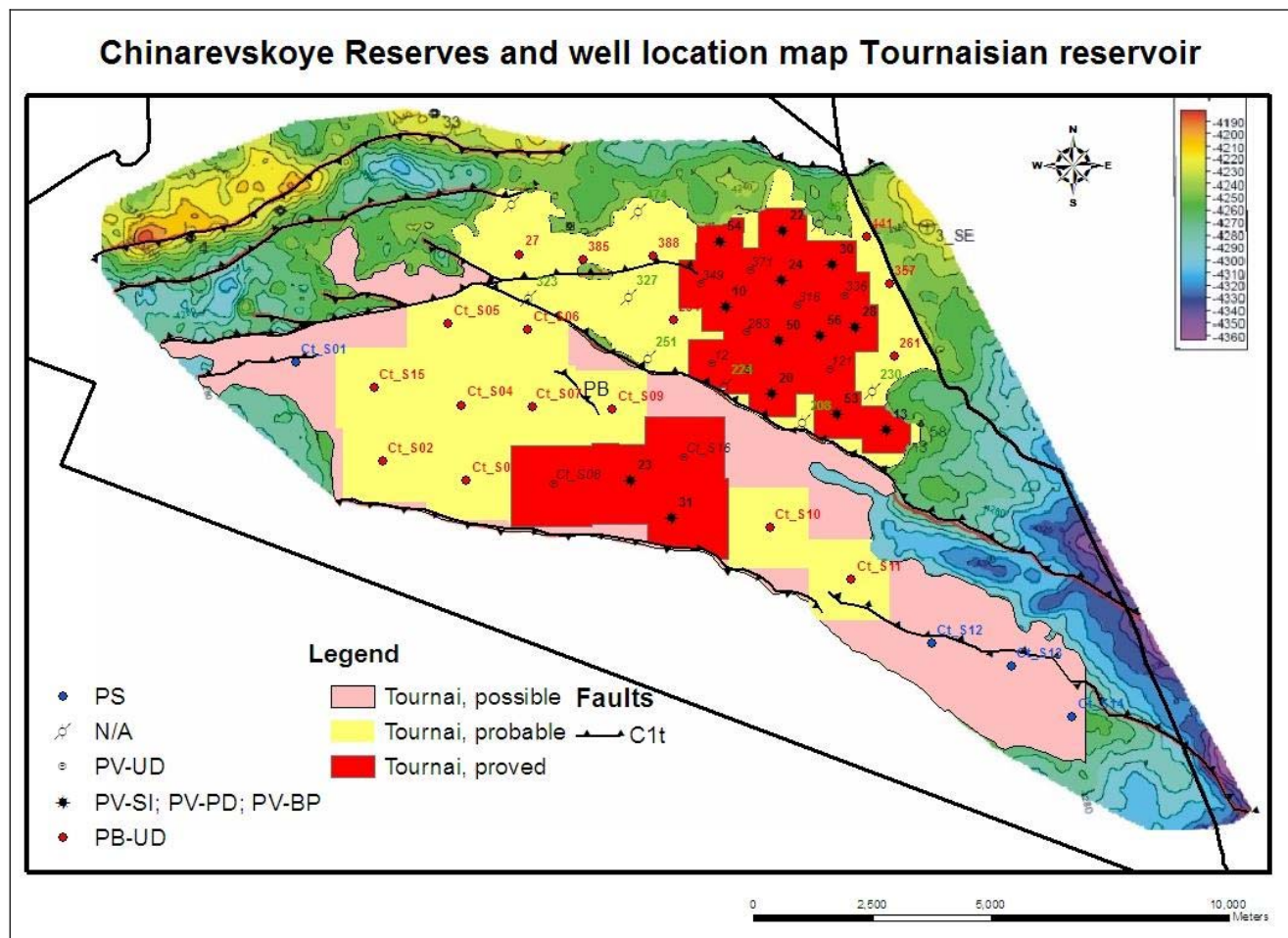


Figure 8: Reserves and well location map Tournaisian reservoir

Table 1: Reservoir parameters Tournaisian reservoirs

WELL	RESERVOIR T1			RESERVOIR T2			RESERVOIR T3		
	NET TO GROSS	PORO-SITY %	THICK-NESS M	NET TO GROSS	PORO-SITY %	THICK-NESS M	NET TO GROSS	PORO-SITY %	THICK-NESS M
9	0.20	4.78	49	0.90	5.13	30.8	0.83	4.44	55.6
10	0.80	7.14	48.8	0.51	5.46	35	0.37	4.39	59.8
12	0.19	3.85	60	0.14	3.65	35.2	0.17	4.85	54.8
13	0.47	4.43	53.3	0.23	5.63	32.9	0.32	3.74	49.8
20	0.83	7.60	49.1	0.73	5.76	32.3	0.57	4.51	58.6
22	0.64	5.38	50.2	0.43	4.58	35.1	0.12	4.05	89.9
23	0.55	4.93	50.2	0.36	4.87	38.1	0.09	3.28	38.6
24	0.94	6.73	49.4	0.99	6.13	31.8	0.84	4.66	58.8
28	0.36	4.12	49.2	0.20	4.69	31	0.16	5.13	54.8
29	0.25	4.32	52.2	0.30	4.01	32.5	0.21	4.98	55.3
30	0.43	5.13	48	0.29	4.48	31.5	0.13	3.65	56
50	0.75	5.21	49.9	0.62	5.17	34.4	0.48	4.12	66.9
53	0.55	4.53	48	0.34	4.46	35.5	0.12	3.78	48.4
54	0.62	5.87	50	0.45	5.52	32.7	0.16	4.43	56.8
56	0.58	4.83	52.5	0.46	4.89	35.9	0.25	3.96	50.5

Biski & Afoninski

- Type of reservoir: carbonates with vuggy and intracrystalline porosity
- Number of layers: 2 independent reservoirs, Afoninski and Biski
- Both reservoirs are condensate layers
- Total wells: 17 horizontal wells (horizontal section= 950m)

Table 2: Reservoir parameters Biski and Afoninski

WELL	AFONINSKI		BISKI	
	Net to Gross	Porosity %	Net to Gross	Porosity %
9	0.24	4.02	0.19	4.15
10	0.06	5.43	0.13	4.72
20	0.45	6.02	0.93	7.35
22	0.32	5.20	0.18	7.09
23	0.77	5.49	0.78	4.76
28	0.13	5.95	0.43	5.13

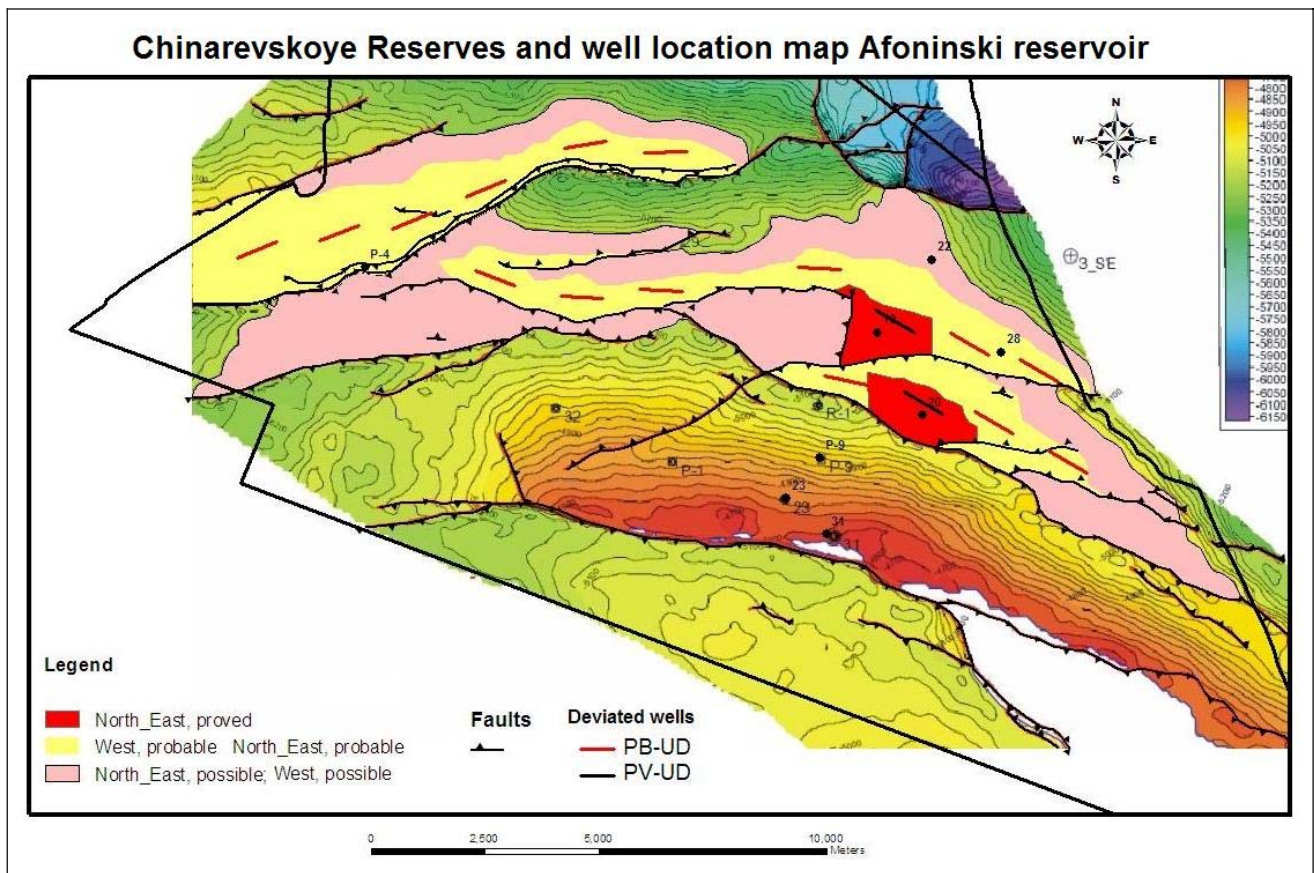


Figure 9: Reserves and well location map Afoninski reservoir

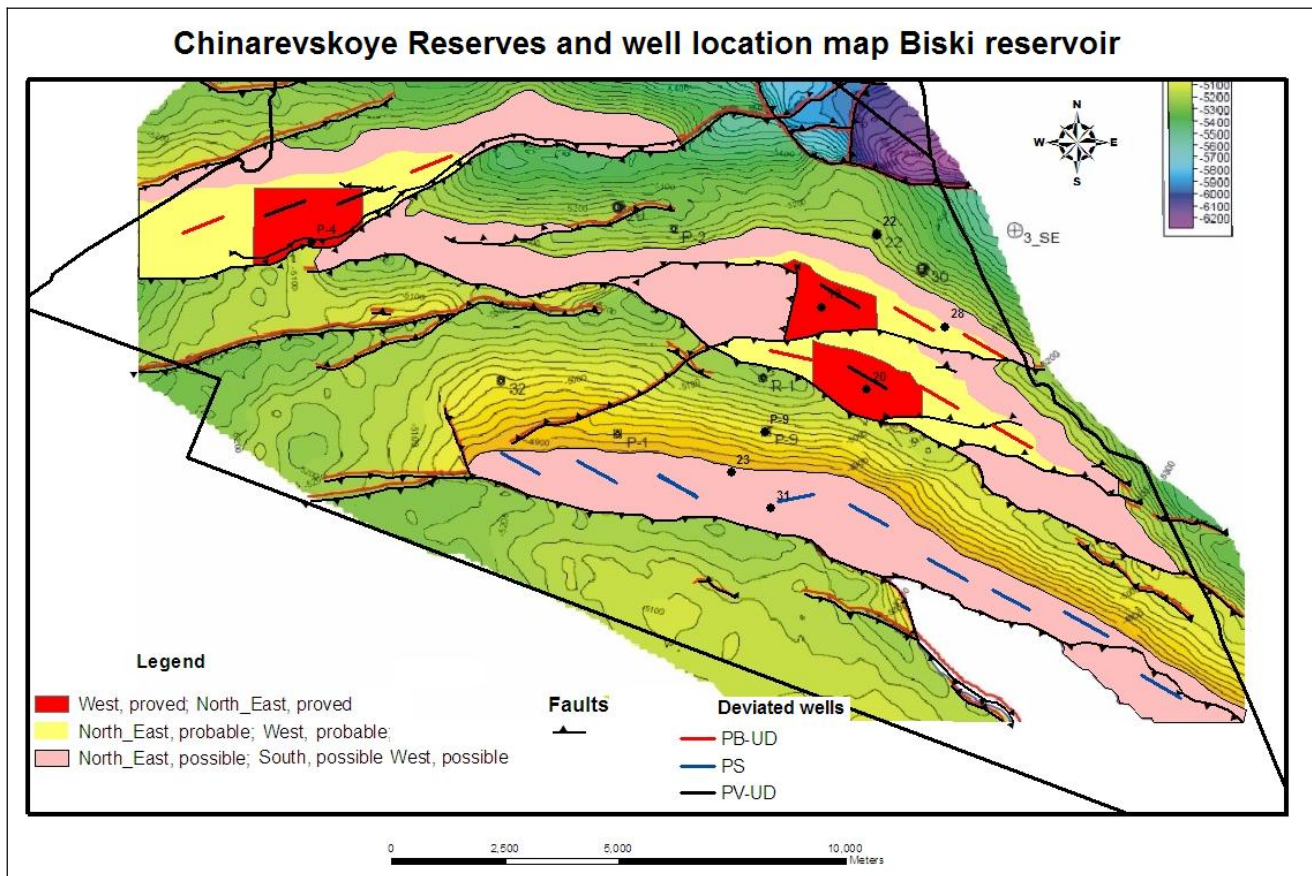


Figure 10: Reserves and well location map Biski reservoir

Givetian – Mullinski and Ardatovski reservoirs

- Type of reservoir: clastic reservoirs with low porosities.
- Number of layers: Mullinski up to 3 sandstone layers, which can be locally separated by silt and claystones, Ardatovski presents a massive reservoir. Reservoir quality increases from the bottom towards the top reservoir.
- The Mullinski is a volatile oil layer, and the Ardatovski a gas condensate reservoir
- Development type: In the Western part 4 wells with commingled production from Ardatovski and Mullinski reservoirs. These wells will be drilled vertically down to the Ardatovski reservoir and a horizontal side track (length 950m-1660m) will be drilled into the Mullinski reservoir.
- Total wells: 13, including 3 vertical wells, two of them to the Ardatovski one in the northeastern and one in the western part. The third vertical well is a Mullinski well in the western part. Nine horizontal wells will have a horizontal section of 1660m and one well of 950m.

Table 3: Reservoir parameters Givetian

Well	Mullinski		Ardatovski	
	Net to Gross	Porosity %	Net to Gross	Porosity %
№22	0.44	13.65	0.36	6.48
№28			0.60	7.09
№29	0.02	12.00		
№30	0.19	5.83	0.27	5.84
№54	0.59	9.73	0.65	5.93

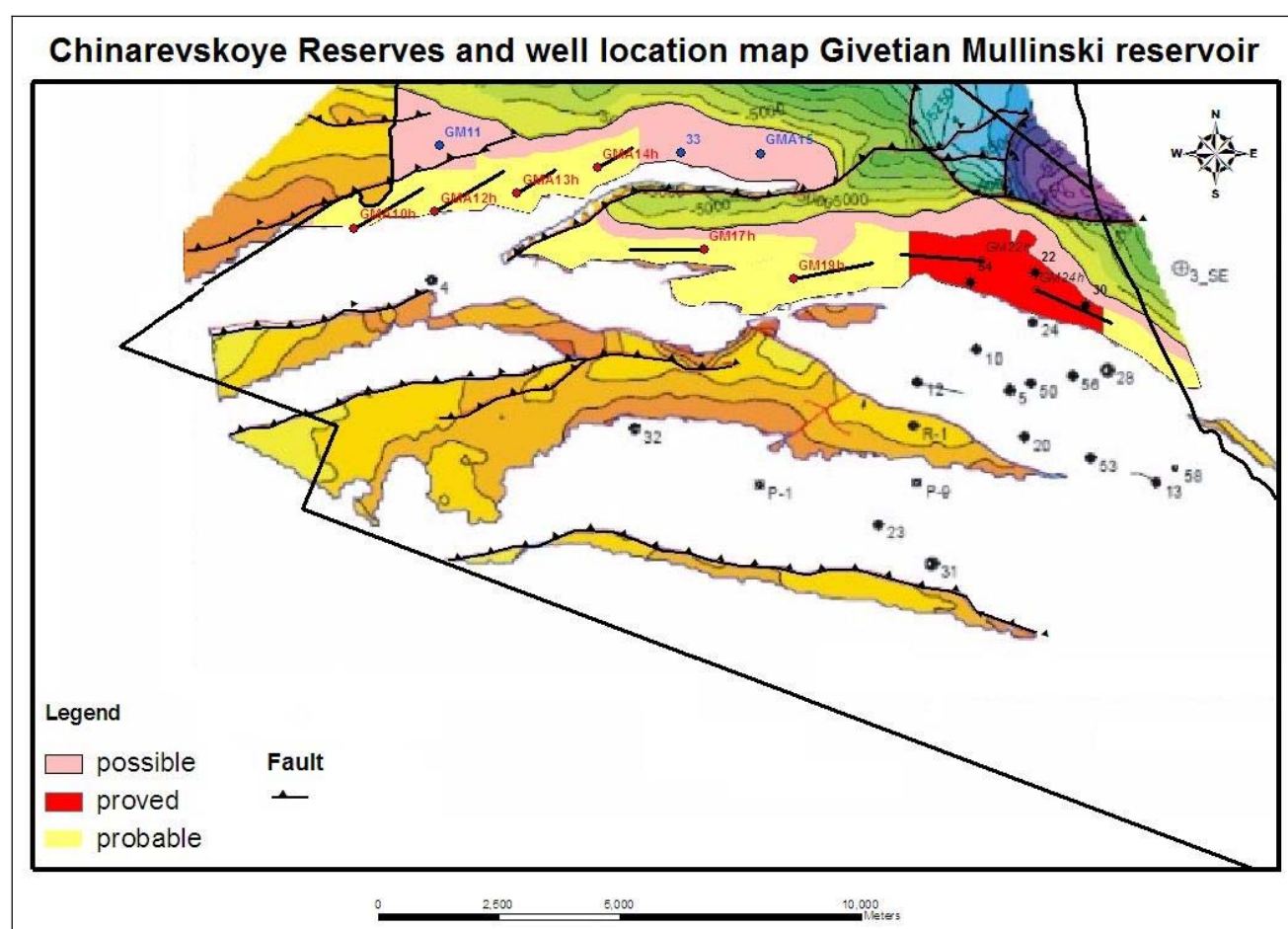


Figure 11: Reserves and well location map Givetian Mullinski reservoir

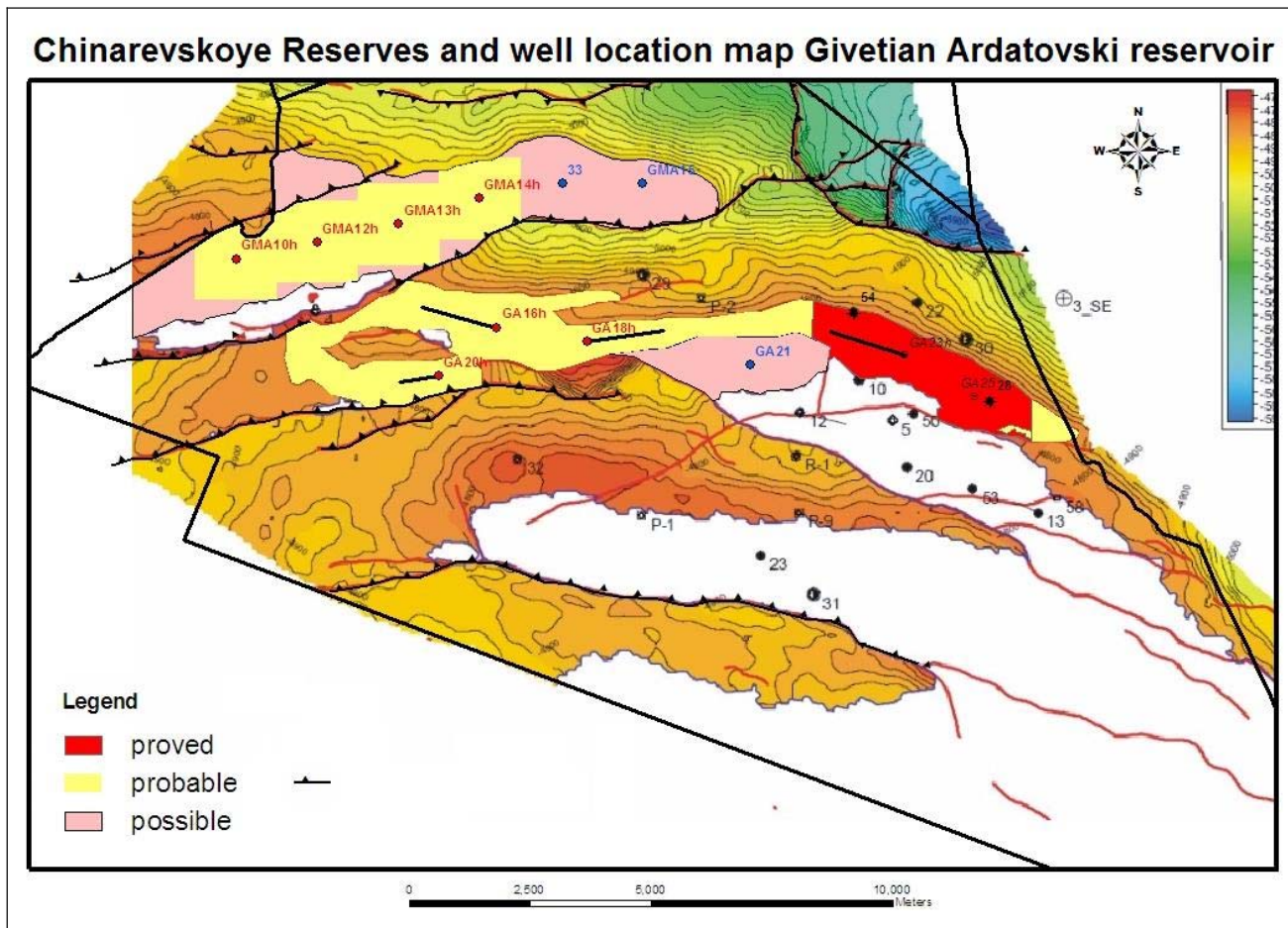


Figure 12: Reserves and well location map Givetian Ardatovski reservoir

Additional Exploration Potential

Possible Reserves

Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable. The significant increase of reserves in the proven and probable categories is the result of the successful geological and drilling work carried out by Zhaikmunai LLP throughout the years of 2004 - 2007.

In addition to the estimated 2P reserves, a significant additional appraisal and exploration potential exists in the Givetian, Biski & Afoninski, Tournaisian and in the Lower Permian.

The possible reserves (3P) estimated as of July 1, 2007 amount to 202.6 mmbbl of liquids and 936 billion cf of sales gas . A breakdown of the possible reserves estimated by Ryder Scott is provided in table below.

Table 4 Possible Reserves as of July 1, 2007

	<i>Sales Gas (MMcf)</i>	<i>Plant Products (bbls)</i>	<i>Oil/Condensate (bbls)</i>
<i>Ardatovski – NE</i>	<i>21,561</i>	<i>773,500</i>	<i>933,000</i>
<i>Ardatovski - West</i>	<i>63,827</i>	<i>2,290,000</i>	<i>2,472,000</i>
<i>Mullinski – NE</i>	<i>9,217</i>	<i>1,331,000</i>	<i>4,033,000</i>
<i>Mullinski - West</i>	<i>7,614</i>	<i>1,099,000</i>	<i>3,332,000</i>
<i>Tournaisian – North & South</i>	<i>142,892</i>	<i>7,115,000</i>	<i>46,530,000</i>
<i>Biski/Afoninski</i>	<i>691,032</i>	<i>40,582,000</i>	<i>92,157,000</i>
<i>TOTAL</i>	<i>936,143</i>	<i>53,190,500</i>	<i>149,457,000</i>

In the Northern Tournaisian horizon the possible reserves include those amounts of reserves which were simulated by PM Lucas in their Dynamic Simulation Study but were not taken into account for the calculation of 2P reserves.

The Tournaisian South has significant possible reserves since the calculation of proven and probable reserves only accounted for the rock volumes defined by the Lowest Known Hydrocarbon in Layer T1 and T2.

The Afoninski reservoir has a large possible area controlled by the probable area of the Biski horizon. Although well 23 has tested water in the Biski South area, this particular area can still be assumed to be hydrocarbon bearing based on available core and log data from well 31, which is currently under test operations. Therefore, the volumes associated with the Afoninski South were assigned to category possible.

For the Western Givetian reservoir Ryder Scott assigned 3 well locations to the category of possible reserves. These locations are included in the calculation of possible reserves for this area. In addition, we expect higher average reservoir properties. This is based on data from well Ru200 and the Teknica study completed in 2000.

Prospective Resource

In addition to the estimated 3P reserves several more prospects were mapped in the Givetian, the Biski & Afoninski, the Tournaisian and the Lower Permian reservoirs.

The additional potential of hydrocarbon resources remaining in such prospects in the Licence area has been estimated by Ryder Scott. The resources were estimated for each stratigraphic horizon and each prospect.

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

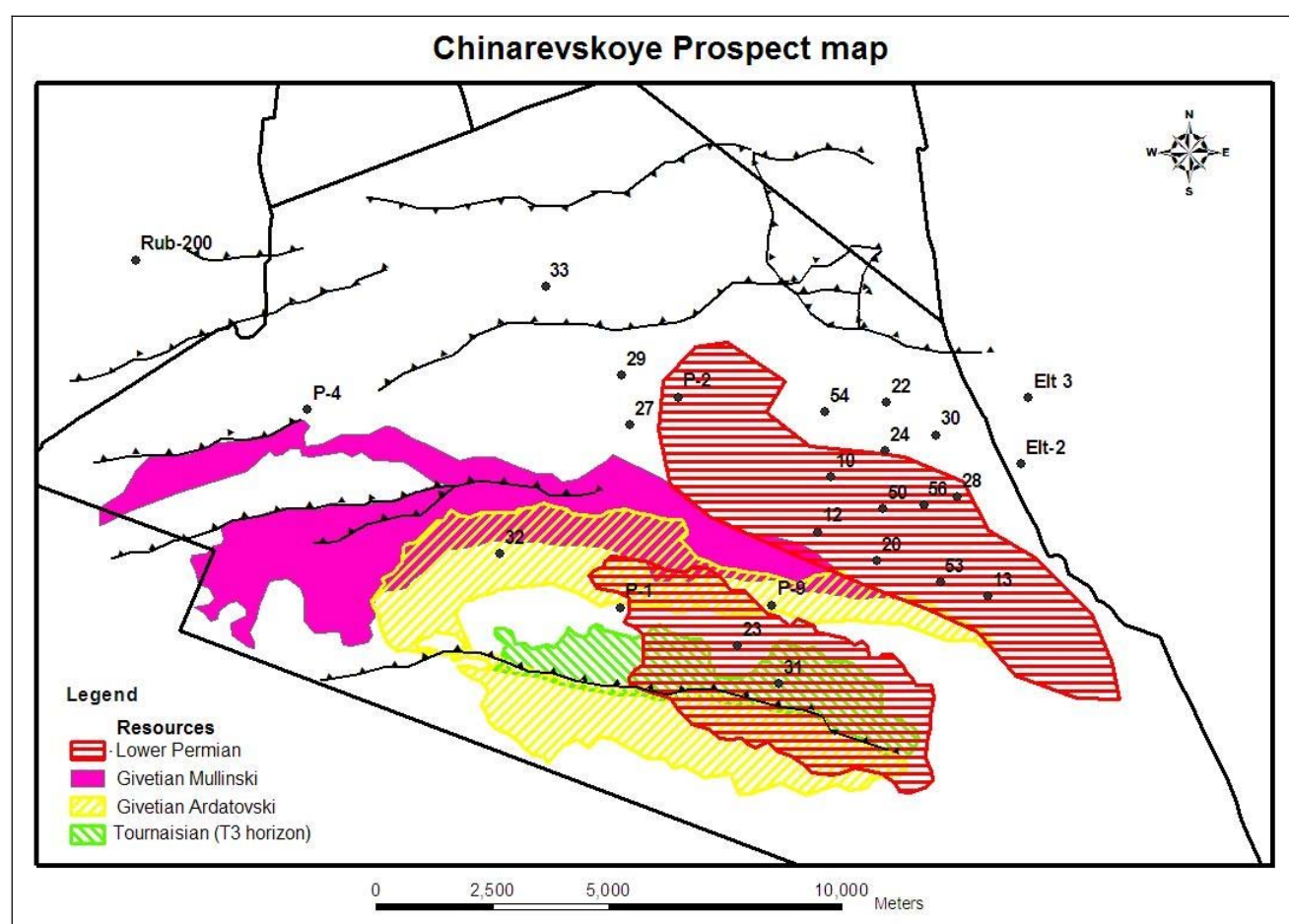


Figure 13: Chinarevskoye Prospect map

Ryder Scott included resource estimations for the Givetian South (Mullinski and Ardatovski reservoirs) and the Lower Permian North and South (Filippovksi horizons) prospects for the Chinarevskoye Licence. Based on the results of the probabilistic calculations, the overall exploration potential in these prospects through summation of best estimates amounted to 143.5 mm boe. Detailed figures are given in the table below:

Table 5: Resource Expectations for Mapped Prospects in the Chinarevskoye Area

Area	Oil+Condensate+Plant Products	Gas
	<i>m bbl</i>	<i>MMcf</i>
Givetian Ardatovski –South	22,376	222,051
Givetian Mullinski – South	21,580	42,021
Permian Filippovski – North	23,079	46,748
Permian Filippovski – South	18,463	37,398
Prospective Resources	85,498	348,219

In order to evaluate the remaining exploration potential of the Givetian and Biski & Afoninski several new appraisal wells are expected to be drilled before the end of 2007. Two wells (wells 30 and 54) are targeted to test the Givetian reservoir in the North-Eastern part and three wells are being drilled to appraise the Tournaisian (wells 31, 32 and 27). Well 33 is under drilling to test the Biski & Afoninski reservoirs in the Western part of the Licence area.

One or two of these appraisal wells will additionally test the Permian reservoir as high expectations of upside exploration potential are held for the Lower Permian reservoirs. In the last three wells drilled in the Tournaisian reservoir the Lower Permian reservoir was tested and was shown to be oil bearing. The first seismic interpretation was carried out by PGS-GIS during 2007. New maps reinforced the potential of the Lower Permian reservoir.

In well 54 a new reservoir horizon was proved hydrocarbon bearing by mid of year 2007. A MDT sample showing oil was taken from the Middle Carboniferous Bashkirian horizon with a density of 834 kg/m³. It is planned to test this reservoir in one of the upcoming exploration or production wells.

Professional Qualifications

Ryder Scott Company, L.P. was formed in 1937. The company is one of the largest, oldest, and most respected reservoir-evaluation consulting firms in the petroleum industry. The company performs more than 1,000 consulting studies a year for oil and gas producers—both major and independent—investors, banks, governmental agencies and accounting and law firms. The company has offices in Houston, Denver and Calgary and has 115 employees and over 70 professional engineers and geoscientists.

This evaluation was prepared by representatives of Ryder Scott Company in Denver. From Ryder Scott Company participants include Mr. Larry T. Nelms, Mr. Richard J. Marshall and Mr. James L. Baird. Mr. Nelms and Mr. Marshall have over 39 years and 30 years of industry experience respectively in the oil and gas industry and have been employees of Ryder Scott Company for over 25, and 20 years respectively. Mr. Baird has over 37 years experience and has been with Ryder Scott for 1 year. Mr. Nelms is a Managing Senior Vice President and Mr. Marshall is a Vice President in Ryder Scott Company. Mr. Nelms is a Registered Professional Engineer in the States of Colorado, Montana, North Dakota, Oklahoma, Texas and Wyoming. Mr. Marshall is a Registered Professional Engineer in the State of Colorado. Mr. Baird is a Registered Professional Engineer in the State of Utah.

Ryder Scott Company would like to acknowledge Alex and Daniela Erber, without whose professional assistance and support would have made preparation of this report more difficult.

General

The reserve and production projections, cash flow analyses and summary table for the reserves are presented in the Tables section of this report. Table B presents a one line summary of gross and net reserves and income data for each of the subject formations in the licence area. Tables 1 through 11 present the estimated annual projection of production and income beginning July 1, 2007 by reserve category.

The estimates of reserves presented herein are based upon a detailed study of the properties in which Zhaikmunai LLP holds the right to conduct its hydrocarbon production and exploration activities however, we have not made any field examination of the property. No consideration was given in this report to potential environmental liabilities which may exist nor were any costs included for potential liability to restore and clean up damages, if any, caused by past operating practices. The Issuer has informed us that they have provided to us all of the accounts, records, geological and engineering data, and reports and other data required for this report. This report reflects the terms of the Production Sharing Agreement between the Republic of Kazakhstan and Zhaikmunai LLP. This report reflects the royalty payment to the Republic of Kazakhstan, the cost oil provisions, profit oil provisions and production bonus payments as set out in the Production Sharing Agreement.

Zhaikmunai LLP has assured us of their intent and ability to proceed with the development activities described in this report.

Neither we nor any of our employees have any interest in the subject properties and neither the employment to make this study nor the compensation is contingent on our estimates of reserves and future income for the subject properties.

This Competent Person's Report was prepared by Ryder Scott Company L.P. for the exclusive use and sole benefit of Zhaikmunai LLP (the "Issuer"), and ING Bank N.V. as described in the first paragraph of this letter and may not be put to other use without our prior written consent for such use. The data, work papers, and maps used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.



A handwritten signature in black ink, appearing to read "Larry T. Nelms".

Larry T. Nelms, P.E.
Managing Senior Vice President

A handwritten signature in black ink, appearing to read "Richard J. Marshall".

Richard J. Marshall, P.E.
Vice President

A handwritten signature in black ink, appearing to read "James L. Baird".

James L. Baird, P.E.
Vice President



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
PROPERTY RANKING BY PROVED DISCOUNTED FUTURE NET INCOME
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

	(A) STATUS	NET RESERVES		(M\$) FUTURE NET INCOME (C)	(M\$)	PERCENT OF TOTAL	CUMULATIVE PERCENT OF TOTAL	TABLE NUMBER
		(BARRELS) OIL/COND.(B)	(MMCF) GAS		FUTURE NET INCOME DISC. AT 10.0%			
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN FAULT BLOCK 20 (BISKI/AFRON	PV-UD	5,647,490	53,593	307,692	177,564	15.480	15.480	108
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN FAULT BLOCK 10 (BISKI/AFRON	PV-UD	4,568,670	43,151	247,707	151,000	13.164	28.645	102
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN PROSPECT C (BISKI)	PV-UD	4,405,221	42,308	228,389	102,490	8.935	37.580	111
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 50	PV-PD	2,664,801	2,072	94,719	52,740	4.598	42.178	23
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTHEAST GA23-H1660	PV-UD	1,177,536	25,533	81,805	36,928	3.219	45.397	75
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN SOUTH AREA WELL 23	PV-NP	1,099,619	8,715	57,200	36,547	3.186	48.583	52
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 30 (TURNEISKI)	PV-BP	1,494,972	3,228	59,553	36,461	3.179	51.762	28
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 54 (TURNEISKI)	PV-BP	1,494,972	3,228	59,553	36,461	3.179	54.941	29
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 28 (TURNEISKI)	PV-BP	1,494,972	3,228	59,553	36,461	3.179	58.120	27
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 56	PV-PD	1,802,550	663	62,435	36,183	3.154	61.274	25
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 57 (TURNEISKI)	PV-UD	1,494,972	3,228	55,104	32,013	2.791	64.065	30
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN SOUTH AREA 2 (TURNEISKI)	PV-UD	1,099,619	8,715	51,577	31,238	2.723	66.788	55
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN SOUTH AREA 1 (TURNEISKI)	PV-UD	1,099,619	8,715	51,577	30,983	2.701	69.490	54
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN SOUTH AREA #31 (TURNEISKI)	PV-UD	1,099,619	8,715	51,577	30,930	2.697	72.186	53
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 12 (TURNEISKI)	PV-UD	1,488,131	3,328	54,328	30,263	2.638	74.824	32
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 24	PV-PD	874,831	4,218	43,517	28,367	2.473	77.297	22
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 10	PV-PD	1,439,567	1,090	50,079	25,672	2.238	79.536	18
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 336 (TURNEISKI)	PV-UD	1,451,266	3,611	51,434	23,323	2.033	81.569	36
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 22	PV-PD	668,860	3,702	34,818	22,682	1.977	83.546	21



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
PROPERTY RANKING BY PROVED DISCOUNTED FUTURE NET INCOME
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

	(A) STATUS	NET RESERVES		(M\$) FUTURE NET INCOME (C)	(M\$) FUTURE NET INCOME DISC. AT 10.0%	PERCENT OF TOTAL	CUMULATIVE PERCENT OF TOTAL	TABLE NUMBER
		(BARRELS) OIL/COND. (B)	(MMCF) GAS					
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 243 (TURNEISKI)	PV-UD	1,443,458	3,595	50,993	22,028	1.920	85.467	37
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTHEAST GM22-H1660	PV-UD	1,565,691	3,577	53,883	20,410	1.779	87.246	88
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTHEAST GM24-H1660	PV-UD	1,563,245	3,572	53,618	19,156	1.670	88.916	89
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 349 (TURNEISKI)	PV-UD	1,435,525	3,570	50,087	18,110	1.579	90.495	41
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 283 (TURNEISKI)	PV-UD	1,434,325	3,563	49,851	16,954	1.478	91.973	42
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 371 (TURNEISKI)	PV-UD	1,434,325	3,563	49,851	16,954	1.478	93.451	44
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 316 (TURNEISKI)	PV-UD	1,432,665	3,558	49,603	16,051	1.399	94.851	43
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTHEAST GA25-V (ARDATOVSK)	PV-UD	490,498	11,278	32,482	14,383	1.254	96.104	74
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 20	PV-PD	430,557	670	17,203	11,630	1.014	97.118	20
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA 10 (TI GAS)	PV-BP	406,004	2,614	20,285	10,971	0.956	98.075	26
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN ARDATOVSKY (#28 OFFSET)	PV-UD	337,378	2,803	12,296	10,240	0.893	98.968	72
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 53	PV-PD	187,861	370	7,812	5,588	0.487	99.455	24
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN AREA WELL 28 (ARDATOVSKI)	PV-PD	106,762	0	3,558	3,644	0.318	99.772	69
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN WELL 54 (MULINSKI)	PV-PD	68,148	0	2,552	2,623	0.229	100.001	71
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN WELL 30 (MULINSKI)	PV-PD	14,782	0	512	524	0.046	100.047	70
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN NORTH AREA WELL 13	PV-NP	0	0	0	0	0.000	100.047	19
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN PRODUCTION BONUS PAYMENT	PV-UD	0	0	-1,000	-537	-0.047	100.000	116
*** TOTALS ***		48,918,511	273,774	2,156,203	1,147,035	100.000	100.000	

(A) RESERVE TYPES: PV = PROVED
PB = PROBABLE
PS = POSSIBLE

STATUS: PD = PRODUCING
BP = BEHIND PIPE
SI = SHUT IN
UD = UNDEVELOPED

DP = DEPLETED
NP = NON-PRODUCING
PB = PAYBACK

(B) EXCLUDES PLANT PRODUCTS

(C) BEFORE FEDERAL OR STATE/PROVINCE INCOME TAXES



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
SUMMARY OF GROSS AND NET RESERVE AND INCOME DATA
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

	(A) STATUS	ESTIMATED REMAINING RESERVES				GROSS REV. AFTER PROD. TAXES	ESTIMATED FUTURE DOLLARS-\$M		
		100% GROSS		NET			TOTAL DEDUCTIONS	—NET INCOME UNDISCOUNTED	BEFORE FIT— DISCOUNTED AT 10.0%
		(BARRELS) OIL/COND(B)	(MMCF) GAS	(BARRELS) OIL/COND(B)	(MMCF) SALES GAS				
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN									
NORTH AREA WELL 10	PV-PD	1,638,444	1,843	1,439,567	1,090	76,290	26,211	50,079	25,672
NORTH AREA WELL 13	PV-NP	0	0	0	0	0	0	0	0
NORTH AREA WELL 20	PV-PD	482,018	1,287	430,557	670	25,433	8,230	17,203	11,630
NORTH AREA WELL 22	PV-PD	745,659	6,757	668,860	3,702	51,979	17,161	34,818	22,682
NORTH AREA WELL 24	PV-PD	980,533	7,451	874,831	4,218	64,585	21,068	43,517	28,367
NORTH AREA WELL 50	PV-PD	3,013,833	3,620	2,664,801	2,072	144,072	49,353	94,719	52,740
NORTH AREA WELL 53	PV-PD	210,302	717	187,861	370	11,524	3,712	7,812	5,588
NORTH AREA WELL 56	PV-PD	2,033,409	1,287	1,802,550	663	94,680	32,245	62,435	36,183
NORTH AREA 10 (TI GAS)	PV-BP	462,908	4,239	406,004	2,614	32,230	11,945	20,285	10,971
NORTH AREA 28 (TURNEISKI)	PV-BP	1,685,889	5,412	1,494,972	3,228	90,552	30,999	59,553	36,461
NORTH AREA 30 (TURNEISKI)	PV-BP	1,685,889	5,412	1,494,972	3,228	90,552	30,999	59,553	36,461
NORTH AREA 54 (TURNEISKI)	PV-BP	1,685,889	5,412	1,494,972	3,228	90,552	30,999	59,553	36,461
NORTH AREA 57 (TURNEISKI)	PV-UD	1,685,889	5,412	1,494,972	3,228	90,552	35,448	55,104	32,013
NORTH AREA 12 (TURNEISKI)	PV-UD	1,685,815	5,410	1,488,131	3,328	89,488	35,160	54,328	30,263
NORTH AREA 336 (TURNEISKI)	PV-UD	1,685,359	5,395	1,451,266	3,611	86,372	34,938	51,434	23,323
NORTH AREA 243 (TURNEISKI)	PV-UD	1,685,169	5,389	1,443,458	3,595	85,952	34,959	50,993	22,028
NORTH AREA 349 (TURNEISKI)	PV-UD	1,684,324	5,362	1,435,525	3,570	85,574	35,487	50,087	18,110
NORTH AREA 283 (TURNEISKI)	PV-UD	1,683,986	5,352	1,434,325	3,563	85,533	35,682	49,851	16,954
NORTH AREA 316 (TURNEISKI)	PV-UD	1,682,574	5,342	1,432,665	3,558	85,467	35,864	49,603	16,051
NORTH AREA 371 (TURNEISKI)	PV-UD	1,683,986	5,352	1,434,325	3,563	85,533	35,682	49,851	16,954
SOUTH AREA WELL 23	PV-NP	1,247,496	12,939	1,099,619	8,715	84,024	26,824	57,200	36,547
SOUTH AREA #31 (TURNEISKI)	PV-UD	1,247,496	12,939	1,099,619	8,715	84,024	32,447	51,577	30,930
SOUTH AREA 1 (TURNEISKI)	PV-UD	1,247,496	12,939	1,099,619	8,715	84,024	32,447	51,577	30,983
SOUTH AREA 2 (TURNEISKI)	PV-UD	1,247,496	12,939	1,099,619	8,715	84,024	32,447	51,577	31,238
AREA WELL 28 (ARDATOVSKI)	PV-PD	111,599	2,936	106,762	0	6,730	3,172	3,558	3,644
ARDATOVSKY (#28 OFFSET)	PV-UD	357,912	10,406	337,378	2,803	27,218	14,922	12,296	10,240
NORTHEAST GA25-V (ARDATOVSK)	PV-UD	586,393	15,017	490,498	11,278	56,714	24,232	32,482	14,383
NORTHEAST GA23-H1660	PV-UD	1,410,672	34,059	1,177,536	25,533	131,618	49,813	81,805	36,928
WELL 30 (MULINSKI)	PV-PD	15,451	54	14,782	0	932	420	512	524
WELL 54 (MULINSKI)	PV-PD	71,235	364	68,148	0	4,296	1,744	2,552	2,623
NORTHEAST GM22-H1660	PV-UD	1,851,395	5,372	1,565,691	3,577	97,113	43,230	53,883	20,410
NORTHEAST GM24-H1660	PV-UD	1,848,902	5,365	1,563,245	3,572	97,034	43,416	53,618	19,156
FAULT BLOCK 10 (BISKI/AFRON)	PV-UD	5,222,300	63,452	4,568,670	43,151	374,307	126,600	247,707	151,000
FAULT BLOCK 20 (BISKI/AFRON)	PV-UD	6,533,550	79,387	5,647,490	53,593	463,684	155,992	307,692	177,564
PROSPECT C (BISKI)	PV-UD	5,222,881	63,461	4,405,221	42,308	363,950	135,561	228,389	102,490
PRODUCTION BONUS PAYMENT	PV-UD	0	0	0	0	0	1,000	-1,000	-537
PROBABLE RESERVES									
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN									
NORTH AREA 27 (TURNEISKI)	PB-UD	1,685,834	5,410	1,506,269	3,326	90,505	33,675	56,830	32,947
NORTH AREA 261 (TURNEISKI)	PB-UD	1,685,659	5,405	1,490,937	3,574	88,644	32,989	55,655	29,779
NORTH AREA 357 (TURNEISKI)	PB-UD	1,685,577	5,402	1,483,467	3,663	87,801	32,893	54,908	28,273
NORTH AREA 441 (TURNEISKI)	PB-UD	1,685,514	5,400	1,478,247	3,655	87,485	32,827	54,658	27,450
NORTH AREA 294 (TURNEISKI)	PB-UD	1,685,018	5,384	1,451,139	3,600	85,842	32,601	53,241	23,637
NORTH AREA 388 (TURNEISKI)	PB-UD	1,684,747	5,375	1,437,852	3,574	85,078	32,531	52,547	22,033
NORTH AREA 385H (TURNEISKI)	PB-UD	1,684,512	5,368	1,428,774	3,556	84,563	35,097	49,466	19,064
NORTH AREA (TURNEISKI)	PB-NP	36,740,001	22,595	31,637,186	15,062	1,586,015	485,635	1,100,380	439,385
SOUTH AREA PB 1 (TURNEISKI)	PB-UD	893,496	12,620	800,125	8,583	69,174	26,105	43,069	25,472
SOUTH AREA PB 2 (TURNEISKI)	PB-UD	893,496	12,620	800,125	8,583	69,174	26,105	43,069	25,570
SOUTH AREA PB3 (TURNEISKI)	PB-UD	893,496	12,620	795,400	8,549	68,795	25,835	42,960	25,026
SOUTH AREA PB4 (TURNEISKI)	PB-UD	893,496	12,620	791,996	8,526	68,525	25,797	42,728	24,386
SOUTH AREA PB5 (TURNEISKI)	PB-UD	893,496	12,620	788,376	8,502	68,239	25,603	42,636	23,873
SOUTH AREA PB6 (TURNEISKI)	PB-UD	893,496	12,620	772,245	8,403	67,030	25,455	41,575	21,373
SOUTH AREA PB7 (TURNEISKI)	PB-UD	893,496	12,620	767,899	8,378	66,725	25,396	41,329	20,791
SOUTH AREA PB8 (TURNEISKI)	PB-UD	893,496	12,620	763,277	8,353	66,402	25,301	41,101	20,236
SOUTH AREA PB9 (TURNEISKI)	PB-UD	893,496	12,620	749,397	8,284	65,478	25,277	40,201	18,110
SOUTH AREA PB10 (TURNEISKI)	PB-UD	893,496	12,620	748,679	8,283	65,446	25,320	40,126	17,706
ARDATOVSKY (#54 OFFSET) (AR	PB-UD	468,524	14,030	439,704	11,641	55,384	21,911	33,473	25,610
NORTHEAST GA16-H1660 (ARDAT	PB-UD	806,245	34,059	669,806	25,417	106,531	38,921	67,610	29,900
NORTHEAST GA18-H1660 (ARDAT	PB-UD	806,245	34,059	670,136	25,477	106,745	39,188	67,557	28,388
WEST GMA10-V (ARDATOVSKI)	PB-UD	907,914	26,466	784,154	20,229	96,763	33,538	63,225	33,318
WEST GMA11-V (ARDATOVSKI)	PB-UD	907,914	26,466	784,154	20,229	96,763	33,538	63,225	34,001
WEST GMA12-V (ARDATOVSKI)	PB-UD	907,914	26,466	784,154	20,229	96,763	33,250	63,513	34,832
WEST GMA13-V (ARDATOVSKI)	PB-UD	796,460	23,797	676,312	17,993	85,024	30,263	54,761	28,595
NORTHEAST GM17-H1660 (MULIN	PB-UD	1,845,678	5,355	1,557,345	3,558	96,013	40,658	55,355	19,996
NORTHEAST GM19-H1660 (MULIN	PB-UD	1,842,784	5,347	1,559,827	3,564	96,212	40,901	55,311	18,999
WEST GM11-V (MULINSKI)	PB-UD	818,669	2,375	706,396	1,614	43,527	20,757	22,770	9,376
WEST GMA10-H1660 (MULINSKI)	PB-UD	1,859,840	5,396	1,606,878	3,672	98,964	40,615	58,349	27,352
WEST GMA12-H1660 (MULINSKI)	PB-UD	1,860,205	5,397	1,611,698	3,683	99,269	40,393	58,876	29,885
WEST GMA13-H950 (MULINSKI)	PB-UD	1,523,889	4,422	1,299,099	2,968	79,991	33,745	46,246	21,283
FAULT BLOCK 10 (BISKI/AFRON	PB-UD	1,515,925	18,420	1,302,046	12,337	106,369	39,630	66,739	34,987



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
SUMMARY OF GROSS AND NET RESERVE AND INCOME DATA
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

(A) STATUS	ESTIMATED REMAINING RESERVES				GROSS REV. AFTER PROD. TAXES	ESTIMATED FUTURE DOLLARS-\$M		
	100% GROSS (BARRELS) OIL/COND(B)	(MMCF) GAS	NET (BARRELS) OIL/COND(B)	(MMCF) SALES GAS		TOTAL DEDUCTIONS	NET INCOME UNDISCOUNTED	BEFORE FIT— DISCOUNTED AT 10.0%
FAULT BLOCK 10 (BISKI/AFRON PB-UD	2,531,918	30,765	2,119,665	20,334	174,001	68,290	105,711	49,732
FAULT BLOCK 10 (AFRONINSKI) PB-UD	1,015,993	12,345	852,138	8,215	70,200	30,041	40,159	14,647
FAULT BLOCK 10 (AFRONINSKI) PB-UD	1,015,993	12,345	860,951	8,286	70,961	30,660	40,301	12,988
FAULT BLOCK 10 (BISKI/AFRON PB-UD	1,015,993	12,345	870,317	8,355	71,751	31,334	40,417	11,488
FAULT BLOCK 20 (BISKI/AFONI PB-UD	2,690,140	32,687	2,294,385	21,827	187,751	63,319	124,432	65,485
FAULT BLOCK 20 (BISKI/AFONI PB-UD	5,380,280	65,374	4,501,332	43,244	369,825	126,287	243,538	114,314
PROSPECT C (AFONISKI) PB-UD	3,935,882	47,824	3,297,080	31,668	270,871	80,486	190,385	92,155
PROSPECT C (BISKI/AFONISKI) PB-UD	4,344,329	46,928	3,671,266	31,377	288,308	97,977	190,331	67,750
PROSPECT C (BISKI/AFONISKI) PB-UD	4,579,382	55,643	3,902,925	37,540	321,836	109,467	212,369	68,000
PROSPECT C (AFONISKI) PB-UD	3,935,882	47,824	3,378,156	32,441	278,687	106,067	172,620	48,932
PRODUCTION BONUS PAYMENT PB-UD	0	0	0	0	0	3,000	-3,000	-1,093
WEST MULINSKI								
PROVED UNDEVELOPED	0	0	0	0	0	0	0	0
PROBABLE UNDEVELOPED	6,062,603	17,590	5,224,071	11,937	321,752	135,510	186,242	87,896
PROVED&PROBABLE	6,062,603	17,590	5,224,071	11,937	321,752	135,510	186,242	87,896
NE MULINSKI								
TOTAL PROVED	3,786,983	11,155	3,211,866	7,149	199,373	88,810	110,563	42,714
TOTAL PROBABLE	3,688,462	10,702	3,117,172	7,122	192,226	81,561	110,665	38,995
PROVED&PROBABLE	7,475,445	21,857	6,329,038	14,271	391,599	170,371	221,228	81,709
WEST ARDATVOSKI								
PROVED UNDEVELOPED	0	0	0	0	0	0	0	0
PROBABLE UNDEVELOPED	3,520,202	103,195	3,028,774	78,680	375,312	130,588	244,724	130,746
PROVED&PROBABLE	3,520,202	103,195	3,028,774	78,680	375,312	130,588	244,724	130,746
NE ARDATVOSKI								
TOTAL PROVED	2,466,576	62,418	2,112,174	39,614	222,280	92,139	130,141	65,194
TOTAL PROBABLE	2,081,014	82,148	1,779,646	62,535	268,659	100,020	168,639	83,898
PROVED&PROBABLE	4,547,590	144,566	3,891,820	102,149	490,938	192,159	298,779	149,092
NORTH TURNEISKI								
PROVED PRODUCING	9,104,198	22,962	8,069,027	12,785	468,563	157,981	310,582	182,862
PROVED NON-PRODUCING	5,520,575	20,475	4,890,920	12,298	303,887	104,944	198,943	120,355
PROVED UNDEVELOPED	13,477,102	43,014	11,614,667	28,016	694,471	283,220	411,251	175,695
TOTAL PROVED	28,101,875	86,451	24,574,614	53,099	1,466,921	546,142	920,779	478,912
TOTAL PROBABLE	48,536,862	60,339	41,913,871	40,010	2,195,930	718,248	1,477,682	622,568
PROVED&PROBABLE	76,638,737	146,790	66,488,485	93,109	3,662,852	1,264,390	2,398,462	1,101,480
SOUTH AREA								
PROVED PRODUCING	0	0	0	0	0	0	0	0
PROVED NON-PRODUCING	1,247,496	12,939	1,099,619	8,715	84,024	26,824	57,200	36,547
PROVED UNDEVELOPED	3,742,488	38,817	3,298,857	26,145	252,071	97,341	154,730	93,151
TOTAL PROVED	4,989,984	51,756	4,398,476	34,860	336,095	124,166	211,929	129,698
TOTAL PROBABLE	8,934,960	126,200	7,777,519	84,444	674,990	256,197	418,793	222,543
PROVED&PROBABLE	13,924,944	177,956	12,175,995	119,304	1,011,085	380,363	630,722	352,241
*BISKI&AFONINSKI								
TOTAL PROVED	16,978,731	206,300	14,621,381	139,052	1,201,941	418,154	783,787	431,054
TOTAL PROBABLE	31,961,717	382,500	27,050,261	255,624	2,210,558	783,556	1,427,002	580,477
PROVED&PROBABLE	48,940,448	588,800	41,671,642	394,676	3,412,499	1,201,709	2,210,790	1,011,531
GRAND SUMMARIES								
PROVED PRODUCING	9,302,483	26,316	8,258,719	12,785	480,520	163,316	317,204	189,653
PROVED NON-PRODUCING	6,768,071	33,414	5,990,539	21,013	387,911	131,767	256,144	156,902
PROVED UNDEVELOPED	40,253,595	358,350	34,669,253	239,976	2,558,178	975,327	1,582,851	800,481
TOTAL PROVED	56,324,149	418,080	48,918,511	273,774	3,426,609	1,270,412	2,156,197	1,147,036
TOTAL PROBABLE	104,785,820	782,674	89,891,314	540,352	6,239,426	2,208,680	4,030,746	1,766,030
PROVED&PROBABLE	161,109,969	1,200,754	138,809,825	814,126	9,666,035	3,479,092	6,186,943	2,913,065

(A) RESERVE TYPES: PV = PROVED
PB = PROBABLE
PS = POSSIBLE

STATUS: PD = PRODUCING
BP = BEHIND PIPE
SI = SHUT IN
UD = UNDEVELOPED

DP = DEPLETED
NP = NON-PRODUCING
PB = PAYBACK

(B) EXCLUDES PLANT PRODUCTS

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
SUMMARY OF INITIAL BASIC DATA
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

	PRI. PROD	RES. TYPE (A)	NO. OF WELLS	LOCATION SEC TWP RNG	INTERESTS		LIQUIDS PRICE \$/BBL	GAS DATA		GROSS COST \$/MONTH
					EVALUATED W. I.	N. R. I.		PRICE \$(B)	BTU	
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN										
NORTH AREA WELL 10	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1025	0.
NORTH AREA WELL 13	OIL	PV-SI	0		1.000000	0.956662	0.00	0.0000	N/A	0.
NORTH AREA WELL 20	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA WELL 22	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA WELL 24	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA WELL 50	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA WELL 53	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA WELL 56	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA 10 (TI GAS)	GAS	PV-BP	1		1.000000	0.000000	65.00	1.9820	1000	0.
NORTH AREA 28	OIL	PV-BP	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA 30	OIL	PV-BP	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA 54	OIL	PV-BP	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA 57	OIL	PV-UD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTH AREA 27	OIL	PB-UD	1		1.000000	0.000000	65.00	1.9820	1000	0.
NORTH AREA 12	OIL	PV-UD	1		1.000000	0.948664	65.00	1.9820	1000	0.
NORTH AREA 261	OIL	PB-UD	1		1.000000	0.960300	65.00	1.9820	1000	0.
NORTH AREA 357	OIL	PB-UD	1		1.000000	0.948163	65.00	1.9820	1000	0.
NORTH AREA 441	OIL	PB-UD	1		1.000000	0.948163	65.00	1.9820	1000	0.
NORTH AREA 336	OIL	PV-UD	1		1.000000	0.931331	65.00	1.9820	1000	0.
NORTH AREA 243	OIL	PV-UD	1		1.000000	0.871806	65.00	1.9820	1000	0.
NORTH AREA 294	OIL	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
NORTH AREA 388	OIL	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
NORTH AREA 385H	OIL	PB-UD	1		1.000000	0.851472	65.00	1.9820	1000	0.
NORTH AREA 349	OIL	PV-UD	1		1.000000	0.856728	65.00	1.9820	1000	0.
NORTH AREA 283	OIL	PV-UD	1		1.000000	0.856728	65.00	1.9820	1000	0.
NORTH AREA 316	OIL	PV-UD	1		1.000000	0.838916	65.00	1.9820	1000	0.
NORTH AREA 371	OIL	PV-UD	1		1.000000	0.856728	65.00	1.9820	1000	0.
NORTH AREA	OIL	PB	1		1.000000	0.000000	65.00	1.9820	1000	0.

ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
SUMMARY OF INITIAL BASIC DATA
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

	PRI. PROD	RES. TYPE (A)	NO. OF WELLS	LOCATION SEC TWP RNG	INTERESTS EVALUATED		LIQUIDS PRICE \$/BBL	GAS DATA PRICE \$(B) BTU		GROSS COST \$/MONTH
					W. I.	N. R. I.				
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN (CONT.)										
SOUTH AREA WELL 23	GAS	PV-SI	1		1.000000	0.000000	65.00	1.9820	1000	0.
SOUTH AREA #31	OIL	PV-UD	1		1.000000	0.948664	65.00	1.9820	1000	0.
SOUTH AREA 1	OIL	PV-UD	1		1.000000	0.948664	65.00	1.9820	1000	0.
SOUTH AREA 2	OIL	PV-UD	1		1.000000	0.948664	65.00	1.9820	1000	0.
SOUTH AREA PB 1	GAS	PB-UD	1		1.000000	0.000000	65.00	1.9820	1000	0.
SOUTH AREA PB 2	OIL	PB-UD	1		1.000000	0.960300	0.00	1.9820	1000	0.
SOUTH AREA PB3	OIL	PB-UD	1		1.000000	0.948163	0.00	1.9820	1000	0.
SOUTH AREA PB4	OIL	PB-UD	1		1.000000	0.948163	0.00	1.9820	1000	0.
SOUTH AREA PB5	OIL	PB-UD	1		1.000000	0.948163	0.00	1.9820	1000	0.
SOUTH AREA PB6	OIL	PB-UD	1		1.000000	0.938993	0.00	1.9820	1000	0.
SOUTH AREA PB7	OIL	PB-UD	1		1.000000	0.938993	0.00	1.9820	1000	0.
SOUTH AREA PB8	OIL	PB-UD	1		1.000000	0.938993	0.00	1.9820	1000	0.
SOUTH AREA PB9	OIL	PB-UD	1		1.000000	0.851472	0.00	1.9820	1000	0.
SOUTH AREA PB10	OIL	PB-UD	1		1.000000	0.851472	0.00	1.9820	1000	0.
AREA WELL 28	GAS	PV-PD	1		1.000000	0.000000	65.00	1.9820	1000	0.
ARDATOVSKY (#28 OFFSET)	GAS	PV-UD	1		1.000000	0.000000	65.00	1.9820	1000	0.
ARDATOVSKY (#54 OFFSET)	GAS	PB-UD	1		1.000000	0.000000	65.00	1.9820	1000	0.
NORTHEAST GA25-V	GAS	PV-UD	1		1.000000	0.856728	65.00	1.9820	1000	0.
NORTHEAST GA23-H1660	GAS	PV-UD	1		1.000000	0.838916	65.00	1.9820	1000	0.
NORTHEAST GA16-H1660	GAS	PB-UD	1		1.000000	0.826695	65.00	1.9820	1000	0.
NORTHEAST GA18-H1660	GAS	PB-UD	1		1.000000	0.821377	65.00	1.9820	1000	0.
WEST GMA10-V	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WEST GMA11-V	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WEST GMA12-V	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WEST GMA13-V	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WELL 30	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
WELL 54	OIL	PV-PD	1		1.000000	0.956662	65.00	1.9820	1000	0.
NORTHEAST GM22-H1660	GAS	PV-UD	1		1.000000	0.838916	65.00	1.9820	1000	0.
NORTHEAST GM24-H1660	GAS	PV-UD	1		1.000000	0.838916	65.00	1.9820	1000	0.
NORTHEAST GM17-H1660	GAS	PB-UD	1		1.000000	0.821377	65.00	1.9820	1000	0.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
SUMMARY OF INITIAL BASIC DATA
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

	PRI. PROD	RES. TYPE (A)	NO. OF WELLS	LOCATION SEC TWP RNG	INTERESTS EVALUATED		LIQUIDS PRICE \$/BBL	GAS DATA		GROSS COST \$/MONTH
					W. I.	N. R. I.		PRICE \$(B)	BTU	
CHINAREVSKOYE FIELD, WESTERN OBLAST, KAZAKHSTAN (CONT.)										
NORTHEAST GM19-H1660	GAS	PB-UD	1		1.000000	0.821377	65.00	1.9820	1000	0.
WEST GM11-V	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WEST GMA10-H1660	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WEST GMA12-H1660	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
WEST GMA13-H950	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
FAULT BLOCK 10	GAS	PV-UD	1		1.000000	0.931331	65.00	1.9820	1000	0.
FAULT BLOCK 10	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
FAULT BLOCK 10	GAS	PB-UD	1		1.000000	0.851472	65.00	1.9820	1000	0.
FAULT BLOCK 10	GAS	PB-UD	1		1.000000	0.821377	65.00	1.9820	1000	0.
FAULT BLOCK 10	GAS	PB-UD	1		1.000000	0.826029	65.00	1.9820	1000	0.
FAULT BLOCK 10	GAS	PB-UD	1		1.000000	0.845080	65.00	1.9820	1000	0.
FAULT BLOCK 20	GAS	PV-UD	1		1.000000	0.931331	65.00	1.9820	1000	0.
FAULT BLOCK 20	GAS	PB-UD	1		1.000000	0.938993	65.00	1.9820	1000	0.
FAULT BLOCK 20	GAS	PB-UD	1		1.000000	0.851472	65.00	1.9820	1000	0.
PROSPECT C	GAS	PV-UD	1		1.000000	0.856728	65.00	1.9820	1000	0.
PROSPECT C	GAS	PB-UD	1		1.000000	0.851472	65.00	1.9820	1000	0.
PROSPECT C	GAS	PB-UD	1		1.000000	0.821377	65.00	1.9820	1000	0.
PROSPECT C	GAS	PB-UD	1		1.000000	0.826029	65.00	1.9820	1000	0.
PROSPECT C	GAS	PB-UD	1		1.000000	0.845080	65.00	1.9820	1000	0.
PRODUCTION BONUS PAYMENT	OIL	PV-UD	0		1.000000	1.000000	0.00	0.0000	N/A	500000.
PRODUCTION BONUS PAYMENT	OIL	PB-UD	0		1.000000	1.000000	0.00	0.0000	N/A	500000.

(A) RESERVE TYPES: PV = PROVED
PB = PROBABLE
PS = POSSIBLE

STATUS: PD = PRODUCING
BP = BEHIND PIPE
SI = SHUT IN
UD = UNDEVELOPED
DP = DEPLETED
PB = PAYBACK
NP = NON-PRODUCING

(B) IF BTU IS SHOWN, GAS PRICE IN \$/MMBTU. IF BTU IS N/A, PRICE IS IN \$/MCF.



ZHAIKUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

INITIAL FINAL REMARKS	PROVED AND PROBABLE				PROVED AND PROBABLE			
	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED MONTHLY
								10.00% - 2,913,065
								12.00% - 2,535,213
								15.00% - 2,069,519
								20.00% - 1,492,481
								25.00% - 1,086,621

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	15	1,214,249	0	5,366	1,161,629	0	0	65.00	0.00
2008	17	3,469,849	0	12,930	3,297,813	0	0	60.50	0.00
2009	32	9,468,165	2,426,226	51,286	8,871,298	2,273,092	38,516	50.00	1.98
2010	48	13,802,630	4,082,168	83,888	12,502,012	3,694,192	61,239	50.00	1.98
2011	62	18,529,181	5,785,562	120,325	15,810,423	4,937,249	82,734	50.00	1.98
2012	67	19,590,641	6,594,902	139,259	16,291,253	5,487,069	93,960	50.00	1.98
2013	72	17,280,417	6,619,263	141,779	14,170,698	5,427,431	95,420	50.00	1.98
2014	69	14,189,287	5,680,952	119,249	11,734,174	4,698,702	80,007	50.00	1.98
2015	72	12,604,573	5,130,875	107,046	10,665,163	4,342,505	72,780	50.00	1.98
2016	72	10,094,020	4,318,014	89,457	8,625,819	3,692,108	61,173	50.00	1.98
2017	72	7,725,481	3,480,978	71,419	6,650,029	2,997,946	49,067	50.00	1.98
2018	72	6,070,600	2,823,783	57,315	5,241,413	2,439,142	39,397	50.00	1.98
2019	72	4,884,297	2,296,938	46,114	4,242,739	1,996,016	31,834	50.00	1.98
2020	72	4,007,767	1,863,806	37,009	3,500,622	1,628,596	25,635	50.00	1.98
2021	72	3,346,810	1,497,314	29,512	2,927,730	1,310,231	20,446	50.00	1.98
Sub-Total		146,277,967	52,600,781	1,111,954	125,692,815	44,924,279	752,208	50.41	1.98
Remainder		14,832,002	4,763,815	88,800	13,117,010	4,209,646	61,918	50.00	1.98
Total Future		161,109,969	57,364,596	1,200,754	138,809,825	49,133,925	814,126	50.37	1.98
Cumulative		5,471,456	0	11,586					
Ultimate		166,581,425	57,364,596	1,212,340					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	75,506	0	0	0	75,506	2,287	0	73,219
2008	199,517	0	0	0	199,517	7,113	0	192,404
2009	443,566	68,193	76,347	0	588,106	18,729	5,120	564,257
2010	625,100	110,826	121,383	0	857,309	28,339	8,304	820,666
2011	790,521	148,117	163,987	0	1,102,625	38,937	11,692	1,051,996
2012	814,563	164,612	186,222	0	1,165,397	39,953	13,068	1,112,376
2013	708,535	162,823	189,132	0	1,060,490	34,345	13,229	1,012,916
2014	586,709	140,961	158,583	0	886,253	27,534	11,146	847,573
2015	533,258	130,275	144,260	0	807,793	24,532	10,166	773,095
2016	431,291	110,764	121,236	0	663,291	18,528	8,446	636,317
2017	332,501	89,938	97,251	0	519,690	13,667	6,743	499,280
2018	262,071	73,174	78,097	0	413,342	10,181	5,356	397,805
2019	212,137	59,881	63,088	0	335,106	7,860	4,288	322,958
2020	175,031	48,858	50,816	0	274,705	6,061	3,472	265,172
2021	146,387	39,306	40,519	0	226,212	4,673	2,779	218,760
Sub-Total	6,336,693	1,347,728	1,490,921	0	9,175,342	282,739	103,809	8,788,794
Remainder	655,850	126,290	122,731	0	904,871	18,999	8,631	877,241
Total Future	6,992,543	1,474,018	1,613,652	0	10,080,213	301,738	112,440	9,666,035

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Discounted Cumulative @ 10.00 %	
2007	8,241	0	195,572	7,644	211,457	-138,238	-138,238	-135,460
2008	11,319	0	333,497	21,699	366,515	-174,111	-312,349	-156,807
2009	29,235	0	249,126	76,331	354,692	209,565	-102,784	169,885
2010	39,942	0	233,835	111,447	385,224	435,442	332,658	321,839
2011	55,485	0	124,326	143,037	322,848	729,148	1,061,806	488,407
2012	61,273	0	72,741	150,544	284,558	827,818	1,889,624	503,369
2013	64,918	0	55,292	136,120	256,330	756,586	2,646,210	416,483
2014	57,778	0	21,900	114,331	194,009	653,564	3,299,774	325,929
2015	49,285	0	30,606	104,482	184,373	588,722	3,888,496	265,646
2016	45,460	0	10,800	85,926	142,186	494,131	4,382,627	202,209
2017	43,508	0	0	67,441	110,949	388,331	4,770,958	143,804
2018	35,558	0	0	53,758	89,316	308,489	5,079,447	103,392
2019	30,235	0	12,000	43,685	85,920	237,038	5,316,485	71,925
2020	29,726	0	0	35,900	65,626	199,546	5,516,031	54,788
2021	22,990	0	0	29,616	52,606	166,154	5,682,185	41,292
Sub-Total	584,953	0	1,339,695	1,181,961	3,106,609	5,682,185		2,816,701
Remainder	173,017	0	79,900	119,566	372,483	504,758	6,186,943	96,364
Total Future	757,970	0	1,419,595	1,301,527	3,479,092	6,186,943		2,913,065

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

PROVED AND PROBABLE

PV AND PB
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00%	-
								12.00%	-
							15.00%	-	
							20.00%	-	
							25.00%	-	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	10	863,477	0	4,737	826,055	0	0	65.00	0.00
2008	7	1,233,934	0	2,588	1,170,590	0	0	60.50	0.00
2009	7	980,048	166,315	2,294	912,749	154,894	1,662	50.00	1.99
2010	7	815,300	149,818	2,066	710,782	130,612	1,401	50.00	1.99
2011	7	697,252	135,915	1,878	597,357	116,443	1,248	50.00	1.99
2012	7	607,738	123,792	1,707	509,839	103,851	1,115	50.00	1.99
2013	7	535,245	112,941	1,559	437,545	92,325	990	50.00	1.99
2014	7	473,371	103,108	1,421	392,572	85,507	917	50.00	1.99
2015	7	419,897	94,166	1,301	356,700	79,995	859	50.00	1.99
2016	7	373,283	86,036	1,186	321,896	74,193	795	50.00	1.99
2017	7	322,157	78,645	1,084	279,467	68,222	732	50.00	1.99
2018	7	287,171	71,914	993	249,504	62,482	670	50.00	1.99
2019	7	256,326	65,789	908	223,858	57,455	616	50.00	1.99
2020	7	229,053	60,212	832	201,067	52,857	567	50.00	1.99
2021	7	203,172	37,304	514	178,442	32,764	352	50.00	1.99
Sub-Total		8,297,424	1,285,955	25,068	7,368,423	1,111,600	11,924	53.35	1.99
Remainder		1,005,059	90,516	1,248	890,296	80,103	861	50.00	1.99
Total Future		9,302,483	1,376,471	26,316	8,258,719	1,191,703	12,785	52.99	1.99
Cumulative Ultimate		5,001,108 14,303,591	0 1,376,471	10,392 36,708					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	53,694	0	0	0	53,694	1,626	0	52,068
2008	70,820	0	0	0	70,820	2,639	0	68,181
2009	45,638	4,647	3,300	0	53,585	2,041	274	51,270
2010	35,539	3,918	2,782	0	42,239	1,608	231	40,400
2011	29,868	3,493	2,480	0	35,841	1,342	212	34,287
2012	25,492	3,116	2,212	0	30,820	1,172	186	29,462
2013	21,877	2,770	1,967	0	26,614	963	161	25,490
2014	19,629	2,565	1,821	0	24,015	793	148	23,074
2015	17,834	2,400	1,704	0	21,938	649	139	21,150
2016	16,095	2,226	1,580	0	19,901	512	129	19,260
2017	13,974	2,046	1,454	0	17,474	432	118	16,924
2018	12,475	1,875	1,330	0	15,680	374	109	15,197
2019	11,193	1,723	1,224	0	14,140	324	99	13,717
2020	10,053	1,586	1,126	0	12,765	278	92	12,395
2021	8,922	983	698	0	10,603	233	57	10,313
Sub-Total	393,103	33,348	23,678	0	450,129	14,986	1,955	433,188
Remainder	44,515	2,403	1,713	0	48,631	1,160	139	47,332
Total Future	437,618	35,751	25,391	0	498,760	16,146	2,094	480,520

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	6,642	0	13,514	5,435	25,591	26,477	26,477	25,897
2008	3,857	0	18,769	7,703	30,329	37,852	64,329	34,468
2009	2,796	0	10,209	7,229	20,234	31,036	95,365	25,515
2010	1,952	0	10,247	5,709	17,908	22,492	117,857	16,749
2011	1,904	0	431	4,851	7,186	27,101	144,958	18,224
2012	1,636	0	544	4,175	6,355	23,107	168,065	14,066
2013	1,600	0	129	3,608	5,337	20,153	188,218	11,104
2014	1,576	0	142	3,259	4,977	18,097	206,315	9,026
2015	1,359	0	85	2,979	4,423	16,727	223,042	7,552
2016	1,341	0	526	2,704	4,571	14,689	237,731	6,005
2017	1,468	0	0	2,378	3,846	13,078	250,809	4,838
2018	1,353	0	0	2,135	3,488	11,709	262,518	3,922
2019	1,278	0	583	1,927	3,788	9,929	272,447	3,011
2020	1,382	0	0	1,741	3,123	9,272	281,719	2,544
2021	1,078	0	0	1,433	2,511	7,802	289,521	1,941
Sub-Total	31,222	0	55,179	57,266	143,667	289,521		184,862
Remainder	9,272	0	3,886	6,491	19,649	27,683	317,204	4,791
Total Future	40,494	0	59,065	63,757	163,316	317,204		189,653

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

PROVED AND PROBABLE

PV AND PB
NON-PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	596,287
								12.00% -	517,699
								15.00% -	423,727
								20.00% -	311,727
								25.00% -	235,761

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	4	267,244	0	494	255,665	0	0	65.00	0.00
2008	5	1,016,147	0	1,786	965,636	0	0	60.50	0.00
2009	6	1,873,023	272,451	4,629	1,756,179	254,267	3,351	50.00	1.98
2010	6	2,530,513	313,497	5,038	2,312,948	278,071	3,461	50.00	1.98
2011	6	3,347,088	326,346	5,089	2,853,703	278,970	3,381	50.00	1.98
2012	6	3,755,057	323,801	4,958	3,111,075	269,902	3,214	50.00	1.98
2013	6	3,622,962	299,719	4,536	2,974,161	245,566	2,887	50.00	1.98
2014	5	3,241,123	266,655	4,010	2,678,339	220,712	2,578	50.00	1.98
2015	5	2,917,543	238,067	3,559	2,466,743	201,718	2,345	50.00	1.98
2016	5	2,631,407	212,849	3,167	2,244,841	182,465	2,110	50.00	1.98
2017	5	2,377,075	190,544	2,821	2,042,973	164,441	1,893	50.00	1.98
2018	5	2,149,862	170,488	2,513	1,853,713	147,497	1,689	50.00	1.98
2019	5	1,944,179	149,670	2,200	1,686,752	130,214	1,490	50.00	1.98
2020	5	1,760,039	130,872	1,917	1,535,513	114,456	1,302	50.00	1.98
2021	5	1,595,269	114,711	1,675	1,394,177	100,441	1,141	50.00	1.98
Sub-Total		35,028,531	3,009,670	48,392	30,132,418	2,588,720	30,842	50.46	1.98
Remainder		8,479,541	535,702	7,617	7,495,307	473,593	5,233	50.00	1.98
Total Future		43,508,072	3,545,372	56,009	37,627,725	3,062,313	36,075	50.37	1.98
Cumulative		470,348	0	1,194					
Ultimate		43,978,420	3,545,372	57,203					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	16,618	0	0	0	16,618	503	0	16,115
2008	58,421	0	0	0	58,421	2,090	0	56,331
2009	87,809	7,628	6,644	0	102,081	3,682	498	97,901
2010	115,648	8,342	6,860	0	130,850	5,245	532	125,073
2011	142,685	8,369	6,702	0	157,756	7,149	545	150,062
2012	155,553	8,097	6,364	0	170,014	7,835	520	161,659
2013	148,709	7,367	5,723	0	161,799	7,436	468	153,895
2014	133,917	6,622	5,112	0	145,651	6,514	416	138,721
2015	123,337	6,051	4,648	0	134,036	5,907	379	127,750
2016	112,242	5,474	4,183	0	121,899	5,057	337	116,505
2017	102,148	4,933	3,752	0	110,833	4,410	302	106,121
2018	92,686	4,425	3,349	0	100,460	3,778	267	96,415
2019	84,338	3,907	2,948	0	91,193	3,281	233	87,679
2020	76,775	3,433	2,583	0	82,791	2,784	204	79,803
2021	69,709	3,014	2,261	0	74,984	2,324	180	72,480
Sub-Total	1,520,595	77,662	61,129	0	1,659,386	67,995	4,881	1,586,510
Remainder	374,766	14,207	10,373	0	399,346	11,097	833	387,416
Total Future	1,895,361	91,869	71,502	0	2,058,732	79,092	5,714	1,973,926

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	1,251	0	24,776	1,682	27,709	-11,594	-11,594	-11,528	
2008	3,143	0	35,562	6,354	45,059	11,272	-322	10,587	
2009	5,235	0	29,679	13,565	48,479	49,422	49,100	40,743	
2010	6,101	0	23,179	17,415	46,695	78,378	127,478	58,358	
2011	7,745	0	15,401	20,982	44,128	105,934	233,412	71,301	
2012	8,568	0	8,962	22,603	40,133	121,526	354,938	73,976	
2013	9,734	0	102	21,510	31,346	122,549	477,487	67,477	
2014	9,545	0	214	19,367	29,126	109,595	587,082	54,620	
2015	8,253	0	152	17,825	26,230	101,520	688,602	45,799	
2016	8,138	0	2,247	16,212	26,597	89,908	778,510	36,722	
2017	9,241	0	0	14,742	23,983	82,138	860,648	30,366	
2018	8,611	0	0	13,363	21,974	74,441	935,089	24,912	
2019	8,200	0	2,496	12,127	22,823	64,856	999,945	19,649	
2020	8,940	0	0	11,008	19,948	59,855	1,059,800	16,413	
2021	7,614	0	0	9,967	17,581	54,899	1,114,699	13,626	
Sub-Total	110,319	0	142,770	218,722	471,811	1,114,699		553,021	
Remainder	75,909	0	16,622	53,061	145,592	241,824	1,356,523	43,266	
Total Future	186,228	0	159,392	271,783	617,403	1,356,523		596,287	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

PROVED AND PROBABLE

PV AND PB
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	
								COMPOUNDED MONTHLY
								10.00% - 2,127,126
								12.00% - 1,842,438
								15.00% - 1,488,836
								20.00% - 1,046,784
								25.00% - 733,788

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	1	83,528	0	135	79,909	0	0	65.00	0.00
2008	5	1,219,768	0	8,556	1,161,587	0	0	60.50	0.00
2009	19	6,615,094	1,987,460	44,363	6,202,370	1,863,931	33,503	50.00	1.98
2010	35	10,456,817	3,618,853	76,784	9,478,282	3,285,509	56,377	50.00	1.98
2011	49	14,484,841	5,323,301	113,358	12,359,363	4,541,836	78,105	50.00	1.98
2012	54	15,227,846	6,147,309	132,594	12,670,339	5,113,316	89,631	50.00	1.98
2013	59	13,122,210	6,206,603	135,684	10,758,992	5,089,540	91,543	50.00	1.98
2014	57	10,474,793	5,311,189	113,818	8,663,263	4,392,483	76,512	50.00	1.98
2015	60	9,267,133	4,798,642	102,186	7,841,720	4,060,792	69,576	50.00	1.98
2016	60	7,089,330	4,019,129	85,104	6,059,082	3,435,450	58,268	50.00	1.98
2017	60	5,026,249	3,211,789	67,514	4,327,589	2,765,283	46,442	50.00	1.98
2018	60	3,633,567	2,581,381	53,809	3,138,196	2,229,163	37,038	50.00	1.98
2019	60	2,683,792	2,081,479	43,006	2,332,129	1,808,347	29,728	50.00	1.98
2020	60	2,018,675	1,672,722	34,260	1,764,042	1,461,283	23,766	50.00	1.98
2021	60	1,548,369	1,345,299	27,323	1,355,111	1,177,026	18,953	50.00	1.98
Sub-Total		102,952,012	48,305,156	1,038,494	88,191,974	41,223,959	709,442	50.15	1.98
Remainder		5,347,402	4,137,597	79,935	4,731,407	3,655,950	55,824	50.00	1.98
Total Future		108,299,414	52,442,753	1,118,429	92,923,381	44,879,909	765,266	50.14	1.98
Cumulative		0	0	0					
Ultimate		108,299,414	52,442,753	1,118,429					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M	
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$		
2007	5,194	0	0	0	5,194	157	0	5,037	
2008	70,276	0	0	0	70,276	2,385	0	67,891	
2009	310,119	55,918	66,404	0	432,441	13,006	4,349	415,086	
2010	473,914	98,565	111,740	0	684,219	21,486	7,540	655,193	
2011	617,968	136,255	154,805	0	909,028	30,446	10,935	867,647	
2012	633,517	153,400	177,645	0	964,562	30,946	12,361	921,255	
2013	537,950	152,686	181,443	0	872,079	25,946	12,601	833,532	
2014	433,163	131,774	151,649	0	716,586	20,226	10,581	685,779	
2015	392,086	121,824	137,909	0	651,819	17,978	9,649	624,192	
2016	302,954	103,064	115,472	0	521,490	12,958	7,980	500,552	
2017	216,379	82,958	92,046	0	391,383	8,825	6,323	376,235	
2018	156,910	66,875	73,418	0	297,203	6,029	4,981	286,193	
2019	116,607	54,251	58,916	0	229,774	4,255	3,955	221,564	
2020	88,202	43,838	47,106	0	179,146	2,998	3,176	172,972	
2021	67,756	35,311	37,560	0	140,627	2,116	2,543	135,968	
Sub-Total	4,422,995	1,236,719	1,406,113	0	7,065,827	199,757	96,974	6,769,096	
Remainder	236,569	109,678	110,646	0	456,893	6,742	7,657	442,494	
Total Future	4,659,564	1,346,397	1,516,759	0	7,522,720	206,499	104,631	7,211,590	

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
2007	347	0	157,282	526	158,155	-153,118	-153,118	-149,828
2008	4,320	0	279,166	7,643	291,129	-223,238	-376,356	-201,863
2009	21,204	0	209,238	55,537	285,979	129,107	-247,249	103,627
2010	31,888	0	200,410	88,322	320,620	334,573	87,324	246,732
2011	45,837	0	108,493	117,205	271,535	596,112	683,436	398,882
2012	51,068	0	63,235	123,766	238,069	683,186	1,366,622	415,328
2013	53,585	0	55,061	111,002	219,648	613,884	1,980,506	337,900
2014	46,657	0	21,543	91,705	159,905	525,874	2,506,380	262,283
2015	39,674	0	30,370	83,679	153,723	470,469	2,976,849	212,295
2016	35,980	0	8,028	67,009	111,017	389,535	3,366,384	159,483
2017	32,798	0	0	50,321	83,119	293,116	3,659,500	108,600
2018	25,595	0	0	38,259	63,854	222,339	3,881,839	74,558
2019	20,757	0	8,920	29,632	59,309	162,255	4,044,094	49,266
2020	19,404	0	0	23,151	42,555	130,417	4,174,511	35,830
2021	14,299	0	0	18,216	32,515	103,453	4,277,964	25,725
Sub-Total	443,413	0	1,141,746	905,973	2,491,132	4,277,964		2,078,818
Remainder	87,835	0	59,393	60,014	207,242	235,252	4,513,216	48,308
Total Future	531,248	0	1,201,139	965,987	2,698,374	4,513,216		2,127,126

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

INITIAL FINAL REMARKS	TOTAL PROVED RESERVES						TOTAL PROVED		
	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00%	—
								12.00%	—
15.00%	—								
							20.00%	—	
							25.00%	—	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	15	1,214,249	0	5,366	1,161,629	0	0	65.00	0.00
2008	14	2,946,302	0	12,205	2,795,050	0	0	60.50	0.00
2009	21	6,300,979	1,625,893	33,058	5,868,291	1,514,246	24,297	50.00	1.98
2010	22	6,825,163	2,067,883	41,330	5,950,224	1,802,793	28,255	50.00	1.98
2011	27	6,345,315	2,094,732	41,575	5,436,199	1,794,611	27,870	50.00	1.98
2012	31	7,835,693	2,871,578	58,642	6,573,497	2,409,015	39,858	50.00	1.98
2013	31	5,885,903	2,421,843	48,673	4,811,504	1,979,768	32,233	50.00	1.98
2014	27	4,085,398	1,850,099	36,558	3,388,068	1,534,302	24,367	50.00	1.98
2015	27	3,010,872	1,472,672	28,707	2,557,723	1,251,035	19,509	50.00	1.98
2016	27	2,295,871	1,196,382	23,024	1,979,803	1,031,682	15,832	50.00	1.98
2017	27	1,786,568	982,580	18,640	1,549,829	852,376	12,862	50.00	1.98
2018	27	1,425,233	813,090	15,195	1,238,298	706,444	10,465	50.00	1.98
2019	27	1,160,278	673,037	12,403	1,013,312	587,785	8,576	50.00	1.98
2020	27	959,615	557,870	10,144	842,370	489,710	7,028	50.00	1.98
2021	27	802,808	445,871	8,072	705,089	391,600	5,596	50.00	1.98
Sub-Total		52,880,247	19,073,530	393,592	45,870,886	16,345,367	256,748	51.02	1.98
Remainder		3,443,902	1,436,899	24,488	3,047,625	1,270,763	17,026	50.00	1.98
Total Future		56,324,149	20,510,429	418,080	48,918,511	17,616,130	273,774	50.96	1.98
Cumulative		5,471,456	0	11,586					
Ultimate		61,795,605	20,510,429	429,666					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	75,506	0	0	0	75,506	2,287	0	73,219
2008	169,100	0	0	0	169,100	6,300	0	162,800
2009	293,415	45,427	48,164	0	387,006	13,122	3,322	370,562
2010	297,511	54,084	56,008	0	407,603	13,460	3,920	390,223
2011	271,810	53,839	55,247	0	380,896	12,226	3,977	364,693
2012	328,675	72,270	78,991	0	479,936	15,100	5,461	459,375
2013	240,575	59,393	63,893	0	363,861	10,572	4,306	348,983
2014	169,404	46,029	48,307	0	263,740	6,842	3,289	253,609
2015	127,886	37,531	38,673	0	204,090	4,643	2,653	196,794
2016	98,990	30,951	31,379	0	161,320	3,147	2,167	156,006
2017	77,492	25,571	25,488	0	128,551	2,396	1,773	124,382
2018	61,914	21,193	20,753	0	103,860	1,855	1,454	100,551
2019	50,666	17,634	16,988	0	85,288	1,465	1,200	82,623
2020	42,119	14,691	13,938	0	70,748	1,167	990	68,591
2021	35,254	11,748	11,089	0	58,091	919	790	56,382
Sub-Total	2,340,317	490,361	508,918	0	3,339,596	95,501	35,302	3,208,793
Remainder	152,381	38,123	33,755	0	224,259	3,970	2,473	217,816
Total Future	2,492,698	528,484	542,673	0	3,563,855	99,471	37,775	3,426,609

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	8,241	0	115,538	7,644	131,423	-58,204	-58,204	-57,069	
2008	9,106	0	147,145	18,391	174,642	-11,842	-70,046	-10,524	
2009	17,896	0	94,910	50,576	163,382	207,180	137,134	168,541	
2010	18,992	0	75,364	53,394	147,750	242,473	379,607	180,477	
2011	19,173	0	42,286	49,948	111,407	253,286	632,893	169,822	
2012	25,000	0	51,487	62,285	138,772	320,603	953,496	194,228	
2013	23,091	0	864	47,300	71,255	277,728	1,231,224	153,372	
2014	17,432	0	961	34,414	52,807	200,802	1,432,026	100,305	
2015	12,720	0	571	26,713	40,004	156,790	1,588,816	70,873	
2016	10,893	0	3,573	21,178	35,644	120,362	1,709,178	49,254	
2017	10,825	0	0	16,931	27,756	96,626	1,805,804	35,781	
2018	8,973	0	0	13,729	22,702	77,849	1,883,653	26,093	
2019	7,719	0	3,970	11,311	23,000	59,623	1,943,276	18,095	
2020	7,671	0	0	9,412	17,083	51,508	1,994,784	14,144	
2021	5,910	0	0	7,733	13,643	42,739	2,037,523	10,626	
Sub-Total	203,642	0	536,669	430,959	1,171,270	2,037,523		1,124,018	
Remainder	42,619	0	26,431	30,092	99,142	118,674	2,156,197	23,018	
Total Future	246,261	0	563,100	461,051	1,270,412	2,156,197		1,147,036	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

INITIAL FINAL REMARKS	TOTAL PROVED PRODUCING				PROVED PRODUCING			DISCOUNTED FUTURE NET INCOME - \$M	
	REVENUE INTERESTS				PRODUCT PRICES			COMPOUNDED	MONTHLY
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF		
								10.00% -	189,653
								12.00% -	175,077
								15.00% -	156,957
								20.00% -	133,970
								25.00% -	117,072

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	10	863,477	0	4,737	826,055	0	0	65.00	0.00
2008	7	1,233,934	0	2,588	1,170,590	0	0	60.50	0.00
2009	7	980,048	166,315	2,294	912,749	154,894	1,662	50.00	1.99
2010	7	815,300	149,818	2,066	710,782	130,612	1,401	50.00	1.99
2011	7	697,252	135,915	1,878	597,357	116,443	1,248	50.00	1.99
2012	7	607,738	123,792	1,707	509,839	103,851	1,115	50.00	1.99
2013	7	535,245	112,941	1,559	437,545	92,325	990	50.00	1.99
2014	7	473,371	103,108	1,421	392,572	85,507	917	50.00	1.99
2015	7	419,897	94,166	1,301	356,700	79,995	859	50.00	1.99
2016	7	373,283	86,036	1,186	321,896	74,193	795	50.00	1.99
2017	7	322,157	78,645	1,084	279,467	68,222	732	50.00	1.99
2018	7	287,171	71,914	993	249,504	62,482	670	50.00	1.99
2019	7	256,326	65,789	908	223,858	57,455	616	50.00	1.99
2020	7	229,053	60,212	832	201,067	52,857	567	50.00	1.99
2021	7	203,172	37,304	514	178,442	32,764	352	50.00	1.99
Sub-Total		8,297,424	1,285,955	25,068	7,368,423	1,111,600	11,924	53.35	1.99
Remainder		1,005,059	90,516	1,248	890,296	80,103	861	50.00	1.99
Total Future		9,302,483	1,376,471	26,316	8,258,719	1,191,703	12,785	52.99	1.99
Cumulative		5,001,108	0	10,392					
Ultimate		14,303,591	1,376,471	36,708					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M	
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$		
2007	53,694	0	0	0	53,694	1,626	0	52,068	
2008	70,820	0	0	0	70,820	2,639	0	68,181	
2009	45,638	4,647	3,300	0	53,585	2,041	274	51,270	
2010	35,539	3,918	2,782	0	42,239	1,608	231	40,400	
2011	29,868	3,493	2,480	0	35,841	1,342	212	34,287	
2012	25,492	3,116	2,212	0	30,820	1,172	186	29,462	
2013	21,877	2,770	1,967	0	26,614	963	161	25,490	
2014	19,629	2,565	1,821	0	24,015	793	148	23,074	
2015	17,834	2,400	1,704	0	21,938	649	139	21,150	
2016	16,095	2,226	1,580	0	19,901	512	129	19,260	
2017	13,974	2,046	1,454	0	17,474	432	118	16,924	
2018	12,475	1,875	1,330	0	15,680	374	109	15,197	
2019	11,193	1,723	1,224	0	14,140	324	99	13,717	
2020	10,053	1,586	1,126	0	12,765	278	92	12,395	
2021	8,922	983	698	0	10,603	233	57	10,313	
Sub-Total	393,103	33,348	23,678	0	450,129	14,986	1,955	433,188	
Remainder	44,515	2,403	1,713	0	48,631	1,160	139	47,332	
Total Future	437,618	35,751	25,391	0	498,760	16,146	2,094	480,520	

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	6,642	0	13,514	5,435	25,591	26,477	26,477	25,897	
2008	3,857	0	18,769	7,703	30,329	37,852	64,329	34,468	
2009	2,796	0	10,209	7,229	20,234	31,036	95,365	25,515	
2010	1,952	0	10,247	5,709	17,908	22,492	117,857	16,749	
2011	1,904	0	431	4,851	7,186	27,101	144,958	18,224	
2012	1,636	0	544	4,175	6,355	23,107	168,065	14,066	
2013	1,600	0	129	3,608	5,337	20,153	188,218	11,104	
2014	1,576	0	142	3,259	4,977	18,097	206,315	9,026	
2015	1,359	0	85	2,979	4,423	16,727	223,042	7,552	
2016	1,341	0	526	2,704	4,571	14,689	237,731	6,005	
2017	1,468	0	0	2,378	3,846	13,078	250,809	4,838	
2018	1,353	0	0	2,135	3,488	11,709	262,518	3,922	
2019	1,278	0	583	1,927	3,788	9,929	272,447	3,011	
2020	1,382	0	0	1,741	3,123	9,272	281,719	2,544	
2021	1,078	0	0	1,433	2,511	7,802	289,521	1,941	
Sub-Total	31,222	0	55,179	57,266	143,667	289,521		184,862	
Remainder	9,272	0	3,886	6,491	19,649	27,683	317,204	4,791	
Total Future	40,494	0	59,065	63,757	163,316	317,204		189,653	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

GRAND SUMMARY							PROVED NON-PRODUCING		
TOTAL PROVED NON-PRODUCING									
INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	156,902
								12.00% -	144,277
								15.00% -	128,111
								20.00% -	106,780
							25.00% -	90,463	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	4	267,244	0	494	255,665	0	0	65.00	0.00
2008	4	873,879	0	1,699	829,016	0	0	60.50	0.00
2009	5	1,173,284	241,260	4,198	1,092,712	224,693	3,034	50.00	1.98
2010	5	940,503	242,622	4,060	819,940	211,520	2,747	50.00	1.98
2011	5	714,626	209,003	3,470	612,235	179,056	2,309	50.00	1.98
2012	5	555,057	181,161	2,990	465,651	151,982	1,949	50.00	1.98
2013	5	422,962	157,078	2,568	345,755	128,404	1,630	50.00	1.98
2014	4	329,123	136,852	2,219	272,943	113,491	1,428	50.00	1.98
2015	4	267,623	119,946	1,930	227,348	101,896	1,274	50.00	1.98
2016	4	219,980	105,360	1,684	189,691	90,857	1,128	50.00	1.98
2017	4	182,676	92,728	1,471	158,473	80,439	992	50.00	1.98
2018	4	152,959	81,476	1,285	132,896	70,791	866	50.00	1.98
2019	4	126,997	68,668	1,083	110,912	59,970	736	50.00	1.98
2020	4	106,404	57,161	900	93,402	50,174	613	50.00	1.98
2021	4	90,461	47,634	749	79,452	41,837	512	50.00	1.98
Sub-Total		6,423,778	1,740,949	30,800	5,686,091	1,505,110	19,218	52.21	1.98
Remainder		344,293	173,072	2,614	304,448	153,059	1,795	50.00	1.98
Total Future		6,768,071	1,914,021	33,414	5,990,539	1,658,169	21,013	52.09	1.98
Cumulative		470,348	0	1,194					
Ultimate		7,238,419	1,914,021	34,608					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	16,618	0	0	0	16,618	503	0	16,115
2008	50,156	0	0	0	50,156	1,869	0	48,287
2009	54,635	6,741	6,015	0	67,391	2,443	447	64,501
2010	40,997	6,345	5,445	0	52,787	1,855	414	50,518
2011	30,612	5,372	4,578	0	40,562	1,377	357	38,828
2012	23,283	4,560	3,857	0	31,700	1,070	298	30,332
2013	17,287	3,852	3,232	0	24,371	759	243	23,369
2014	13,648	3,404	2,832	0	19,884	551	214	19,119
2015	11,367	3,057	2,526	0	16,950	413	191	16,346
2016	9,485	2,726	2,235	0	14,446	302	170	13,974
2017	7,923	2,413	1,966	0	12,302	244	149	11,909
2018	6,645	2,124	1,719	0	10,488	200	132	10,156
2019	5,545	1,799	1,454	0	8,798	160	111	8,527
2020	4,671	1,505	1,217	0	7,393	129	93	7,171
2021	3,972	1,255	1,015	0	6,242	104	78	6,060
Sub-Total	296,844	45,153	38,091	0	380,088	11,979	2,897	365,212
Remainder	15,223	4,592	3,557	0	23,372	396	277	22,699
Total Future	312,067	49,745	41,648	0	403,460	12,375	3,174	387,911

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	1,251	0	15,876	1,682	18,809	-2,694	-2,694	-2,811
2008	2,731	0	14,872	5,455	23,058	25,229	22,535	22,994
2009	3,522	0	8,089	8,965	20,576	43,925	66,460	36,038
2010	2,457	0	8,119	7,067	17,643	32,875	99,335	24,479
2011	2,173	0	341	5,443	7,957	30,871	130,206	20,773
2012	1,694	0	432	4,264	6,390	23,942	154,148	14,586
2013	1,467	0	102	3,290	4,859	18,510	172,658	10,212
2014	1,306	0	113	2,692	4,111	15,008	187,666	7,491
2015	1,050	0	68	2,301	3,419	12,927	200,593	5,839
2016	971	0	424	1,966	3,361	10,613	211,206	4,341
2017	1,032	0	0	1,678	2,710	9,199	220,405	3,404
2018	902	0	0	1,434	2,336	7,820	228,225	2,621
2019	793	0	471	1,204	2,468	6,059	234,284	1,839
2020	798	0	0	1,011	1,809	5,362	239,646	1,472
2021	633	0	0	853	1,486	4,574	244,220	1,137
Sub-Total	22,780	0	48,907	49,305	120,992	244,220		154,415
Remainder	4,424	0	3,139	3,212	10,775	11,924	256,144	2,487
Total Future	27,204	0	52,046	52,517	131,767	256,144		156,902

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



GRAND SUMMARY

INITIAL FINAL REMARKS	TOTAL PROVED UNDEVELOPED				PROVED UNDEVELOPED			
	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED MONTHLY
								10.00% - 800,481
								12.00% - 703,806
								15.00% - 581,961
								20.00% - 425,947
								25.00% - 311,959

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	1	83,528	0	135	79,909	0	0	65.00	0.00
2008	3	838,489	0	7,918	795,444	0	0	60.50	0.00
2009	9	4,147,647	1,218,318	26,566	3,862,830	1,134,659	19,601	50.00	1.98
2010	10	5,069,360	1,675,443	35,204	4,419,502	1,460,661	24,107	50.00	1.98
2011	15	4,933,437	1,749,814	36,227	4,226,607	1,499,112	24,313	50.00	1.98
2012	19	6,672,898	2,566,625	53,945	5,598,007	2,153,182	36,794	50.00	1.98
2013	19	4,927,696	2,151,824	44,546	4,028,204	1,759,039	29,613	50.00	1.98
2014	16	3,282,904	1,610,139	32,918	2,722,553	1,335,304	22,022	50.00	1.98
2015	16	2,323,352	1,258,560	25,476	1,973,675	1,069,144	17,376	50.00	1.98
2016	16	1,702,608	1,004,986	20,154	1,468,216	866,632	13,909	50.00	1.98
2017	16	1,281,735	811,207	16,085	1,111,889	703,715	11,138	50.00	1.98
2018	16	985,103	659,700	12,917	855,898	573,171	8,929	50.00	1.98
2019	16	776,955	538,580	10,412	678,542	470,360	7,224	50.00	1.98
2020	16	624,158	440,497	8,412	547,901	386,679	5,848	50.00	1.98
2021	16	509,175	360,933	6,809	447,195	316,999	4,732	50.00	1.98
Sub-Total		38,159,045	16,046,626	337,724	32,816,372	13,728,657	225,606	50.29	1.98
Remainder		2,094,550	1,173,311	20,626	1,852,881	1,037,601	14,370	50.00	1.98
Total Future		40,253,595	17,219,937	358,350	34,669,253	14,766,258	239,976	50.28	1.98
Cumulative		0	0	0					
Ultimate		40,253,595	17,219,937	358,350					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	5,194	0	0	0	5,194	157	0	5,037
2008	48,124	0	0	0	48,124	1,793	0	46,331
2009	193,142	34,040	38,849	0	266,031	8,638	2,602	254,791
2010	220,975	43,820	47,781	0	312,576	9,998	3,274	299,304
2011	211,331	44,973	48,189	0	304,493	9,506	3,408	291,579
2012	279,900	64,596	72,921	0	417,417	12,858	4,976	399,583
2013	201,410	52,771	58,695	0	312,876	8,850	3,903	300,123
2014	136,128	40,059	43,653	0	219,840	5,497	2,927	211,416
2015	98,683	32,074	34,444	0	165,201	3,582	2,323	159,296
2016	73,411	25,999	27,563	0	126,973	2,334	1,868	122,771
2017	55,595	21,111	22,069	0	98,775	1,718	1,505	95,552
2018	42,795	17,196	17,704	0	77,695	1,282	1,215	75,198
2019	33,927	14,110	14,310	0	62,347	982	988	60,377
2020	27,395	11,601	11,596	0	50,592	758	806	49,028
2021	22,360	9,510	9,376	0	41,246	583	655	40,008
Sub-Total	1,650,370	411,860	447,150	0	2,509,380	68,536	30,450	2,410,394
Remainder	92,643	31,128	28,483	0	152,254	2,413	2,057	147,784
Total Future	1,743,013	442,988	475,633	0	2,661,634	70,949	32,507	2,558,178

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2007	347	0	86,148	526	87,021	-81,984	-81,984	-80,155
2008	2,518	0	113,505	5,234	121,257	-74,926	-156,910	-67,987
2009	11,579	0	76,611	34,381	122,571	132,220	-24,690	106,989
2010	14,582	0	56,999	40,620	112,201	187,103	162,413	139,249
2011	15,097	0	41,513	39,654	96,264	195,315	357,728	130,824
2012	21,670	0	50,511	53,845	126,026	273,557	631,285	165,577
2013	20,023	0	633	40,402	61,058	239,065	870,350	132,056
2014	14,552	0	705	28,463	43,720	167,696	1,038,046	83,788
2015	10,310	0	419	21,433	32,162	127,134	1,165,180	57,481
2016	8,580	0	2,623	16,507	27,710	95,061	1,260,241	38,908
2017	8,326	0	0	12,876	21,202	74,350	1,334,591	27,539
2018	6,718	0	0	10,160	16,878	58,320	1,392,911	19,551
2019	5,648	0	2,915	8,180	16,743	43,634	1,436,545	13,246
2020	5,491	0	0	6,660	12,151	36,877	1,473,422	10,128
2021	4,198	0	0	5,447	9,645	30,363	1,503,785	7,547
Sub-Total	149,639	0	432,582	324,388	906,609	1,503,785		784,741
Remainder	28,923	0	19,406	20,389	68,718	79,066	1,582,851	15,740
Total Future	178,562	0	451,988	344,777	975,327	1,582,851		800,481

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

INITIAL FINAL REMARKS	TOTAL PROBABLE			TOTAL PROBABLE					
	EXPENSE INTEREST	REVENUE INTERESTS		PRODUCT PRICES			DISCOUNTED		
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	1,766,030
								12.00% -	1,512,053
						15.00% -	1,202,491		
						20.00% -	825,785		
						25.00% -	567,127		

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008	3	523,547	0	725	502,763	0	0	60.50	0.00
2009	11	3,167,186	800,333	18,228	3,003,007	758,846	14,219	50.00	1.98
2010	26	6,977,467	2,014,285	42,558	6,551,788	1,891,399	32,984	50.00	1.98
2011	35	12,183,866	3,690,830	78,750	10,374,224	3,142,638	54,864	50.00	1.98
2012	36	11,754,948	3,723,324	80,617	9,717,756	3,078,054	54,102	50.00	1.98
2013	41	11,394,514	4,197,420	93,106	9,359,194	3,447,663	63,187	50.00	1.98
2014	42	10,103,889	3,830,853	82,691	8,346,106	3,164,400	55,640	50.00	1.98
2015	45	9,593,701	3,658,203	78,339	8,107,440	3,091,470	53,271	50.00	1.98
2016	45	7,798,149	3,121,632	66,433	6,646,016	2,660,426	45,341	50.00	1.98
2017	45	5,938,913	2,498,398	52,779	5,100,200	2,145,570	36,205	50.00	1.98
2018	45	4,645,367	2,010,693	42,120	4,003,115	1,732,698	28,932	50.00	1.98
2019	45	3,724,019	1,623,901	33,711	3,229,427	1,408,231	23,258	50.00	1.98
2020	45	3,048,152	1,305,936	26,865	2,658,252	1,138,886	18,607	50.00	1.98
2021	45	2,544,002	1,051,443	21,440	2,222,641	918,631	14,850	50.00	1.98
Sub-Total		93,397,720	33,527,251	718,362	79,821,929	28,578,912	495,460	50.07	1.98
Remainder		11,388,100	3,326,916	64,312	10,069,385	2,938,883	44,892	50.00	1.98
Total Future		104,785,820	36,854,167	782,674	89,891,314	31,517,795	540,352	50.06	1.98
Cumulative		0	0	0					
Ultimate		104,785,820	36,854,167	782,674					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	30,417	0	0	0	30,417	813	0	29,604
2009	150,151	22,765	28,184	0	201,100	5,607	1,798	193,695
2010	327,589	56,742	65,374	0	449,705	14,878	4,384	430,443
2011	518,711	94,280	108,739	0	721,730	26,712	7,715	687,303
2012	485,888	92,341	107,233	0	685,462	24,852	7,606	653,004
2013	467,960	103,430	125,238	0	696,628	23,773	8,924	663,931
2014	417,305	94,932	110,276	0	622,513	20,693	7,857	593,963
2015	405,372	92,744	105,587	0	603,703	19,889	7,513	576,301
2016	332,301	79,813	89,857	0	501,971	15,381	6,279	480,311
2017	255,010	64,367	71,763	0	391,140	11,272	4,970	374,898
2018	200,156	51,981	57,344	0	309,481	8,326	3,902	297,253
2019	161,471	42,247	46,100	0	249,818	6,394	3,089	240,335
2020	132,912	34,166	36,877	0	203,955	4,894	2,481	196,580
2021	111,133	27,559	29,430	0	168,122	3,754	1,990	162,378
Sub-Total	3,996,376	857,367	982,002	0	5,835,745	187,238	68,508	5,579,999
Remainder	503,469	88,167	88,977	0	680,613	15,029	6,157	659,427
Total Future	4,499,845	945,534	1,070,979	0	6,516,358	202,267	74,665	6,239,426

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %
2007	0	0	80,034	0	80,034	-80,034	-80,034	-78,391
2008	2,213	0	186,352	3,308	191,873	-162,269	-242,303	-146,283
2009	11,339	0	154,215	25,755	191,309	2,386	-239,917	1,343
2010	20,950	0	158,472	58,053	237,475	192,968	-46,949	141,363
2011	36,312	0	82,040	93,089	211,441	475,862	428,913	318,586
2012	36,273	0	21,254	88,259	145,786	507,218	936,131	309,140
2013	41,827	0	54,428	88,820	185,075	478,856	1,414,987	263,111
2014	40,346	0	20,939	79,917	141,202	452,761	1,867,748	225,623
2015	36,565	0	30,035	77,769	144,369	431,932	2,299,680	194,774
2016	34,568	0	7,227	64,748	106,543	373,768	2,673,448	152,955
2017	32,682	0	0	50,510	83,192	291,706	2,965,154	108,024
2018	26,585	0	0	40,028	66,613	230,640	3,195,794	77,298
2019	22,516	0	8,031	32,375	62,922	177,413	3,373,207	53,830
2020	22,055	0	0	26,489	48,544	148,036	3,521,243	40,644
2021	17,081	0	0	21,882	38,963	123,415	3,644,658	30,666
Sub-Total	381,312	0	803,027	751,002	1,935,341	3,644,658		1,692,683
Remainder	130,397	0	53,469	89,473	273,339	386,088	4,030,746	73,347
Total Future	511,709	0	856,496	840,475	2,208,680	4,030,746		1,766,030

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

PROBABLE NON-PRODUCING

PROBABLE
NON-PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY
								10.00% - 439,385
								12.00% - 373,422
								15.00% - 295,616
								20.00% - 204,948
								25.00% - 145,298

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008	1	142,268	0	87	136,620	0	0	60.50	0.00
2009	1	699,739	31,191	431	663,467	29,574	317	50.00	1.98
2010	1	1,590,010	70,875	978	1,493,008	66,551	714	50.00	1.98
2011	1	2,632,462	117,343	1,619	2,241,468	99,914	1,072	50.00	1.98
2012	1	3,200,000	142,640	1,968	2,645,424	117,920	1,265	50.00	1.98
2013	1	3,200,000	142,641	1,968	2,628,406	117,162	1,257	50.00	1.98
2014	1	2,912,000	129,803	1,791	2,405,396	107,221	1,150	50.00	1.98
2015	1	2,649,920	118,121	1,629	2,239,395	99,822	1,071	50.00	1.98
2016	1	2,411,427	107,489	1,483	2,055,150	91,608	982	50.00	1.98
2017	1	2,194,399	97,816	1,350	1,884,500	84,002	901	50.00	1.98
2018	1	1,996,903	89,012	1,228	1,720,817	76,706	823	50.00	1.98
2019	1	1,817,182	81,002	1,117	1,575,840	70,244	754	50.00	1.98
2020	1	1,653,635	73,711	1,017	1,442,111	64,282	689	50.00	1.98
2021	1	1,504,808	67,077	926	1,314,725	58,604	629	50.00	1.98
Sub-Total		28,604,753	1,268,721	17,592	24,446,327	1,083,610	11,624	50.06	1.98
Remainder		8,135,248	362,630	5,003	7,190,859	320,534	3,438	50.00	1.98
Total Future		36,740,001	1,631,351	22,595	31,637,186	1,404,144	15,062	50.05	1.98
Cumulative		0	0	0					
Ultimate		36,740,001	1,631,351	22,595					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	8,266	0	0	0	8,266	221	0	8,045
2009	33,173	887	629	0	34,689	1,239	51	33,399
2010	74,650	1,997	1,415	0	78,062	3,390	118	74,554
2011	112,074	2,997	2,124	0	117,195	5,771	188	111,236
2012	132,271	3,538	2,507	0	138,316	6,766	222	131,328
2013	131,420	3,515	2,491	0	137,426	6,676	225	130,525
2014	120,270	3,216	2,280	0	125,766	5,964	203	119,599
2015	111,970	2,995	2,122	0	117,087	5,494	187	111,406
2016	102,757	2,748	1,948	0	107,453	4,756	167	102,530
2017	94,225	2,520	1,786	0	98,531	4,165	152	94,214
2018	86,041	2,301	1,631	0	89,973	3,579	136	86,258
2019	78,792	2,108	1,493	0	82,393	3,120	122	79,151
2020	72,106	1,928	1,367	0	75,401	2,655	111	72,635
2021	65,736	1,758	1,246	0	68,740	2,220	102	66,418
Sub-Total	1,223,751	32,508	23,039	0	1,279,298	56,016	1,984	1,221,298
Remainder	359,543	9,616	6,815	0	375,974	10,701	556	364,717
Total Future	1,583,294	42,124	29,854	0	1,655,272	66,717	2,540	1,586,015

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	0	0	8,900	0	8,900	-8,900	-8,900	-8,717
2008	411	0	20,690	899	22,000	-13,955	-22,855	-12,407
2009	1,715	0	21,590	4,599	27,904	5,495	-17,360	4,705
2010	3,643	0	15,060	10,350	29,053	45,501	28,141	33,879
2011	5,572	0	15,060	15,538	36,170	75,066	103,207	50,527
2012	6,875	0	8,530	18,339	33,744	97,584	200,791	59,391
2013	8,266	0	0	18,220	26,486	104,039	304,830	57,265
2014	8,240	0	101	16,675	25,016	94,583	399,413	47,129
2015	7,202	0	85	15,523	22,810	88,596	488,009	39,960
2016	7,167	0	1,822	14,247	23,236	79,294	567,303	32,381
2017	8,210	0	0	13,064	21,274	72,940	640,243	26,962
2018	7,708	0	0	11,929	19,637	66,621	706,864	22,291
2019	7,407	0	2,025	10,924	20,356	58,795	765,659	17,810
2020	8,142	0	0	9,996	18,138	54,497	820,156	14,941
2021	6,980	0	0	9,114	16,094	50,324	870,480	12,490
Sub-Total	87,538	0	93,863	169,417	350,818	870,480		398,607
Remainder	71,486	0	13,483	49,848	134,817	229,900	1,100,380	40,778
Total Future	159,024	0	107,346	219,265	485,635	1,100,380		439,385

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY

TOTAL PROBABLE UNDEVELOPED

PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED
								MONTHLY
								10.00% - 1,326,645
								12.00% - 1,138,632
								15.00% - 906,875
								20.00% - 620,837
								25.00% - 421,829

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008	2	381,279	0	638	366,143	0	0	60.50	0.00
2009	10	2,467,447	769,142	17,797	2,339,540	729,272	13,902	50.00	1.98
2010	25	5,387,457	1,943,410	41,580	5,058,780	1,824,848	32,270	50.00	1.98
2011	34	9,551,404	3,573,487	77,131	8,132,756	3,042,724	53,792	50.00	1.98
2012	35	8,554,948	3,580,684	78,649	7,072,332	2,960,134	52,837	50.00	1.98
2013	40	8,194,514	4,054,779	91,138	6,730,788	3,330,501	61,930	50.00	1.98
2014	41	7,191,889	3,701,050	80,900	5,940,710	3,057,179	54,490	50.00	1.98
2015	44	6,943,781	3,540,082	76,710	5,868,045	2,991,648	52,200	50.00	1.98
2016	44	5,386,722	3,014,143	64,950	4,590,866	2,568,818	44,359	50.00	1.98
2017	44	3,744,514	2,400,582	51,429	3,215,700	2,061,568	35,304	50.00	1.98
2018	44	2,648,464	1,921,681	40,892	2,282,298	1,655,992	28,109	50.00	1.98
2019	44	1,906,837	1,542,899	32,594	1,653,587	1,337,987	22,504	50.00	1.98
2020	44	1,394,517	1,232,225	25,848	1,216,141	1,074,604	17,918	50.00	1.98
2021	44	1,039,194	984,366	20,514	907,916	860,027	14,221	50.00	1.98
Sub-Total		64,792,967	32,258,530	700,770	55,375,602	27,495,302	483,836	50.07	1.98
Remainder		3,252,852	2,964,286	59,309	2,878,526	2,618,349	41,454	50.00	1.98
Total Future		68,045,819	35,222,816	760,079	58,254,128	30,113,651	525,290	50.07	1.98
Cumulative Ultimate		0	0	0					
		68,045,819	35,222,816	760,079					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	22,152	0	0	0	22,152	592	0	21,560
2009	116,977	21,878	27,555	0	166,410	4,368	1,747	160,295
2010	252,939	54,746	63,960	0	371,645	11,488	4,265	355,892
2011	406,637	91,281	106,614	0	604,532	20,940	7,528	576,064
2012	353,617	88,804	104,726	0	547,147	18,087	7,385	521,675
2013	336,540	99,915	122,747	0	559,202	17,097	8,698	533,407
2014	297,035	91,716	107,996	0	496,747	14,729	7,654	474,364
2015	293,402	89,749	103,465	0	486,616	14,396	7,326	464,894
2016	229,544	77,065	87,910	0	394,519	10,624	6,111	377,784
2017	160,785	61,847	69,976	0	292,608	7,107	4,818	280,683
2018	114,115	49,680	55,713	0	219,508	4,747	3,767	210,994
2019	82,679	40,139	44,607	0	167,425	3,274	2,967	161,184
2020	60,807	32,238	35,510	0	128,555	2,239	2,370	123,946
2021	45,396	25,801	28,184	0	99,381	1,533	1,888	95,960
Sub-Total	2,772,625	824,859	958,963	0	4,556,447	131,221	66,524	4,358,702
Remainder	143,926	78,551	82,163	0	304,640	4,329	5,601	294,710
Total Future	2,916,551	903,410	1,041,126	0	4,861,087	135,550	72,125	4,653,412

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	71,134	0	71,134	-71,134	-71,134	-69,674	
2008	1,802	0	165,662	2,409	169,873	-148,313	-219,447	-133,876	
2009	9,625	0	132,625	21,156	163,406	-3,111	-222,558	-3,362	
2010	17,306	0	143,412	47,703	208,421	147,471	-75,087	107,484	
2011	30,741	0	66,980	77,551	175,272	400,792	325,705	268,058	
2012	29,397	0	12,724	69,921	112,042	409,633	735,338	249,751	
2013	33,562	0	54,428	70,599	158,589	374,818	1,110,156	205,844	
2014	32,105	0	20,838	63,242	116,185	358,179	1,468,335	178,495	
2015	29,363	0	29,950	62,246	121,559	343,335	1,811,670	154,814	
2016	27,401	0	5,405	50,501	83,307	294,477	2,106,147	120,574	
2017	24,472	0	0	37,446	61,918	218,765	2,324,912	81,062	
2018	18,877	0	0	28,100	46,977	164,017	2,488,929	55,007	
2019	15,108	0	6,006	21,451	42,565	118,619	2,607,548	36,020	
2020	13,914	0	0	16,491	30,405	93,541	2,701,089	25,703	
2021	10,100	0	0	12,768	22,868	73,092	2,774,181	18,177	
Sub-Total	293,773	0	709,164	581,584	1,584,521	2,774,181		1,294,077	
Remainder	58,912	0	39,986	39,626	138,524	156,186	2,930,367	32,568	
Total Future	352,685	0	749,150	621,210	1,723,045	2,930,367		1,326,645	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED AND PROB

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	
								COMPOUNDED MONTHLY
								10.00% - 1,101,480
								12.00% - 962,957
								15.00% - 795,559
								20.00% - 593,017
								25.00% - 453,343

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	12	1,015,964	0	2,012	971,937	0	0	65.00	0.00
2008	16	3,183,381	0	5,957	3,026,051	0	0	60.50	0.00
2009	19	4,038,444	576,406	7,952	3,790,688	539,948	5,791	50.00	1.98
2010	22	5,432,277	798,675	11,020	4,932,107	716,927	7,691	50.00	1.98
2011	26	6,785,768	930,896	12,844	5,790,880	795,278	8,530	50.00	1.98
2012	27	7,423,451	1,004,877	13,867	6,172,393	837,951	8,992	50.00	1.98
2013	27	6,590,479	902,144	12,448	5,404,088	738,953	7,927	50.00	1.98
2014	27	5,669,473	800,860	11,045	4,689,437	663,046	7,109	50.00	1.98
2015	27	4,927,885	714,476	9,858	4,171,478	605,616	6,495	50.00	1.98
2016	27	4,316,577	639,609	8,826	3,692,277	548,825	5,888	50.00	1.98
2017	27	3,793,750	574,022	7,917	3,267,775	495,827	5,322	50.00	1.98
2018	27	3,359,100	515,730	7,117	2,901,487	446,531	4,785	50.00	1.98
2019	27	2,981,768	458,030	6,321	2,590,812	398,808	4,285	50.00	1.98
2020	27	2,653,611	402,406	5,554	2,318,243	352,243	3,774	50.00	1.98
2021	27	2,366,700	333,417	4,598	2,070,568	292,141	3,137	50.00	1.98
Sub-Total		64,538,628	8,651,548	127,336	55,790,221	7,432,094	79,726	50.83	1.98
Remainder		12,100,109	1,410,173	19,454	10,698,264	1,247,926	13,383	50.00	1.98
Total Future		76,638,737	10,061,721	146,790	66,488,485	8,680,020	93,109	50.70	1.98
Cumulative		5,270,043	0	8,074					
Ultimate		81,908,780	10,061,721	154,864					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	63,176	0	0	0	63,176	1,914	0	61,262
2008	183,076	0	0	0	183,076	6,500	0	176,576
2009	189,534	16,198	11,486	0	217,218	7,862	948	208,408
2010	246,606	21,508	15,248	0	283,362	11,181	1,271	270,910
2011	289,544	23,859	16,914	0	330,317	14,219	1,468	314,630
2012	308,619	25,138	17,819	0	351,576	15,153	1,532	334,891
2013	270,205	22,169	15,715	0	308,089	13,070	1,340	293,679
2014	234,472	19,891	14,101	0	268,464	10,896	1,193	256,375
2015	208,573	18,169	12,879	0	239,621	9,373	1,086	229,162
2016	184,615	16,464	11,671	0	212,750	7,710	975	204,065
2017	163,388	14,875	10,544	0	188,807	6,575	875	181,357
2018	145,075	13,396	9,496	0	167,967	5,550	782	161,635
2019	129,540	11,964	8,482	0	149,986	4,746	691	144,549
2020	115,912	10,568	7,491	0	133,971	3,984	611	129,376
2021	103,529	8,764	6,213	0	118,506	3,290	507	114,709
Sub-Total	2,835,864	222,963	158,059	0	3,216,886	122,023	13,279	3,081,584
Remainder	534,913	37,438	26,542	0	598,893	15,460	2,165	581,268
Total Future	3,370,777	260,401	184,601	0	3,815,779	137,483	15,444	3,662,852

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	5,646	0	68,940	6,395	80,981	-19,719	-19,719	-19,599
2008	10,411	0	110,207	19,912	140,530	36,046	16,327	32,952
2009	11,416	0	79,287	29,208	119,911	88,497	104,824	72,433
2010	13,307	0	72,583	38,117	124,007	146,903	251,727	109,054
2011	16,544	0	45,933	44,387	106,864	207,766	459,493	139,482
2012	18,232	0	16,847	47,234	82,313	252,578	712,071	153,642
2013	18,529	0	544	41,397	60,470	233,209	945,280	128,483
2014	17,590	0	649	36,094	54,333	202,042	1,147,322	100,754
2015	14,770	0	362	32,233	47,365	181,797	1,329,119	82,057
2016	14,219	0	4,043	28,631	46,893	157,172	1,486,291	64,229
2017	15,754	0	0	25,419	41,173	140,184	1,626,475	51,848
2018	14,400	0	0	22,619	37,019	124,616	1,751,091	41,719
2019	13,487	0	4,492	20,198	38,177	106,372	1,857,463	32,242
2020	14,458	0	0	18,037	32,495	96,881	1,954,344	26,576
2021	12,021	0	0	15,932	27,953	86,756	2,041,100	21,545
Sub-Total	210,784	0	403,887	425,813	1,040,484	2,041,100		1,037,417
Remainder	113,746	0	29,907	80,253	223,906	357,362	2,398,462	64,063
Total Future	324,530	0	433,794	506,066	1,264,390	2,398,462		1,101,480

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED RESERVES

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	478,912
								12.00% -	428,767
								15.00% -	366,920
								20.00% -	289,767
								25.00% -	234,572

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	12	1,015,964	0	2,012	971,937	0	0	65.00	0.00
2008	13	2,659,834	0	5,232	2,523,288	0	0	60.50	0.00
2009	14	2,281,975	390,822	5,391	2,125,269	363,984	3,904	50.00	1.98
2010	15	2,511,847	491,501	6,782	2,189,846	428,494	4,597	50.00	1.98
2011	18	2,471,310	503,507	6,947	2,117,237	431,368	4,625	50.00	1.98
2012	19	2,901,903	590,924	8,155	2,434,454	495,737	5,323	50.00	1.98
2013	19	2,345,963	522,780	7,214	1,917,739	427,353	4,584	50.00	1.98
2014	19	1,916,003	462,744	6,382	1,588,965	383,754	4,112	50.00	1.98
2015	19	1,589,851	411,972	5,684	1,350,571	349,972	3,755	50.00	1.98
2016	19	1,335,454	368,232	5,081	1,151,602	317,543	3,406	50.00	1.98
2017	19	1,122,682	330,087	4,551	973,919	286,343	3,073	50.00	1.98
2018	19	959,622	296,162	4,087	833,754	257,320	2,757	50.00	1.98
2019	19	822,876	261,670	3,613	718,646	228,525	2,457	50.00	1.98
2020	19	709,345	229,256	3,165	622,678	201,242	2,155	50.00	1.98
2021	19	613,709	182,456	2,514	539,010	160,251	1,721	50.00	1.98
Sub-Total		25,258,338	5,042,113	76,810	22,058,915	4,331,886	46,469	51.86	1.98
Remainder		2,843,537	698,792	9,641	2,515,699	618,171	6,630	50.00	1.98
Total Future		28,101,875	5,740,905	86,451	24,574,614	4,950,057	53,099	51.67	1.98
Cumulative		5,270,043	0	8,074					
Ultimate		33,371,918	5,740,905	94,525					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	63,176	0	0	0	63,176	1,914	0	61,262
2008	152,659	0	0	0	152,659	5,687	0	146,972
2009	106,263	10,919	7,745	0	124,927	4,752	643	119,532
2010	109,493	12,855	9,116	0	131,464	4,954	760	125,750
2011	105,861	12,941	9,176	0	127,978	4,760	784	122,434
2012	121,723	14,872	10,544	0	147,139	5,594	888	140,657
2013	95,887	12,821	9,089	0	117,797	4,214	741	112,842
2014	79,448	11,513	8,163	0	99,124	3,209	666	95,249
2015	67,529	10,499	7,444	0	85,472	2,453	607	82,412
2016	57,580	9,526	6,754	0	73,860	1,830	551	71,479
2017	48,696	8,590	6,090	0	63,376	1,506	497	61,373
2018	41,688	7,720	5,474	0	54,882	1,249	446	53,187
2019	35,932	6,856	4,860	0	47,648	1,039	396	46,213
2020	31,134	6,037	4,281	0	41,452	863	350	40,239
2021	26,950	4,808	3,409	0	35,167	703	278	34,186
Sub-Total	1,144,019	129,957	92,145	0	1,366,121	44,727	7,607	1,313,787
Remainder	125,785	18,545	13,153	0	157,483	3,277	1,072	153,134
Total Future	1,269,804	148,502	105,298	0	1,523,604	48,004	8,679	1,466,921

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	5,646	0	50,891	6,395	62,932	-1,670	-1,670	-1,920	
2008	8,197	0	60,965	16,604	85,766	61,206	59,536	55,635	
2009	6,343	0	36,138	16,859	59,340	60,192	119,728	49,454	
2010	5,983	0	36,248	17,795	60,026	65,724	185,452	48,762	
2011	6,499	0	20,840	17,339	44,678	77,756	263,208	52,233	
2012	7,791	0	8,109	19,935	35,835	104,822	368,030	63,686	
2013	7,092	0	373	15,995	23,460	89,382	457,412	49,278	
2014	6,506	0	414	13,487	20,407	74,842	532,254	37,348	
2015	5,296	0	246	11,651	17,193	65,219	597,473	29,457	
2016	4,968	0	1,525	10,086	16,579	54,900	652,373	22,450	
2017	5,317	0	0	8,671	13,988	47,385	699,758	17,537	
2018	4,724	0	0	7,519	12,243	40,944	740,702	13,715	
2019	4,299	0	1,694	6,534	12,527	33,686	774,388	10,218	
2020	4,482	0	0	5,687	10,169	30,070	804,458	8,255	
2021	3,569	0	0	4,813	8,382	25,804	830,262	6,414	
Sub-Total	86,712	0	217,443	179,370	483,525	830,262		462,522	
Remainder	29,899	0	11,282	21,436	62,617	90,517	920,779	16,390	
Total Future	116,611	0	228,725	200,806	546,142	920,779		478,912	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED PRODUCING

PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

10.00%	182,862
12.00%	168,269
15.00%	150,129
20.00%	127,117
25.00%	110,204

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
2007	7	665,192	0	1,383	636,363	0	0	65.00	0.00
2008	7	1,233,934	0	2,588	1,170,590	0	0	60.50	0.00
2009	7	980,048	166,315	2,294	912,749	154,894	1,662	50.00	1.99
2010	7	815,300	149,818	2,066	710,782	130,612	1,401	50.00	1.99
2011	7	697,252	135,915	1,878	597,357	116,443	1,248	50.00	1.99
2012	7	607,738	123,792	1,707	509,839	103,851	1,115	50.00	1.99
2013	7	535,245	112,941	1,559	437,545	92,325	990	50.00	1.99
2014	7	473,371	103,108	1,421	392,572	85,507	917	50.00	1.99
2015	7	419,897	94,166	1,301	356,700	79,995	859	50.00	1.99
2016	7	373,283	86,036	1,186	321,896	74,193	795	50.00	1.99
2017	7	322,157	78,645	1,084	279,467	68,222	732	50.00	1.99
2018	7	287,171	71,914	993	249,504	62,482	670	50.00	1.99
2019	7	256,326	65,789	908	223,858	57,455	616	50.00	1.99
2020	7	229,053	60,212	832	201,067	52,857	567	50.00	1.99
2021	7	203,172	37,304	514	178,442	32,764	352	50.00	1.99
Sub-Total		8,099,139	1,285,955	21,714	7,178,731	1,111,600	11,924	53.04	1.99
Remainder		1,005,059	90,516	1,248	890,296	80,103	861	50.00	1.99
Total Future		9,104,198	1,376,471	22,962	8,069,027	1,191,703	12,785	52.71	1.99
Cumulative		4,811,195	0	6,903					
Ultimate		13,915,393	1,376,471	29,865					

COMPANY FUTURE GROSS REVENUE (FGR) - \$M						ROYALTY		FGR AFTER PRODUCTION TAXES-\$M	
Period	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$		
2007	41,364	0	0	0	41,364	1,253	0	40,111	
2008	70,820	0	0	0	70,820	2,638	0	68,182	
2009	45,638	4,647	3,300	0	53,585	2,041	274	51,270	
2010	35,539	3,918	2,782	0	42,239	1,608	231	40,400	
2011	29,868	3,493	2,480	0	35,841	1,342	212	34,287	
2012	25,492	3,116	2,212	0	30,820	1,173	186	29,461	
2013	21,877	2,770	1,967	0	26,614	962	161	25,491	
2014	19,629	2,565	1,821	0	24,015	794	148	23,073	
2015	17,834	2,400	1,704	0	21,938	648	139	21,151	
2016	16,095	2,226	1,580	0	19,901	512	129	19,260	
2017	13,974	2,046	1,454	0	17,474	432	118	16,924	
2018	12,475	1,875	1,330	0	15,680	374	109	15,197	
2019	11,193	1,723	1,224	0	14,140	324	99	13,717	
2020	10,053	1,586	1,126	0	12,765	279	92	12,394	
2021	8,922	983	698	0	10,603	233	57	10,313	
Sub-Total	380,773	33,348	23,678	0	437,799	14,613	1,955	421,231	
Remainder	44,515	2,403	1,713	0	48,631	1,160	139	47,332	
Total Future	425,288	35,751	25,391	0	486,430	15,773	2,094	468,563	

DEDUCTIONS - \$M						FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %	
						Annual	Cumulative		
2007	4,047	0	13,166	4,187	21,400	18,711	18,711	18,225	
2008	3,857	0	18,287	7,703	29,847	38,335	57,046	34,903	
2009	2,796	0	9,947	7,229	19,972	31,298	88,344	25,729	
2010	1,952	0	9,984	5,709	17,645	22,755	111,099	16,943	
2011	1,904	0	420	4,851	7,175	27,112	138,211	18,232	
2012	1,636	0	530	4,175	6,341	23,120	161,331	14,074	
2013	1,600	0	125	3,608	5,333	20,158	181,489	11,106	
2014	1,576	0	139	3,259	4,974	18,099	199,588	9,028	
2015	1,359	0	83	2,979	4,421	16,730	216,318	7,553	
2016	1,341	0	515	2,704	4,560	14,700	231,018	6,009	
2017	1,468	0	0	2,378	3,846	13,078	244,096	4,838	
2018	1,353	0	0	2,135	3,488	11,709	255,805	3,922	
2019	1,278	0	571	1,927	3,776	9,941	265,746	3,014	
2020	1,382	0	0	1,741	3,123	9,271	275,017	2,544	
2021	1,078	0	0	1,433	2,511	7,802	282,819	1,941	
Sub-Total	28,627	0	53,767	56,018	138,412	282,819		178,061	
Remainder	9,272	0	3,806	6,491	19,569	27,763	310,582	4,801	
Total Future	37,899	0	57,573	62,509	157,981	310,582		182,862	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED NON-PRODUCING

PROVED
NON-PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	120,355
								12.00% -	110,655
								15.00% -	98,348
								20.00% -	82,310
								25.00% -	70,197

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	4	267,244	0	494	255,665	0	0	65.00	0.00
2008	4	873,879	0	1,699	829,016	0	0	60.50	0.00
2009	4	735,219	134,921	1,862	684,729	125,656	1,347	50.00	1.98
2010	4	657,712	155,581	2,148	573,400	135,637	1,455	50.00	1.98
2011	4	523,944	137,041	1,889	448,874	117,405	1,259	50.00	1.98
2012	4	423,525	121,414	1,677	355,305	101,859	1,095	50.00	1.98
2013	4	346,412	108,002	1,490	283,179	88,286	947	50.00	1.98
2014	4	286,169	96,351	1,329	237,321	79,903	856	50.00	1.98
2015	4	238,474	86,140	1,188	202,586	73,178	785	50.00	1.98
2016	4	200,321	77,141	1,064	172,738	66,523	713	50.00	1.98
2017	4	169,521	69,173	953	147,062	60,005	644	50.00	1.98
2018	4	144,247	61,815	853	125,326	53,709	575	50.00	1.98
2019	4	121,305	52,256	723	105,941	45,637	492	50.00	1.98
2020	4	102,754	43,462	599	90,198	38,148	408	50.00	1.98
2021	4	88,181	36,199	498	77,450	31,795	341	50.00	1.98
Sub-Total		5,178,907	1,179,496	18,466	4,588,790	1,017,741	10,917	52.73	1.98
Remainder		341,668	145,560	2,009	302,130	128,767	1,381	50.00	1.98
Total Future		5,520,575	1,325,056	20,475	4,890,920	1,146,508	12,298	52.56	1.98
Cumulative		458,848	0	1,171					
Ultimate		5,979,423	1,325,056	21,646					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M	
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$		
2007	16,618	0	0	0	16,618	503	0	16,115	
2008	50,156	0	0	0	50,156	1,869	0	48,287	
2009	34,236	3,770	2,672	0	40,678	1,531	222	38,925	
2010	28,670	4,069	2,883	0	35,622	1,297	240	34,085	
2011	22,444	3,522	2,497	0	28,463	1,010	214	27,239	
2012	17,765	3,056	2,165	0	22,986	816	182	21,988	
2013	14,159	2,648	1,877	0	18,684	622	153	17,909	
2014	11,866	2,397	1,699	0	15,962	479	139	15,344	
2015	10,129	2,196	1,556	0	13,881	368	127	13,386	
2016	8,637	1,995	1,414	0	12,046	274	115	11,657	
2017	7,353	1,801	1,276	0	10,430	228	104	10,098	
2018	6,267	1,611	1,142	0	9,020	187	93	8,740	
2019	5,297	1,369	970	0	7,636	154	79	7,403	
2020	4,510	1,144	811	0	6,465	124	67	6,274	
2021	3,872	954	676	0	5,502	101	55	5,346	
Sub-Total	241,979	30,532	21,638	0	294,149	9,563	1,790	282,796	
Remainder	15,107	3,863	2,738	0	21,708	394	223	21,091	
Total Future	257,086	34,395	24,376	0	315,857	9,957	2,013	303,887	

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	1,251	0	13,517	1,682	16,450	-335	-335	-501	
2008	2,731	0	11,596	5,455	19,782	28,505	28,170	25,948	
2009	2,093	0	6,307	5,498	13,898	25,027	53,197	20,491	
2010	1,651	0	6,330	4,845	12,826	21,259	74,456	15,827	
2011	1,517	0	267	3,881	5,665	21,574	96,030	14,515	
2012	1,223	0	336	3,143	4,702	17,286	113,316	10,528	
2013	1,122	0	79	2,560	3,761	14,148	127,464	7,798	
2014	1,046	0	89	2,193	3,328	12,016	139,480	5,997	
2015	858	0	53	1,911	2,822	10,564	150,044	4,771	
2016	809	0	329	1,662	2,800	8,857	158,901	3,622	
2017	873	0	0	1,442	2,315	7,783	166,684	2,880	
2018	775	0	0	1,249	2,024	6,716	173,400	2,250	
2019	687	0	366	1,058	2,111	5,292	178,692	1,606	
2020	697	0	0	895	1,592	4,682	183,374	1,285	
2021	558	0	0	760	1,318	4,028	187,402	1,001	
Sub-Total	17,891	0	39,269	38,234	95,394	187,402		118,018	
Remainder	4,106	0	2,438	3,006	9,550	11,541	198,943	2,337	
Total Future	21,997	0	41,707	41,240	104,944	198,943		120,355	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROVED UNDEVELOPED

PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	
								COMPOUNDED MONTHLY
								10.00% - 175,695
								12.00% - 149,842
								15.00% - 118,444
								20.00% - 80,340
								25.00% - 54,171

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	1	83,528	0	135	79,909	0	0	65.00	0.00
2008	2	552,021	0	945	523,682	0	0	60.50	0.00
2009	3	566,708	89,586	1,235	527,791	83,434	895	50.00	1.98
2010	4	1,038,835	186,102	2,568	905,664	162,245	1,741	50.00	1.98
2011	7	1,250,114	230,551	3,180	1,071,006	197,520	2,118	50.00	1.98
2012	8	1,870,640	345,718	4,771	1,569,310	290,027	3,113	50.00	1.98
2013	8	1,464,306	301,837	4,165	1,197,015	246,742	2,647	50.00	1.98
2014	8	1,156,463	263,285	3,632	959,072	218,344	2,339	50.00	1.98
2015	8	931,480	231,666	3,195	791,285	196,799	2,111	50.00	1.98
2016	8	761,850	205,055	2,831	656,968	176,827	1,898	50.00	1.98
2017	8	631,004	182,269	2,514	547,390	158,116	1,697	50.00	1.98
2018	8	528,204	162,433	2,241	458,924	141,129	1,512	50.00	1.98
2019	8	445,245	143,625	1,982	388,847	125,433	1,349	50.00	1.98
2020	8	377,538	125,582	1,734	331,413	110,237	1,180	50.00	1.98
2021	8	322,356	108,953	1,502	283,118	95,692	1,028	50.00	1.98
Sub-Total		11,980,292	2,576,662	36,630	10,291,394	2,202,545	23,628	50.65	1.98
Remainder		1,496,810	462,716	6,384	1,323,273	409,301	4,388	50.00	1.98
Total Future		13,477,102	3,039,378	43,014	11,614,667	2,611,846	28,016	50.58	1.98
Cumulative		0	0	0					
Ultimate		13,477,102	3,039,378	43,014					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	5,194	0	0	0	5,194	157	0	5,037
2008	31,683	0	0	0	31,683	1,181	0	30,502
2009	26,389	2,503	1,774	0	30,666	1,180	147	29,339
2010	45,284	4,867	3,449	0	53,600	2,049	288	51,263
2011	53,550	5,926	4,200	0	63,676	2,408	359	60,909
2012	78,465	8,701	6,166	0	93,332	3,605	519	89,208
2013	59,851	7,402	5,246	0	72,499	2,630	428	69,441
2014	47,954	6,550	4,642	0	59,146	1,936	379	56,831
2015	39,564	5,904	4,185	0	49,653	1,436	341	47,876
2016	32,848	5,305	3,759	0	41,912	1,045	307	40,560
2017	27,370	4,744	3,362	0	35,476	846	274	34,356
2018	22,946	4,233	3,000	0	30,179	687	245	29,247
2019	19,443	3,763	2,667	0	25,873	562	218	25,093
2020	16,570	3,308	2,344	0	22,222	459	191	21,572
2021	14,156	2,870	2,035	0	19,061	369	166	18,526
Sub-Total	521,267	66,076	46,829	0	634,172	20,550	3,862	609,760
Remainder	66,164	12,279	8,702	0	87,145	1,724	710	84,711
Total Future	587,431	78,355	55,531	0	721,317	22,274	4,572	694,471

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	347	0	24,207	526	25,080	-20,043	-20,043	-19,644
2008	1,610	0	31,083	3,446	36,139	-5,637	-25,680	-5,216
2009	1,454	0	19,884	4,132	25,470	3,869	-21,811	3,235
2010	2,380	0	19,934	7,241	29,555	21,708	-103	15,990
2011	3,077	0	20,154	8,607	31,838	29,071	28,968	19,487
2012	4,932	0	7,242	12,618	24,792	64,416	93,384	39,084
2013	4,370	0	168	9,825	14,363	55,078	148,462	30,374
2014	3,886	0	187	8,036	12,109	44,722	193,184	22,323
2015	3,078	0	110	6,761	9,949	37,927	231,111	17,133
2016	2,818	0	681	5,720	9,219	31,341	262,452	12,819
2017	2,976	0	0	4,851	7,827	26,529	288,981	9,819
2018	2,597	0	0	4,134	6,731	22,516	311,497	7,544
2019	2,333	0	757	3,550	6,640	18,453	329,950	5,597
2020	2,402	0	0	3,052	5,454	16,118	346,068	4,425
2021	1,934	0	0	2,618	4,552	13,974	360,042	3,472
Sub-Total	40,194	0	124,407	85,117	249,718	360,042		166,442
Remainder	16,521	0	5,040	11,941	33,502	51,209	411,251	9,253
Total Future	56,715	0	129,447	97,058	283,220	411,251		175,695

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NORTH TURNEISKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	622,568
								12.00% -	534,190
								15.00% -	428,639
								20.00% -	303,250
								25.00% -	218,771
ESTIMATED 8/8 THS PRODUCTION									
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
2007		0	0	0	0	0	0	0.00	0.00
2008	3	523,547	0	725	502,763	0	0	60.50	0.00
2009	5	1,756,469	185,584	2,561	1,665,419	175,964	1,887	50.00	1.98
2010	7	2,920,430	307,174	4,238	2,742,261	288,433	3,094	50.00	1.98
2011	8	4,314,458	427,389	5,897	3,673,643	363,910	3,905	50.00	1.98
2012	8	4,521,548	413,953	5,712	3,737,939	342,214	3,669	50.00	1.98
2013	8	4,244,516	379,364	5,234	3,486,349	311,600	3,343	50.00	1.98
2014	8	3,753,470	338,116	4,663	3,100,472	279,292	2,997	50.00	1.98
2015	8	3,338,034	302,504	4,174	2,820,907	255,644	2,740	50.00	1.98
2016	8	2,981,123	271,377	3,745	2,540,675	231,282	2,482	50.00	1.98
2017	8	2,671,068	243,935	3,366	2,293,856	209,484	2,249	50.00	1.98
2018	8	2,399,478	219,568	3,030	2,067,733	189,211	2,028	50.00	1.98
2019	8	2,158,892	196,360	2,708	1,872,166	170,283	1,828	50.00	1.98
2020	8	1,944,266	173,150	2,389	1,695,565	151,001	1,619	50.00	1.98
2021	8	1,752,991	150,961	2,084	1,531,558	131,890	1,416	50.00	1.98
Sub-Total		39,280,290	3,609,435	50,526	33,731,306	3,100,208	33,257	50.16	1.98
Remainder		9,256,572	711,381	9,813	8,182,565	629,755	6,753	50.00	1.98
Total Future		48,536,862	4,320,816	60,339	41,913,871	3,729,963	40,010	50.13	1.98
Cumulative Ultimate		0	0	0					
		48,536,862	4,320,816	60,339					
COMPANY FUTURE GROSS REVENUE (FGR) - \$M									
Period	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	FGR AFTER PRODUCTION TAXES-\$M	
2007	0	0	0	0	0	0	0	0	0
2008	30,417	0	0	0	30,417	813	0	29,604	
2009	83,271	5,279	3,741	0	92,291	3,110	305	88,876	
2010	137,113	8,653	6,133	0	151,899	6,227	512	145,160	
2011	183,682	10,917	7,737	0	202,336	9,459	683	192,194	
2012	186,897	10,267	7,276	0	204,440	9,559	644	194,237	
2013	174,318	9,348	6,625	0	190,291	8,856	599	180,836	
2014	155,023	8,378	5,938	0	169,339	7,687	528	161,124	
2015	141,046	7,670	5,435	0	154,151	6,920	478	146,753	
2016	127,034	6,938	4,917	0	138,889	5,880	424	132,585	
2017	114,692	6,285	4,454	0	125,431	5,070	379	119,982	
2018	103,387	5,676	4,023	0	113,086	4,300	335	108,451	
2019	93,608	5,109	3,620	0	102,337	3,707	295	98,335	
2020	84,779	4,530	3,211	0	92,520	3,122	262	89,136	
2021	76,577	3,956	2,804	0	83,337	2,586	229	80,522	
Sub-Total	1,691,844	93,006	65,914	0	1,850,764	77,296	5,673	1,767,795	
Remainder	409,129	18,893	13,389	0	441,411	12,184	1,092	428,135	
Total Future	2,100,973	111,899	79,303	0	2,292,175	89,480	6,765	2,195,930	
DEDUCTIONS - \$M									
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
						Undiscounted	Discounted	@ 10.00	%
2007	0	0	18,050	0	18,050	-18,050	-18,050	-17,679	
2008	2,213	0	49,241	3,308	54,762	-25,158	-43,208	-22,683	
2009	5,073	0	43,149	12,349	60,571	28,305	-14,903	22,979	
2010	7,326	0	36,334	20,322	63,982	81,178	66,275	60,292	
2011	10,044	0	25,093	27,048	62,185	130,009	196,284	87,249	
2012	10,441	0	8,739	27,299	46,479	147,758	344,042	89,956	
2013	11,437	0	171	25,402	37,010	143,826	487,868	79,204	
2014	11,084	0	235	22,607	33,926	127,198	615,066	63,407	
2015	9,474	0	116	20,582	30,172	116,581	731,647	52,599	
2016	9,251	0	2,518	18,544	30,313	102,272	833,919	41,780	
2017	10,437	0	0	16,749	27,186	92,796	926,715	34,310	
2018	9,676	0	0	15,100	24,776	83,675	1,010,390	28,004	
2019	9,188	0	2,797	13,664	25,649	72,686	1,083,076	22,025	
2020	9,977	0	0	12,350	22,327	66,809	1,149,885	18,322	
2021	8,451	0	0	11,120	19,571	60,951	1,210,836	15,130	
Sub-Total	124,072	0	186,443	246,444	556,959	1,210,836		574,895	
Remainder	83,847	0	18,626	58,816	161,289	266,846	1,477,682	47,673	
Total Future	207,919	0	205,069	305,260	718,248	1,477,682		622,568	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
SOUTH TURNEISKI
TOTAL PROVED AND PROB

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY
								10.00% - 352,241
								12.00% - 315,403
								15.00% - 267,995
								20.00% - 205,411
								25.00% - 158,011

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	9	2,844,731	806,213	17,711	2,667,771	757,262	12,898	50.00	1.98
2010	12	2,731,161	965,914	21,218	2,488,547	883,596	15,047	50.00	1.98
2011	14	2,581,482	1,059,485	23,276	2,202,060	903,630	15,391	50.00	1.98
2012	14	1,944,525	945,869	20,781	1,613,968	784,869	13,370	50.00	1.98
2013	14	1,280,866	786,349	17,273	1,050,872	645,121	10,988	50.00	1.98
2014	10	839,562	654,521	14,381	694,068	541,187	9,216	50.00	1.98
2015	10	572,373	546,338	12,000	484,213	462,293	7,874	50.00	1.98
2016	10	388,288	456,038	10,020	331,715	389,796	6,640	50.00	1.98
2017	10	261,768	380,660	8,364	225,254	327,728	5,582	50.00	1.98
2018	10	175,060	317,742	6,980	151,109	274,368	4,673	50.00	1.98
2019	10	115,861	265,225	5,822	100,614	230,402	3,923	50.00	1.98
2020	10	75,622	221,386	4,864	66,033	193,385	3,295	50.00	1.98
2021	10	48,434	184,795	4,061	42,353	161,659	2,754	50.00	1.98
Sub-Total		13,859,733	7,590,535	166,751	12,118,577	6,555,296	111,651	50.00	1.98
Remainder		65,211	509,945	11,205	57,418	449,341	7,653	50.00	1.98
Total Future		13,924,944	8,100,480	177,956	12,175,995	7,004,637	119,304	50.00	1.98
Cumulative		11,500	0	23					
Ultimate		13,936,444	8,100,480	177,979					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	133,389	22,718	25,563	0	181,670	5,583	1,707	174,380
2010	124,427	26,508	29,828	0	180,763	5,643	2,019	173,101
2011	110,103	27,109	30,505	0	167,717	5,457	2,166	160,094
2012	80,698	23,546	26,495	0	130,739	4,012	1,880	124,847
2013	52,544	19,353	21,778	0	93,675	2,584	1,557	89,534
2014	34,703	16,236	18,269	0	69,208	1,655	1,291	66,262
2015	24,211	13,869	15,606	0	53,686	1,125	1,095	51,466
2016	16,586	11,694	13,158	0	41,438	718	908	39,812
2017	11,263	9,831	11,064	0	32,158	468	755	30,935
2018	7,555	8,232	9,262	0	25,049	296	623	24,130
2019	5,031	6,912	7,778	0	19,721	189	514	19,018
2020	3,301	5,801	6,528	0	15,630	116	433	15,081
2021	2,118	4,850	5,457	0	12,425	68	361	11,996
Sub-Total	605,929	196,659	221,291	0	1,023,879	27,914	15,309	980,656
Remainder	2,871	13,480	15,169	0	31,520	87	1,004	30,429
Total Future	608,800	210,139	236,460	0	1,055,399	28,001	16,313	1,011,085

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	0	0	32,016	0	32,016	-32,016	-32,016	-31,200
2008	0	0	49,008	0	49,008	-49,008	-81,024	-44,328
2009	10,054	0	35,671	23,536	69,261	105,119	24,095	85,987
2010	8,841	0	35,380	23,355	67,576	105,525	129,620	78,123
2011	8,874	0	14,043	21,629	44,546	115,548	245,168	77,499
2012	7,113	0	587	16,820	24,520	100,327	345,495	61,157
2013	5,687	0	273	12,011	17,971	71,563	417,058	39,510
2014	4,578	0	242	8,842	13,662	52,600	469,658	26,271
2015	3,342	0	91	6,839	10,272	41,194	510,852	18,622
2016	2,790	0	1,123	5,262	9,175	30,637	541,489	12,540
2017	2,705	0	0	4,071	6,776	24,159	565,648	8,949
2018	2,165	0	0	3,162	5,327	18,803	584,451	6,304
2019	1,789	0	1,247	2,482	5,518	13,500	597,951	4,099
2020	1,700	0	0	1,962	3,662	11,419	609,370	3,137
2021	1,268	0	0	1,556	2,824	9,172	618,542	2,281
Sub-Total	60,906	0	169,681	131,527	362,114	618,542		348,951
Remainder	6,016	0	8,305	3,928	18,249	12,180	630,722	3,290
Total Future	66,922	0	177,986	135,455	380,363	630,722		352,241

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
SOUTH AREA
TOTAL PROVED RESERVES

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	4	1,752,260	425,356	9,344	1,631,932	396,148	6,748	50.00	1.98
2010	4	1,131,164	348,164	7,648	986,160	303,532	5,168	50.00	1.98
2011	4	762,728	287,848	6,324	653,444	246,604	4,200	50.00	1.98
2012	4	526,128	238,988	5,252	441,384	200,492	3,416	50.00	1.98
2013	4	306,200	196,304	4,312	250,304	160,472	2,732	50.00	1.98
2014		171,816	162,004	3,560	142,488	134,352	2,288	50.00	1.98
2015		116,596	135,224	2,968	99,048	114,872	1,956	50.00	1.98
2016		78,636	112,876	2,480	67,812	97,336	1,660	50.00	1.98
2017		52,620	94,220	2,072	45,644	81,736	1,392	50.00	1.98
2018		34,848	78,644	1,728	30,280	68,328	1,164	50.00	1.98
2019		22,768	65,648	1,440	19,884	57,332	976	50.00	1.98
2020		14,600	54,796	1,204	12,816	48,104	820	50.00	1.98
2021		9,120	45,740	1,004	8,008	40,168	684	50.00	1.98
Sub-Total		4,979,484	2,245,812	49,336	4,389,204	1,949,476	33,204	50.00	1.98
Remainder		10,500	110,048	2,420	9,272	97,168	1,656	50.00	1.98
Total Future		4,989,984	2,355,860	51,756	4,398,476	2,046,644	34,860	50.00	1.98
Cumulative		11,500	0	23					
Ultimate		5,001,484	2,355,860	51,779					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	81,597	11,884	13,373	0	106,854	3,649	901	102,304
2010	49,308	9,106	10,247	0	68,661	2,231	693	65,737
2011	32,672	7,399	8,324	0	48,395	1,470	577	46,348
2012	22,069	6,014	6,768	0	34,851	1,014	463	33,374
2013	12,515	4,814	5,418	0	22,747	550	358	21,839
2014	7,125	4,031	4,535	0	15,691	287	300	15,104
2015	4,952	3,446	3,878	0	12,276	180	257	11,839
2016	3,391	2,920	3,286	0	9,597	108	218	9,271
2017	2,282	2,452	2,759	0	7,493	70	182	7,241
2018	1,514	2,050	2,306	0	5,870	46	153	5,671
2019	994	1,720	1,936	0	4,650	28	128	4,494
2020	641	1,443	1,624	0	3,708	18	107	3,583
2021	400	1,205	1,356	0	2,961	11	90	2,860
Sub-Total	219,460	58,484	65,810	0	343,754	9,662	4,427	329,665
Remainder	464	2,915	3,280	0	6,659	12	217	6,430
Total Future	219,924	61,399	69,090	0	350,413	9,674	4,644	336,095

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00 %	
2007	0	0	21,860	0	21,860	-21,860	-21,860		-21,253
2008	0	0	18,753	0	18,753	-18,753	-40,613		-17,053
2009	5,796	0	6,648	13,868	26,312	75,992	35,379		62,513
2010	3,229	0	6,672	8,887	18,788	46,949	82,328		34,961
2011	2,623	0	281	6,247	9,151	37,197	119,525		25,048
2012	1,885	0	355	4,489	6,729	26,645	146,170		16,245
2013	1,381	0	83	2,914	4,378	17,461	163,631		9,658
2014	1,040	0	94	1,999	3,133	11,971	175,602		5,978
2015	768	0	55	1,559	2,382	9,457	185,059		4,275
2016	650	0	351	1,216	2,217	7,054	192,113		2,888
2017	634	0	0	946	1,580	5,661	197,774		2,097
2018	510	0	0	739	1,249	4,422	202,196		1,483
2019	423	0	390	583	1,396	3,098	205,294		940
2020	403	0	0	465	868	2,715	208,009		746
2021	303	0	0	370	673	2,187	210,196		544
Sub-Total	19,645	0	55,542	44,282	119,469	210,196			129,070
Remainder	1,272	0	2,597	828	4,697	1,733	211,929		628
Total Future	20,917	0	58,139	45,110	124,166	211,929			129,698

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
SOUTH AREA
TOTAL PROVED PRODUCING

PROVED
PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	0	0	0	0	0		0
2008	0	0	0	0	0	0	0		0
2009	0	0	0	0	0	0	0		0
2010	0	0	0	0	0	0	0		0
2011	0	0	0	0	0	0	0		0
2012	0	0	0	0	0	0	0		0
2013	0	0	0	0	0	0	0		0
2014	0	0	0	0	0	0	0		0
2015	0	0	0	0	0	0	0		0
2016	0	0	0	0	0	0	0		0
2017	0	0	0	0	0	0	0		0
2018	0	0	0	0	0	0	0		0
2019	0	0	0	0	0	0	0		0
2020	0	0	0	0	0	0	0		0
2021	0	0	0	0	0	0	0		0
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 LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
SOUTH AREA
TOTAL PROVED NON-PRODUCING

PROVED
NON-PRODUCING

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY
								10.00% - 36,547
								12.00% - 33,622
								15.00% - 29,763
								20.00% - 24,470
								25.00% - 20,265

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	1	438,065	106,339	2,336	407,983	99,037	1,687	50.00	1.98
2010	1	282,791	87,041	1,912	246,540	75,883	1,292	50.00	1.98
2011	1	190,682	71,962	1,581	163,361	61,651	1,050	50.00	1.98
2012	1	131,532	59,747	1,313	110,346	50,123	854	50.00	1.98
2013	1	76,550	49,076	1,078	62,576	40,118	683	50.00	1.98
2014		42,954	40,501	890	35,622	33,588	572	50.00	1.98
2015		29,149	33,806	742	24,762	28,718	489	50.00	1.98
2016		19,659	28,219	620	16,953	24,334	415	50.00	1.98
2017		13,155	23,555	518	11,411	20,434	348	50.00	1.98
2018		8,712	19,661	432	7,570	17,082	291	50.00	1.98
2019		5,692	16,412	360	4,971	14,333	244	50.00	1.98
2020		3,650	13,699	301	3,204	12,026	205	50.00	1.98
2021		2,280	11,435	251	2,002	10,042	171	50.00	1.98
Sub-Total		1,244,871	561,453	12,334	1,097,301	487,369	8,301	50.00	1.98
Remainder		2,625	27,512	605	2,318	24,292	414	50.00	1.98
Total Future		1,247,496	588,965	12,939	1,099,619	511,661	8,715	50.00	1.98
Cumulative		11,500	0	23					
Ultimate		1,258,996	588,965	12,962					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	20,399	2,971	3,343	0	26,713	912	225	25,576
2010	12,327	2,277	2,562	0	17,166	558	174	16,434
2011	8,168	1,849	2,081	0	12,098	367	144	11,587
2012	5,517	1,504	1,692	0	8,713	254	115	8,344
2013	3,129	1,203	1,354	0	5,686	137	90	5,459
2014	1,781	1,008	1,134	0	3,923	72	75	3,776
2015	1,239	862	970	0	3,071	45	64	2,962
2016	847	730	821	0	2,398	27	55	2,316
2017	571	613	690	0	1,874	18	45	1,811
2018	378	512	577	0	1,467	11	38	1,418
2019	249	430	483	0	1,162	7	32	1,123
2020	160	361	406	0	927	5	27	895
2021	100	301	339	0	740	2	23	715
Sub-Total	54,865	14,621	16,452	0	85,938	2,415	1,107	82,416
Remainder	116	729	820	0	1,665	3	54	1,608
Total Future	54,981	15,350	17,272	0	87,603	2,418	1,161	84,024

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	2,359	0	2,359	-2,359	-2,359	-2,310	
2008	0	0	3,276	0	3,276	-3,276	-5,635	-2,954	
2009	1,428	0	1,782	3,467	6,677	18,899	13,264	15,547	
2010	808	0	1,789	2,222	4,819	11,615	24,879	8,652	
2011	655	0	75	1,562	2,292	9,295	34,174	6,259	
2012	471	0	95	1,122	1,688	6,656	40,830	4,057	
2013	345	0	22	728	1,095	4,364	45,194	2,414	
2014	260	0	25	500	785	2,991	48,185	1,494	
2015	192	0	15	390	597	2,365	50,550	1,068	
2016	162	0	95	304	561	1,755	52,305	719	
2017	159	0	0	236	395	1,416	53,721	524	
2018	127	0	0	185	312	1,106	54,827	371	
2019	106	0	105	146	357	766	55,593	233	
2020	101	0	0	116	217	678	56,271	186	
2021	76	0	0	92	168	547	56,818	136	
Sub-Total	4,890	0	9,638	11,070	25,598	56,818		36,396	
Remainder	317	0	701	208	1,226	382	57,200	151	
Total Future	5,207	0	10,339	11,278	26,824	57,200		36,547	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
SOUTH AREA
TOTAL PROVED UNDEVELOPED

TOTAL
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

10.00% -	93,151
12.00% -	84,485
15.00% -	73,079
20.00% -	57,492
25.00% -	45,175

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	3	1,314,195	319,017	7,008	1,223,949	297,111	5,061	50.00	1.98
2010	3	848,373	261,123	5,736	739,620	227,649	3,876	50.00	1.98
2011	3	572,046	215,886	4,743	490,083	184,953	3,150	50.00	1.98
2012	3	394,596	179,241	3,939	331,038	150,369	2,562	50.00	1.98
2013	3	229,650	147,228	3,234	187,728	120,354	2,049	50.00	1.98
2014		128,862	121,503	2,670	106,866	100,764	1,716	50.00	1.98
2015		87,447	101,418	2,226	74,286	86,154	1,467	50.00	1.98
2016		58,977	84,657	1,860	50,859	73,002	1,245	50.00	1.98
2017		39,465	70,665	1,554	34,233	61,302	1,044	50.00	1.98
2018		26,136	58,983	1,296	22,710	51,246	873	50.00	1.98
2019		17,076	49,236	1,080	14,913	42,999	732	50.00	1.98
2020		10,950	41,097	903	9,612	36,078	615	50.00	1.98
2021		6,840	34,305	753	6,006	30,126	513	50.00	1.98
Sub-Total		3,734,613	1,684,359	37,002	3,291,903	1,462,107	24,903	50.00	1.98
Remainder		7,875	82,536	1,815	6,954	72,876	1,242	50.00	1.98
Total Future		3,742,488	1,766,895	38,817	3,298,857	1,534,983	26,145	50.00	1.98
Cumulative		0	0	0					
Ultimate		3,742,488	1,766,895	38,817					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	61,198	8,913	10,030	0	80,141	2,737	675	76,729
2010	36,980	6,830	7,685	0	51,495	1,673	521	49,301
2011	24,505	5,548	6,243	0	36,296	1,102	432	34,762
2012	16,551	4,512	5,076	0	26,139	761	347	25,031
2013	9,387	3,610	4,063	0	17,060	412	269	16,379
2014	5,343	3,023	3,402	0	11,768	216	225	11,327
2015	3,715	2,585	2,908	0	9,208	135	193	8,880
2016	2,542	2,190	2,464	0	7,196	81	163	6,952
2017	1,712	1,839	2,070	0	5,621	52	137	5,432
2018	1,136	1,537	1,730	0	4,403	35	114	4,254
2019	745	1,290	1,451	0	3,486	21	96	3,369
2020	481	1,082	1,218	0	2,781	13	81	2,687
2021	300	904	1,017	0	2,221	8	67	2,146
Sub-Total	164,595	43,863	49,357	0	257,815	7,246	3,320	247,249
Remainder	348	2,186	2,460	0	4,994	9	163	4,822
Total Future	164,943	46,049	51,817	0	262,809	7,255	3,483	252,071

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2007	0	0	19,501	0	19,501	-19,501	-19,501	-18,943
2008	0	0	15,477	0	15,477	-15,477	-34,978	-14,099
2009	4,367	0	4,866	10,401	19,634	57,095	22,117	46,965
2010	2,422	0	4,884	6,665	13,971	35,330	57,447	26,310
2011	1,968	0	205	4,686	6,859	27,903	85,350	18,790
2012	1,414	0	260	3,366	5,040	19,991	105,341	12,187
2013	1,036	0	61	2,186	3,283	13,096	118,437	7,244
2014	780	0	68	1,499	2,347	8,980	127,417	4,485
2015	576	0	41	1,170	1,787	7,093	134,510	3,206
2016	488	0	256	911	1,655	5,297	139,807	2,169
2017	475	0	0	710	1,185	4,247	144,054	1,572
2018	382	0	0	554	936	3,318	147,372	1,113
2019	318	0	285	438	1,041	2,328	149,700	707
2020	303	0	0	348	651	2,036	151,736	559
2021	226	0	0	277	503	1,643	153,379	409
Sub-Total	14,755	0	45,904	33,211	93,870	153,379		92,674
Remainder	954	0	1,895	622	3,471	1,351	154,730	477
Total Future	15,709	0	47,799	33,833	97,341	154,730		93,151

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
SOUTH AREA
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	222,543	
							12.00%	197,297	
							15.00%	165,153	
							20.00%	123,449	
							25.00%	92,570	

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF

2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	5	1,092,471	380,857	8,367	1,035,839	361,114	6,150	50.00	1.98
2010	8	1,599,997	617,750	13,570	1,502,387	580,064	9,879	50.00	1.98
2011	10	1,818,754	771,637	16,952	1,548,616	657,026	11,191	50.00	1.98
2012	10	1,418,397	706,881	15,529	1,172,584	584,377	9,954	50.00	1.98
2013	10	974,666	590,045	12,961	800,568	484,649	8,256	50.00	1.98
2014	10	667,746	492,517	10,821	551,580	406,835	6,928	50.00	1.98
2015	10	455,777	411,114	9,032	385,165	347,421	5,918	50.00	1.98
2016	10	309,652	343,162	7,540	263,903	292,460	4,980	50.00	1.98
2017	10	209,148	286,440	6,292	179,610	245,992	4,190	50.00	1.98
2018	10	140,212	239,098	5,252	120,829	206,040	3,509	50.00	1.98
2019	10	93,093	199,577	4,382	80,730	173,070	2,947	50.00	1.98
2020	10	61,022	166,590	3,660	53,217	145,281	2,475	50.00	1.98
2021	10	39,314	139,055	3,057	34,345	121,491	2,070	50.00	1.98
Sub-Total		8,880,249	5,344,723	117,415	7,729,373	4,605,820	78,447	50.00	1.98
Remainder		54,711	399,897	8,785	48,146	352,173	5,997	50.00	1.98
Total Future		8,934,960	5,744,620	126,200	7,777,519	4,957,993	84,444	50.00	1.98
Cumulative		0	0	0					
Ultimate		8,934,960	5,744,620	126,200					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	

2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	51,792	10,833	12,190	0	74,815	1,934	807	72,074
2010	75,119	17,402	19,582	0	112,103	3,412	1,325	107,366
2011	77,431	19,711	22,180	0	119,322	3,987	1,589	113,746
2012	58,629	17,531	19,727	0	95,887	2,999	1,417	91,471
2013	40,029	14,540	16,360	0	70,929	2,033	1,199	67,697
2014	27,579	12,205	13,734	0	53,518	1,368	991	51,159
2015	19,258	10,423	11,728	0	41,409	945	838	39,626
2016	13,195	8,773	9,873	0	31,841	611	690	30,540
2017	8,981	7,380	8,304	0	24,665	397	573	23,695
2018	6,041	6,181	6,955	0	19,177	251	470	18,456
2019	4,037	5,192	5,843	0	15,072	160	386	14,526
2020	2,660	4,359	4,904	0	11,923	98	325	11,500
2021	1,718	3,645	4,101	0	9,464	58	272	9,134
Sub-Total	386,469	138,175	155,481	0	680,125	18,253	10,882	650,990
Remainder	2,407	10,565	11,889	0	24,861	75	786	24,000
Total Future	388,876	148,740	167,370	0	704,986	18,328	11,668	674,990

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%

2007	0	0	10,156	0	10,156	-10,156	-10,156	-9,947	
2008	0	0	30,255	0	30,255	-30,255	-40,411	-27,275	
2009	4,258	0	29,024	9,669	42,951	29,123	-11,288	23,474	
2010	5,612	0	28,707	14,468	48,787	58,579	47,291	43,162	
2011	6,251	0	13,762	15,380	35,393	78,353	125,644	52,451	
2012	5,228	0	232	12,332	17,792	73,679	199,323	44,912	
2013	4,306	0	190	9,097	13,593	54,104	253,427	29,852	
2014	3,538	0	148	6,843	10,529	40,630	294,057	20,292	
2015	2,575	0	36	5,279	7,890	31,736	325,793	14,347	
2016	2,139	0	771	4,047	6,957	23,583	349,376	9,653	
2017	2,071	0	0	3,125	5,196	18,499	367,875	6,852	
2018	1,656	0	0	2,423	4,079	14,377	382,252	4,821	
2019	1,366	0	858	1,899	4,123	10,403	392,655	3,159	
2020	1,295	0	0	1,497	2,792	8,708	401,363	2,392	
2021	966	0	0	1,186	2,152	6,982	408,345	1,736	
Sub-Total	41,261	0	114,139	87,245	242,645	408,345		219,881	
Remainder	4,745	0	5,708	3,099	13,552	10,448	418,793	2,662	
Total Future	46,006	0	119,847	90,344	256,197	418,793		222,543	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NE ARDATOVSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	
								COMPOUNDED MONTHLY
								10.00% - 149,092
								12.00% - 130,229
								15.00% - 106,513
								20.00% - 76,475
								25.00% - 55,031

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	1	111,599	0	2,936	106,762	0	0	65.00	0.00
2008	1	286,468	0	6,973	271,762	0	0	60.50	0.00
2009	2	374,566	313,532	9,786	354,202	295,940	8,249	50.00	1.98
2010	2	130,078	172,474	5,383	121,223	160,132	4,464	50.00	1.98
2011	2	27,666	54,640	1,706	23,565	46,542	1,297	50.00	1.98
2012	4	988,451	591,955	18,475	826,981	495,084	13,800	50.00	1.98
2013	5	1,413,800	1,156,089	36,083	1,159,025	948,060	26,426	50.00	1.98
2014	4	488,719	685,953	21,409	404,588	567,363	15,816	50.00	1.98
2015	4	262,125	416,753	13,007	222,155	352,843	9,835	50.00	1.98
2016	4	159,526	278,904	8,705	136,785	238,728	6,655	50.00	1.98
2017	4	101,262	194,390	6,068	87,369	167,562	4,671	50.00	1.98
2018	4	62,289	136,073	4,247	53,850	117,616	3,277	50.00	1.98
2019	4	42,234	95,250	2,973	36,720	82,816	2,309	50.00	1.98
2020	4	29,754	66,676	2,081	26,010	58,287	1,625	50.00	1.98
2021	4	20,963	46,672	1,457	18,349	40,858	1,138	50.00	1.98
Sub-Total		4,499,500	4,209,361	141,289	3,849,346	3,571,831	99,562	51.16	1.98
Remainder		48,090	105,024	3,277	42,474	92,748	2,587	50.00	1.98
Total Future		4,547,590	4,314,385	144,566	3,891,820	3,664,579	102,149	51.14	1.98
Cumulative		186,243	0	3,480					
Ultimate		4,733,833	4,314,385	148,046					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	6,940	0	0	0	6,940	210	0	6,730
2008	16,441	0	0	0	16,441	613	0	15,828
2009	17,710	8,878	16,350	0	42,938	680	920	41,338
2010	6,061	4,804	8,847	0	19,712	276	506	18,930
2011	1,179	1,396	2,571	0	5,146	60	156	4,930
2012	41,349	14,853	27,352	0	83,554	1,939	1,598	80,017
2013	57,951	28,442	52,378	0	138,771	2,784	3,142	132,845
2014	20,229	17,021	31,345	0	68,595	899	1,861	65,835
2015	11,108	10,585	19,494	0	41,187	467	1,148	39,572
2016	6,839	7,162	13,189	0	27,190	265	765	26,160
2017	4,369	5,027	9,257	0	18,653	166	532	17,955
2018	2,692	3,528	6,498	0	12,718	100	368	12,250
2019	1,836	2,485	4,576	0	8,897	65	257	8,575
2020	1,301	1,748	3,220	0	6,269	44	180	6,045
2021	917	1,226	2,257	0	4,400	28	126	4,246
Sub-Total	196,922	107,155	197,334	0	501,411	8,596	11,559	481,256
Remainder	2,124	2,782	5,124	0	10,030	61	287	9,682
Total Future	199,046	109,937	202,458	0	511,441	8,657	11,846	490,938

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted
						Annual	Cumulative	@ 10.00 %
2007	1,632	0	9,604	702	11,938	-5,208	-5,208	-5,076
2008	909	0	22,582	1,789	25,280	-9,452	-14,660	-8,679
2009	2,561	0	15,965	4,668	23,194	18,144	3,484	14,693
2010	1,113	0	7,852	2,063	11,028	7,902	11,386	6,001
2011	295	0	459	523	1,277	3,653	15,039	2,484
2012	3,675	0	30,515	9,352	43,542	36,475	51,514	21,558
2013	8,149	0	11,229	15,116	34,494	98,351	149,865	54,197
2014	4,664	0	118	7,145	11,927	53,908	203,773	27,000
2015	2,642	0	49	4,249	6,940	32,632	236,405	14,774
2016	1,882	0	526	2,786	5,194	20,966	257,371	8,591
2017	1,613	0	0	1,899	3,512	14,443	271,814	5,355
2018	1,130	0	0	1,283	2,413	9,837	281,651	3,302
2019	830	0	585	896	2,311	6,264	287,915	1,904
2020	700	0	0	632	1,332	4,713	292,628	1,296
2021	461	0	0	443	904	3,342	295,970	832
Sub-Total	32,256	0	99,484	53,546	185,286	295,970		148,232
Remainder	1,968	0	3,893	1,012	6,873	2,809	298,779	860
Total Future	34,224	0	103,377	54,558	192,159	298,779		149,092

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NE ARDATOVSKI
TOTAL PROVED

TOTAL
PROVED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY
								10.00% - 65,194
								12.00% - 56,925
								15.00% - 46,502
								20.00% - 33,266
								25.00% - 23,806

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	1	111,599	0	2,936	106,762	0	0	65.00	0.00
2008	1	286,468	0	6,973	271,762	0	0	60.50	0.00
2009	1	56,320	79,640	2,486	52,453	74,172	2,067	50.00	1.98
2010	1	13,668	27,078	845	11,915	23,606	659	50.00	1.98
2011	1	1,456	3,257	102	1,248	2,791	77	50.00	1.98
2012	2	804,617	467,949	14,605	675,006	392,569	10,943	50.00	1.98
2013	2	571,605	389,868	12,168	467,265	318,704	8,883	50.00	1.98
2014	2	271,723	227,257	7,093	225,344	188,466	5,254	50.00	1.98
2015	2	144,734	148,056	4,621	122,950	125,774	3,505	50.00	1.98
2016	2	81,964	102,362	3,195	70,682	88,269	2,461	50.00	1.98
2017	2	47,039	71,652	2,236	40,804	62,158	1,733	50.00	1.98
2018	2	24,123	50,157	1,566	20,960	43,578	1,214	50.00	1.98
2019	2	15,368	35,109	1,096	13,422	30,662	855	50.00	1.98
2020	2	10,844	24,576	767	9,519	21,574	601	50.00	1.98
2021	2	7,653	17,204	537	6,721	15,110	421	50.00	1.98
Sub-Total		2,449,181	1,644,165	61,226	2,096,813	1,387,433	38,673	52.12	1.98
Remainder		17,395	38,202	1,192	15,361	33,734	941	50.00	1.98
Total Future		2,466,576	1,682,367	62,418	2,112,174	1,421,167	39,614	52.11	1.98
Cumulative		186,243	0	3,480					
Ultimate		2,652,819	1,682,367	65,898					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	6,940	0	0	0	6,940	210	0	6,730
2008	16,441	0	0	0	16,441	613	0	15,828
2009	2,623	2,225	4,098	0	8,946	117	233	8,596
2010	596	708	1,304	0	2,608	27	75	2,506
2011	62	84	154	0	300	3	9	288
2012	33,750	11,777	21,689	0	67,216	1,550	1,254	64,412
2013	23,364	9,561	17,607	0	50,532	1,027	986	48,519
2014	11,267	5,654	10,412	0	27,333	455	583	26,295
2015	6,147	3,773	6,949	0	16,869	223	390	16,256
2016	3,534	2,649	4,877	0	11,060	112	273	10,675
2017	2,041	1,864	3,434	0	7,339	63	192	7,084
2018	1,047	1,308	2,407	0	4,762	32	135	4,595
2019	672	919	1,694	0	3,285	19	95	3,171
2020	476	648	1,192	0	2,316	13	66	2,237
2021	336	453	835	0	1,624	9	47	1,568
Sub-Total	109,296	41,623	76,652	0	227,571	4,473	4,338	218,760
Remainder	768	1,012	1,864	0	3,644	20	104	3,520
Total Future	110,064	42,635	78,516	0	231,215	4,493	4,442	222,280

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	1,632	0	5,514	702	7,848	-1,118	-1,118	-1,070	
2008	909	0	15,659	1,789	18,357	-2,529	-3,647	-2,438	
2009	553	0	4,165	931	5,649	2,947	-700	2,483	
2010	132	0	4,181	265	4,578	-2,072	-2,772	-1,509	
2011	18	0	176	30	224	64	-2,708	50	
2012	3,205	0	19,322	7,543	30,070	34,342	31,634	20,301	
2013	3,144	0	53	5,592	8,789	39,730	71,364	21,996	
2014	1,853	0	58	2,972	4,883	21,412	92,776	10,717	
2015	1,080	0	35	1,802	2,917	13,339	106,115	6,040	
2016	766	0	215	1,163	2,144	8,531	114,646	3,495	
2017	635	0	0	759	1,394	5,690	120,336	2,110	
2018	424	0	0	483	907	3,688	124,024	1,239	
2019	306	0	240	330	876	2,295	126,319	698	
2020	259	0	0	233	492	1,745	128,064	479	
2021	171	0	0	164	335	1,233	129,297	308	
Sub-Total	15,087	0	49,618	24,758	89,463	129,297		64,899	
Remainder	715	0	1,594	367	2,676	844	130,141	295	
Total Future	15,802	0	51,212	25,125	92,139	130,141		65,194	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NE ARDATOVSKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	1	318,246	233,892	7,300	301,749	221,768	6,182	50.00	1.98
2010	1	116,410	145,396	4,538	109,308	136,526	3,805	50.00	1.98
2011	1	26,210	51,383	1,604	22,317	43,751	1,220	50.00	1.98
2012	2	183,834	124,006	3,870	151,975	102,515	2,857	50.00	1.98
2013	3	842,195	766,221	23,915	691,760	629,356	17,543	50.00	1.98
2014	2	216,996	458,696	14,316	179,244	378,897	10,562	50.00	1.98
2015	2	117,391	268,697	8,386	99,205	227,069	6,330	50.00	1.98
2016	2	77,562	176,542	5,510	66,103	150,459	4,194	50.00	1.98
2017	2	54,223	122,738	3,832	46,565	105,404	2,938	50.00	1.98
2018	2	38,166	85,916	2,681	32,890	74,038	2,063	50.00	1.98
2019	2	26,866	60,141	1,877	23,298	52,154	1,454	50.00	1.98
2020	2	18,910	42,100	1,314	16,491	36,713	1,024	50.00	1.98
2021	2	13,310	29,468	920	11,628	25,748	717	50.00	1.98
Sub-Total		2,050,319	2,565,196	80,063	1,752,533	2,184,398	60,889	50.00	1.98
Remainder		30,695	66,822	2,085	27,113	59,014	1,646	50.00	1.98
Total Future		2,081,014	2,632,018	82,148	1,779,646	2,243,412	62,535	50.00	1.98
Cumulative		0	0	0					
Ultimate		2,081,014	2,632,018	82,148					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	15,087	6,653	12,252	0	33,992	563	686	32,743
2010	5,466	4,096	7,543	0	17,105	249	432	16,424
2011	1,116	1,312	2,417	0	4,845	57	147	4,641
2012	7,598	3,076	5,664	0	16,338	389	344	15,605
2013	34,588	18,880	34,770	0	88,238	1,757	2,156	84,325
2014	8,963	11,367	20,933	0	41,263	444	1,278	39,541
2015	4,960	6,812	12,545	0	24,317	244	759	23,314
2016	3,305	4,514	8,312	0	16,131	153	491	15,487
2017	2,328	3,162	5,824	0	11,314	103	340	10,871
2018	1,645	2,222	4,090	0	7,957	68	234	7,655
2019	1,165	1,564	2,881	0	5,610	46	161	5,403
2020	824	1,102	2,029	0	3,955	30	114	3,811
2021	582	772	1,422	0	2,776	20	79	2,677
Sub-Total	87,627	65,532	120,682	0	273,841	4,123	7,221	262,497
Remainder	1,355	1,770	3,261	0	6,386	41	183	6,162
Total Future	88,982	67,302	123,943	0	280,227	4,164	7,404	268,659

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	4,089	0	4,089	-4,089	-4,089	-4,006	
2008	0	0	6,925	0	6,925	-6,925	-11,014	-6,241	
2009	2,008	0	11,798	3,737	17,543	15,200	4,186	12,210	
2010	981	0	3,672	1,798	6,451	9,973	14,159	7,510	
2011	277	0	283	493	1,053	3,588	17,747	2,435	
2012	469	0	11,193	1,810	13,472	2,133	19,880	1,255	
2013	5,006	0	11,176	9,523	25,705	58,620	78,500	32,202	
2014	2,811	0	60	4,173	7,044	32,497	110,997	16,283	
2015	1,561	0	14	2,447	4,022	19,292	130,289	8,735	
2016	1,117	0	311	1,623	3,051	12,436	142,725	5,094	
2017	978	0	0	1,139	2,117	8,754	151,479	3,246	
2018	707	0	0	802	1,509	6,146	157,625	2,062	
2019	522	0	345	565	1,432	3,971	161,596	1,207	
2020	441	0	0	398	839	2,972	164,568	817	
2021	291	0	0	280	571	2,106	166,674	524	
Sub-Total	17,169	0	49,866	28,788	95,823	166,674		83,333	
Remainder	1,253	0	2,299	645	4,197	1,965	168,639	565	
Total Future	18,422	0	52,165	29,433	100,020	168,639		83,898	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
WEST ARDATVOSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010	4	712,588	409,893	12,792	669,114	384,886	10,729	50.00	1.98
2011	4	1,162,380	783,242	24,447	989,734	666,910	18,590	50.00	1.98
2012	4	665,588	571,768	17,847	550,238	472,676	13,176	50.00	1.98
2013	4	381,143	417,389	13,024	313,063	342,833	9,554	50.00	1.98
2014	4	218,268	304,693	9,513	180,297	251,688	7,017	50.00	1.98
2015	4	115,650	222,429	6,941	97,733	187,969	5,239	50.00	1.98
2016	4	70,814	162,370	5,067	60,353	138,381	3,858	50.00	1.98
2017	4	52,016	118,530	3,699	44,669	101,792	2,836	50.00	1.98
2018	4	38,204	86,529	2,703	32,922	74,565	2,079	50.00	1.98
2019	4	28,063	63,164	1,971	24,333	54,775	1,527	50.00	1.98
2020	4	20,610	46,113	1,437	17,978	40,214	1,120	50.00	1.98
2021	4	15,139	33,659	1,051	13,224	29,408	820	50.00	1.98
Sub-Total		3,480,463	3,219,779	100,492	2,993,658	2,746,097	76,545	50.00	1.98
Remainder		39,739	86,611	2,703	35,116	76,526	2,135	50.00	1.98
Total Future		3,520,202	3,306,390	103,195	3,028,774	2,822,623	78,680	50.00	1.98
Cumulative		0	0	0					
Ultimate		3,520,202	3,306,390	103,195					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	33,456	11,547	21,264	0	66,267	1,519	1,218	63,530
2011	49,486	20,007	36,845	0	106,338	2,549	2,233	101,556
2012	27,512	14,180	26,114	0	67,806	1,407	1,587	64,812
2013	15,653	10,285	18,941	0	44,879	795	1,175	42,909
2014	9,015	7,551	13,905	0	30,471	447	848	29,176
2015	4,887	5,639	10,384	0	20,910	240	628	20,042
2016	3,018	4,151	7,646	0	14,815	140	452	14,223
2017	2,233	3,054	5,623	0	10,910	98	329	10,483
2018	1,646	2,237	4,120	0	8,003	69	235	7,699
2019	1,217	1,643	3,026	0	5,886	48	170	5,668
2020	899	1,207	2,222	0	4,328	33	124	4,171
2021	661	882	1,625	0	3,168	22	91	3,055
Sub-Total	149,683	82,383	151,715	0	383,781	7,367	9,090	367,324
Remainder	1,756	2,296	4,227	0	8,279	54	237	7,988
Total Future	151,439	84,679	155,942	0	392,060	7,421	9,327	375,312

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	5,935	0	5,935	-5,935	-5,935	-5,813	
2008	0	0	18,048	0	18,048	-18,048	-23,983	-16,269	
2009	0	0	13,512	0	13,512	-13,512	-37,495	-11,027	
2010	2,877	0	21,328	7,443	31,648	31,882	-5,613	22,903	
2011	5,929	0	411	11,781	18,121	83,435	77,822	56,235	
2012	3,793	0	135	7,355	11,283	53,529	131,351	32,659	
2013	2,801	0	111	4,768	7,680	35,229	166,580	19,455	
2014	2,074	0	86	3,175	5,335	23,841	190,421	11,916	
2015	1,341	0	21	2,128	3,490	16,552	206,973	7,492	
2016	1,027	0	451	1,491	2,969	11,254	218,227	4,609	
2017	944	0	0	1,098	2,042	8,441	226,668	3,128	
2018	711	0	0	805	1,516	6,183	232,851	2,074	
2019	549	0	501	593	1,643	4,025	236,876	1,224	
2020	483	0	0	436	919	3,252	240,128	893	
2021	332	0	0	319	651	2,404	242,532	598	
Sub-Total	22,861	0	60,539	41,392	124,792	242,532		130,077	
Remainder	1,624	0	3,336	836	5,796	2,192	244,724	669	
Total Future	24,485	0	63,875	42,228	130,588	244,724		130,746	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
WEST ARDATVOSKI
PROVED UNDEVELOPED

PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	0	0	0	0	0		0
2008	0	0	0	0	0	0	0		0
2009	0	0	0	0	0	0	0		0
2010	0	0	0	0	0	0	0		0
2011	0	0	0	0	0	0	0		0
2012	0	0	0	0	0	0	0		0
2013	0	0	0	0	0	0	0		0
2014	0	0	0	0	0	0	0		0
2015	0	0	0	0	0	0	0		0
2016	0	0	0	0	0	0	0		0
2017	0	0	0	0	0	0	0		0
2018	0	0	0	0	0	0	0		0
2019	0	0	0	0	0	0	0		0
2020	0	0	0	0	0	0	0		0
2021	0	0	0	0	0	0	0		0
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 LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
WEST ARDATVOSKI
PROBABLE UNDEVELOPED

PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010	4	712,588	409,893	12,792	669,114	384,886	10,729	50.00	1.98
2011	4	1,162,380	783,242	24,447	989,734	666,910	18,590	50.00	1.98
2012	4	665,588	571,768	17,847	550,238	472,676	13,176	50.00	1.98
2013	4	381,143	417,389	13,024	313,063	342,833	9,554	50.00	1.98
2014	4	218,268	304,693	9,513	180,297	251,688	7,017	50.00	1.98
2015	4	115,650	222,429	6,941	97,733	187,969	5,239	50.00	1.98
2016	4	70,814	162,370	5,067	60,353	138,381	3,858	50.00	1.98
2017	4	52,016	118,530	3,699	44,669	101,792	2,836	50.00	1.98
2018	4	38,204	86,529	2,703	32,922	74,565	2,079	50.00	1.98
2019	4	28,063	63,164	1,971	24,333	54,775	1,527	50.00	1.98
2020	4	20,610	46,113	1,437	17,978	40,214	1,120	50.00	1.98
2021	4	15,139	33,659	1,051	13,224	29,408	820	50.00	1.98
Sub-Total		3,480,463	3,219,779	100,492	2,993,658	2,746,097	76,545	50.00	1.98
Remainder		39,739	86,611	2,703	35,116	76,526	2,135	50.00	1.98
Total Future		3,520,202	3,306,390	103,195	3,028,774	2,822,623	78,680	50.00	1.98
Cumulative		0	0	0					
Ultimate		3,520,202	3,306,390	103,195					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	33,456	11,547	21,264	0	66,267	1,519	1,218	63,530
2011	49,486	20,007	36,845	0	106,338	2,549	2,233	101,556
2012	27,512	14,180	26,114	0	67,806	1,407	1,587	64,812
2013	15,653	10,285	18,941	0	44,879	795	1,175	42,909
2014	9,015	7,551	13,905	0	30,471	447	848	29,176
2015	4,887	5,639	10,384	0	20,910	240	628	20,042
2016	3,018	4,151	7,646	0	14,815	140	452	14,223
2017	2,233	3,054	5,623	0	10,910	98	329	10,483
2018	1,646	2,237	4,120	0	8,003	69	235	7,699
2019	1,217	1,643	3,026	0	5,886	48	170	5,668
2020	899	1,207	2,222	0	4,328	33	124	4,171
2021	661	882	1,625	0	3,168	22	91	3,055
Sub-Total	149,683	82,383	151,715	0	383,781	7,367	9,090	367,324
Remainder	1,756	2,296	4,227	0	8,279	54	237	7,988
Total Future	151,439	84,679	155,942	0	392,060	7,421	9,327	375,312

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	5,935	0	5,935	-5,935	-5,935	-5,813	
2008	0	0	18,048	0	18,048	-18,048	-23,983	-16,269	
2009	0	0	13,512	0	13,512	-13,512	-37,495	-11,027	
2010	2,877	0	21,328	7,443	31,648	31,882	-5,613	22,903	
2011	5,929	0	411	11,781	18,121	83,435	77,822	56,235	
2012	3,793	0	135	7,355	11,283	53,529	131,351	32,659	
2013	2,801	0	111	4,768	7,680	35,229	166,580	19,455	
2014	2,074	0	86	3,175	5,335	23,841	190,421	11,916	
2015	1,341	0	21	2,128	3,490	16,552	206,973	7,492	
2016	1,027	0	451	1,491	2,969	11,254	218,227	4,609	
2017	944	0	0	1,098	2,042	8,441	226,668	3,128	
2018	711	0	0	805	1,516	6,183	232,851	2,074	
2019	549	0	501	593	1,643	4,025	236,876	1,224	
2020	483	0	0	436	919	3,252	240,128	893	
2021	332	0	0	319	651	2,404	242,532	598	
Sub-Total	22,861	0	60,539	41,392	124,792	242,532		130,077	
Remainder	1,624	0	3,336	836	5,796	2,192	244,724	669	
Total Future	24,485	0	63,875	42,228	130,588	244,724		130,746	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NE MULINSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007	2	86,686	0	418	82,930	0	0	65.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	2	824,087	271,891	2,391	691,340	228,093	1,579	50.00	1.98
2013	4	1,735,125	572,468	5,034	1,421,971	469,149	3,249	50.00	1.98
2014	4	1,285,006	423,960	3,728	1,063,094	350,746	2,430	50.00	1.98
2015	4	818,139	269,928	2,375	692,876	228,601	1,582	50.00	1.98
2016	4	567,759	187,319	1,648	486,310	160,446	1,111	50.00	1.98
2017	4	417,482	137,740	1,210	360,109	118,810	825	50.00	1.98
2018	4	320,068	105,600	928	276,823	91,333	632	50.00	1.98
2019	4	253,270	83,561	737	220,334	72,695	503	50.00	1.98
2020	4	205,448	67,783	594	179,705	59,289	411	50.00	1.98
2021	4	170,026	56,095	495	148,907	49,130	340	50.00	1.98
Sub-Total		6,683,096	2,176,345	19,558	5,624,399	1,828,292	12,662	50.22	1.98
Remainder		792,349	261,420	2,299	704,639	232,480	1,609	50.00	1.98
Total Future		7,475,445	2,437,765	21,857	6,329,038	2,060,772	14,271	50.20	1.98
Cumulative		3,670	0	9					
Ultimate		7,479,115	2,437,765	21,866					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	5,390	0	0	0	5,390	163	0	5,227
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	34,567	6,843	3,131	0	44,541	1,588	337	42,616
2013	71,099	14,074	6,440	0	91,613	3,381	711	87,521
2014	53,155	10,523	4,814	0	68,492	2,445	530	65,517
2015	34,643	6,858	3,138	0	44,639	1,518	343	42,778
2016	24,316	4,813	2,202	0	31,331	974	238	30,119
2017	18,005	3,564	1,631	0	23,200	691	174	22,335
2018	13,842	2,740	1,254	0	17,836	504	132	17,200
2019	11,016	2,181	998	0	14,195	383	104	13,708
2020	8,986	1,779	813	0	11,578	294	85	11,199
2021	7,445	1,474	675	0	9,594	225	71	9,298
Sub-Total	282,464	54,849	25,096	0	362,409	12,166	2,725	347,518
Remainder	35,232	6,974	3,191	0	45,397	983	333	44,081
Total Future	317,696	61,823	28,287	0	407,806	13,149	3,058	391,599

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M		
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted Annual	Undiscounted Cumulative	Discounted @ 10.00 %
2007	963	0	7,479	546	8,988	-3,761	-3,761	-3,644
2008	0	0	11,204	0	11,204	-11,204	-14,965	-10,100
2009	0	0	6,115	0	6,115	-6,115	-21,080	-4,990
2010	0	0	6,045	0	6,045	-6,045	-27,125	-4,465
2011	0	0	339	0	339	-339	-27,464	-227
2012	2,014	0	22,454	6,351	30,819	11,797	-15,667	6,798
2013	5,064	0	22,296	13,062	40,422	47,099	31,432	25,636
2014	4,437	0	90	9,767	14,294	51,223	82,655	25,630
2015	2,725	0	39	6,365	9,129	33,649	116,304	15,227
2016	2,069	0	387	4,467	6,923	23,196	139,500	9,499
2017	1,914	0	0	3,308	5,222	17,113	156,613	6,340
2018	1,514	0	0	2,543	4,057	13,143	169,756	4,406
2019	1,264	0	430	2,024	3,718	9,990	179,746	3,032
2020	1,238	0	0	1,651	2,889	8,310	188,056	2,282
2021	964	0	0	1,368	2,332	6,966	195,022	1,732
Sub-Total	24,166	0	76,878	51,452	152,496	195,022		77,156
Remainder	8,538	0	2,864	6,473	17,875	26,206	221,228	4,553
Total Future	32,704	0	79,742	57,925	170,371	221,228		81,709

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY NE MULINSKI TOTAL PROVED							TOTAL PROVED		
INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED	MONTHLY
								10.00% -	42,714
								12.00% -	35,310
								15.00% -	26,396
							20.00% -	15,805	
							25.00% -	8,820	
ESTIMATED 8/8 THS PRODUCTION									
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
2007	2	86,686	0	418	82,930	0	0	65.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012	2	824,087	271,891	2,391	691,340	228,093	1,579	50.00	1.98
2013	2	822,690	271,429	2,387	672,518	221,883	1,537	50.00	1.98
2014	2	499,881	164,925	1,450	414,557	136,774	948	50.00	1.98
2015	2	336,086	110,884	976	285,504	94,197	651	50.00	1.98
2016	2	241,522	79,685	701	208,272	68,715	476	50.00	1.98
2017	2	181,970	60,037	527	157,857	52,081	362	50.00	1.98
2018	2	142,035	46,862	412	123,405	40,715	281	50.00	1.98
2019	2	113,952	37,596	332	99,519	32,834	228	50.00	1.98
2020	2	93,451	30,832	270	82,033	27,065	187	50.00	1.98
2021	2	78,027	25,743	227	68,530	22,611	157	50.00	1.98
Sub-Total		3,420,387	1,099,884	10,091	2,886,465	924,968	6,406	50.43	1.98
Remainder		366,596	120,951	1,064	325,401	107,359	743	50.00	1.98
Total Future		3,786,983	1,220,835	11,155	3,211,866	1,032,327	7,149	50.39	1.98
Cumulative		3,670	0	9					
Ultimate		3,790,653	1,220,835	11,164					
COMPANY FUTURE GROSS REVENUE (FGR) - \$M									
Period	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	FGR AFTER PRODUCTION TAXES-\$M	
2007	5,390	0	0	0	5,390	163	0	5,227	
2008	0	0	0	0	0	0	0	0	
2009	0	0	0	0	0	0	0	0	
2010	0	0	0	0	0	0	0	0	
2011	0	0	0	0	0	0	0	0	
2012	34,567	6,843	3,131	0	44,541	1,588	337	42,616	
2013	33,626	6,656	3,046	0	43,328	1,478	318	41,532	
2014	20,728	4,104	1,877	0	26,709	837	196	25,676	
2015	14,275	2,825	1,293	0	18,393	518	135	17,740	
2016	10,414	2,062	943	0	13,419	331	99	12,989	
2017	7,893	1,562	715	0	10,170	244	75	9,851	
2018	6,170	1,222	559	0	7,951	185	58	7,708	
2019	4,976	985	451	0	6,412	144	47	6,221	
2020	4,102	812	371	0	5,285	113	39	5,133	
2021	3,426	678	310	0	4,414	90	32	4,292	
Sub-Total	145,567	27,749	12,696	0	186,012	5,691	1,336	178,985	
Remainder	16,270	3,221	1,474	0	20,965	423	154	20,388	
Total Future	161,837	30,970	14,170	0	206,977	6,114	1,490	199,373	
DEDUCTIONS - \$M									
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	FUTURE NET INCOME BEFORE INCOME TAXES-\$M		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	963	0	4,795	546	6,304	-1,077	-1,077	-1,015	
2008	0	0	6,660	0	6,660	-6,660	-7,737	-6,004	
2009	0	0	3,623	0	3,623	-3,623	-11,360	-2,956	
2010	0	0	3,636	0	3,636	-3,636	-14,996	-2,686	
2011	0	0	153	0	153	-153	-15,149	-102	
2012	2,014	0	22,393	6,351	30,758	11,858	-3,291	6,834	
2013	2,590	0	45	6,178	8,813	32,719	29,428	18,093	
2014	1,740	0	51	3,808	5,599	20,077	49,505	10,040	
2015	1,131	0	30	2,623	3,784	13,956	63,461	6,314	
2016	893	0	183	1,913	2,989	10,000	73,461	4,093	
2017	846	0	0	1,450	2,296	7,555	81,016	2,799	
2018	679	0	0	1,134	1,813	5,895	86,911	1,976	
2019	575	0	203	914	1,692	4,529	91,440	1,375	
2020	567	0	0	754	1,321	3,812	95,252	1,046	
2021	445	0	0	629	1,074	3,218	98,470	800	
Sub-Total	12,443	0	41,772	26,300	80,515	98,470		40,607	
Remainder	3,950	0	1,356	2,989	8,295	12,093	110,563	2,107	
Total Future	16,393	0	43,128	29,289	88,810	110,563		42,714	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
NE MULINSKI
TOTAL PROBABLE

TOTAL
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED		
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
							10.00%	38,995	
							12.00%	31,519	
							15.00%	22,672	
							20.00%	12,450	
							25.00%	5,953	

10.00% -	38,995
12.00% -	31,519
15.00% -	22,672
20.00% -	12,450
25.00% -	5,953

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF

2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013	2	912,435	301,039	2,647	749,453	247,266	1,712	50.00	1.98
2014	2	785,125	259,035	2,278	648,537	213,972	1,482	50.00	1.98
2015	2	482,053	159,044	1,399	407,372	134,404	931	50.00	1.98
2016	2	326,237	107,634	947	278,038	91,731	635	50.00	1.98
2017	2	235,512	77,703	683	202,252	66,729	463	50.00	1.98
2018	2	178,033	58,738	516	153,418	50,618	351	50.00	1.98
2019	2	139,318	45,965	405	120,815	39,861	275	50.00	1.98
2020	2	111,997	36,951	324	97,672	32,224	224	50.00	1.98
2021	2	91,999	30,352	268	80,377	26,519	183	50.00	1.98
Sub-Total		3,262,709	1,076,461	9,467	2,737,934	903,324	6,256	50.00	1.98
Remainder		425,753	140,469	1,235	379,238	125,121	866	50.00	1.98
Total Future		3,688,462	1,216,930	10,702	3,117,172	1,028,445	7,122	50.00	1.98
Cumulative		0	0	0					
Ultimate		3,688,462	1,216,930	10,702					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	

2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	37,473	7,418	3,394	0	48,285	1,904	392	45,989
2014	32,426	6,419	2,937	0	41,782	1,608	335	39,839
2015	20,369	4,032	1,845	0	26,246	999	208	25,039
2016	13,902	2,752	1,259	0	17,913	643	139	17,131
2017	10,113	2,002	916	0	13,031	447	99	12,485
2018	7,671	1,519	695	0	9,885	319	74	9,492
2019	6,040	1,195	547	0	7,782	240	57	7,485
2020	4,884	967	442	0	6,293	180	47	6,066
2021	4,019	796	364	0	5,179	135	38	5,006
Sub-Total	136,897	27,100	12,399	0	176,396	6,475	1,389	168,532
Remainder	18,962	3,753	1,718	0	24,433	560	179	23,694
Total Future	155,859	30,853	14,117	0	200,829	7,035	1,568	192,226

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%

2007	0	0	2,684	0	2,684	-2,684	-2,684	-2,629	
2008	0	0	4,544	0	4,544	-4,544	-7,228	-4,096	
2009	0	0	2,492	0	2,492	-2,492	-9,720	-2,034	
2010	0	0	2,410	0	2,410	-2,410	-12,130	-1,780	
2011	0	0	185	0	185	-185	-12,315	-124	
2012	0	0	61	0	61	-61	-12,376	-37	
2013	2,474	0	22,251	6,885	31,610	14,379	2,003	7,544	
2014	2,697	0	39	5,958	8,694	31,145	33,148	15,590	
2015	1,594	0	9	3,742	5,345	19,694	52,842	8,913	
2016	1,175	0	204	2,554	3,933	13,198	66,040	5,405	
2017	1,069	0	0	1,858	2,927	9,558	75,598	3,542	
2018	835	0	0	1,409	2,244	7,248	82,846	2,430	
2019	690	0	227	1,110	2,027	5,458	88,304	1,657	
2020	670	0	0	897	1,567	4,499	92,803	1,236	
2021	518	0	0	739	1,257	3,749	96,552	932	
Sub-Total	11,722	0	35,106	25,152	71,980	96,552		36,549	
Remainder	4,589	0	1,508	3,484	9,581	14,113	110,665	2,446	
Total Future	16,311	0	36,614	28,636	81,561	110,665		38,995	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
WEST MULINSKI
PROVED AND PROBABLE

PROVED AND
PROBABLE

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010	4	978,672	322,892	2,839	918,965	303,193	2,100	50.00	1.98
2011	4	1,433,262	472,875	4,160	1,220,384	402,640	2,788	50.00	1.98
2012	4	869,300	286,807	2,522	718,645	237,102	1,642	50.00	1.98
2013	4	586,074	193,363	1,700	481,388	158,824	1,100	50.00	1.98
2014	4	423,188	139,622	1,228	349,566	115,332	798	50.00	1.98
2015	4	320,690	105,805	931	271,008	89,413	620	50.00	1.98
2016	4	251,895	83,108	730	214,680	70,830	492	50.00	1.98
2017	4	203,384	67,102	590	174,661	57,624	397	50.00	1.98
2018	4	167,553	55,280	486	144,387	47,639	332	50.00	1.98
2019	4	140,173	46,246	407	121,557	40,104	276	50.00	1.98
2020	4	118,680	39,156	345	103,499	34,147	237	50.00	1.98
2021	4	100,875	33,282	292	88,132	29,078	202	50.00	1.98
Sub-Total		5,593,746	1,845,538	16,230	4,806,872	1,585,926	10,984	50.00	1.98
Remainder		468,857	154,690	1,360	417,199	137,645	953	50.00	1.98
Total Future		6,062,603	2,000,228	17,590	5,224,071	1,723,571	11,937	50.00	1.98
Cumulative		0	0	0					
Ultimate		6,062,603	2,000,228	17,590					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	45,948	9,096	4,162	0	59,206	2,087	444	56,675
2011	61,019	12,079	5,527	0	78,625	3,142	625	74,858
2012	35,933	7,113	3,254	0	46,300	1,838	369	44,093
2013	24,069	4,765	2,180	0	31,014	1,223	252	29,539
2014	17,478	3,460	1,583	0	22,521	866	180	21,475
2015	13,551	2,682	1,228	0	17,461	665	138	16,658
2016	10,734	2,125	972	0	13,831	497	107	13,227
2017	8,733	1,729	791	0	11,253	386	86	10,781
2018	7,219	1,429	654	0	9,302	300	70	8,932
2019	6,078	1,203	550	0	7,831	241	58	7,532
2020	5,175	1,024	469	0	6,668	191	49	6,428
2021	4,407	873	399	0	5,679	148	41	5,490
Sub-Total	240,344	47,578	21,769	0	309,691	11,584	2,419	295,688
Remainder	20,860	4,129	1,889	0	26,878	617	197	26,064
Total Future	261,204	51,707	23,658	0	336,569	12,201	2,616	321,752

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %	
						Annual	Cumulative		
2007	0	0	4,516	0	4,516	-4,516	-4,516	-4,424	
2008	0	0	18,747	0	18,747	-18,747	-23,263	-16,899	
2009	0	0	12,195	0	12,195	-12,195	-35,458	-9,952	
2010	2,467	0	25,055	8,442	35,964	20,711	-14,747	14,897	
2011	4,213	0	312	11,211	15,736	59,122	44,375	39,894	
2012	2,475	0	104	6,602	9,181	34,912	79,287	21,306	
2013	1,845	0	84	4,422	6,351	23,188	102,475	12,801	
2014	1,458	0	66	3,211	4,735	16,740	119,215	8,361	
2015	1,062	0	16	2,490	3,568	13,090	132,305	5,917	
2016	910	0	343	1,972	3,225	10,002	142,307	4,092	
2017	924	0	0	1,605	2,529	8,252	150,559	3,055	
2018	787	0	0	1,326	2,113	6,819	157,378	2,286	
2019	695	0	381	1,117	2,193	5,339	162,717	1,620	
2020	710	0	0	950	1,660	4,768	167,485	1,309	
2021	569	0	0	810	1,379	4,111	171,596	1,021	
Sub-Total	18,115	0	61,819	44,158	124,092	171,596		85,284	
Remainder	5,047	0	2,538	3,833	11,418	14,646	186,242	2,612	
Total Future	23,162	0	64,357	47,991	135,510	186,242		87,896	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
WEST MULINSKI
PROVED UNDEVELOPED

PROVED
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED FUTURE NET INCOME - \$M	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	COMPOUNDED
								MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009		0	0	0	0	0	0	0.00	0.00
2010		0	0	0	0	0	0	0.00	0.00
2011		0	0	0	0	0	0	0.00	0.00
2012		0	0	0	0	0	0	0.00	0.00
2013		0	0	0	0	0	0	0.00	0.00
2014		0	0	0	0	0	0	0.00	0.00
2015		0	0	0	0	0	0	0.00	0.00
2016		0	0	0	0	0	0	0.00	0.00
2017		0	0	0	0	0	0	0.00	0.00
2018		0	0	0	0	0	0	0.00	0.00
2019		0	0	0	0	0	0	0.00	0.00
2020		0	0	0	0	0	0	0.00	0.00
2021		0	0	0	0	0	0	0.00	0.00
Sub-Total		0	0	0	0	0	0	0.00	0.00
Remainder		0	0	0	0	0	0	0.00	0.00
Total Future		0	0	0	0	0	0	0.00	0.00
Cumulative		0	0	0					
Ultimate		0	0	0					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
Sub-Total	0	0	0	0	0	0	0	0
Remainder	0	0	0	0	0	0	0	0
Total Future	0	0	0	0	0	0	0	0

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	0	0	0	0	0		0
2008	0	0	0	0	0	0	0		0
2009	0	0	0	0	0	0	0		0
2010	0	0	0	0	0	0	0		0
2011	0	0	0	0	0	0	0		0
2012	0	0	0	0	0	0	0		0
2013	0	0	0	0	0	0	0		0
2014	0	0	0	0	0	0	0		0
2015	0	0	0	0	0	0	0		0
2016	0	0	0	0	0	0	0		0
2017	0	0	0	0	0	0	0		0
2018	0	0	0	0	0	0	0		0
2019	0	0	0	0	0	0	0		0
2020	0	0	0	0	0	0	0		0
2021	0	0	0	0	0	0	0		0
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 LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

GRAND SUMMARY
WEST MULINSKI
PROBABLE UNDEVELOPED

PROBABLE
UNDEVELOPED

INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00%	87,896
								12.00%	76,050
								15.00%	61,202
								20.00%	42,338
								25.00%	28,701

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

BISKI & AFONINSKI SUMMARY

TOTAL PROVED & PROBABLE RESERVES

TOTAL
PV & PB

INITIAL FINAL REMARKS	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M
								COMPOUNDED MONTHLY

Period	Number of Wells	ESTIMATED 8/8 THS PRODUCTION			COMPANY NET SALES			AVERAGE PRICES	
		Oil/Cond. Barrels	Plant Products Barrels	Gas MMCF	Oil/Cond. Barrels	Plant Products Barrels	Sales Gas MMCF	Oil/Cond. \$/bbl.	Gas \$/MCF
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	2	2,210,424	730,075	15,837	2,058,637	679,942	11,578	50.00	1.98
2010	4	3,817,854	1,412,320	30,636	3,372,056	1,245,458	21,208	50.00	1.98
2011	12	6,538,623	2,484,424	53,892	5,583,800	2,122,249	36,138	50.00	1.98
2012	12	6,875,239	2,921,735	63,376	5,717,688	2,431,294	41,401	50.00	1.98
2013	14	5,292,930	2,591,461	56,217	4,340,291	2,124,491	36,176	50.00	1.98
2014	16	5,265,071	2,671,343	57,945	4,353,124	2,209,340	37,621	50.00	1.98
2015	19	5,587,711	2,855,146	61,934	4,725,700	2,415,770	41,135	50.00	1.98
2016	19	4,339,161	2,510,666	54,461	3,703,699	2,145,102	36,529	50.00	1.98
2017	19	2,895,819	2,008,534	43,571	2,490,192	1,728,603	29,434	50.00	1.98
2018	19	1,948,326	1,606,829	34,854	1,680,835	1,387,090	23,619	50.00	1.98
2019	19	1,322,928	1,285,462	27,883	1,148,369	1,116,416	19,011	50.00	1.98
2020	19	904,042	1,020,286	22,134	789,154	891,031	15,173	50.00	1.98
2021	19	624,673	809,394	17,558	546,197	707,957	12,055	50.00	1.98
Sub-Total		47,622,801	24,907,675	540,298	40,509,742	21,204,743	361,078	50.00	1.98
Remainder		1,317,647	2,235,952	48,502	1,161,900	1,972,980	33,598	50.00	1.98
Total Future		48,940,448	27,143,627	588,800	41,671,642	23,177,723	394,676	50.00	1.98
Cumulative		0	0	0					
Ultimate		48,940,448	27,143,627	588,800					

Period	COMPANY FUTURE GROSS REVENUE (FGR) - \$M					ROYALTY		FGR AFTER PRODUCTION TAXES-\$M
	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$	
2007	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0
2009	102,932	20,398	22,948	0	146,278	4,603	1,546	140,129
2010	168,603	37,364	42,034	0	248,001	7,634	2,845	237,522
2011	279,190	63,667	71,626	0	414,483	13,509	5,045	395,929
2012	285,884	72,939	82,056	0	440,879	14,016	5,765	421,098
2013	217,015	63,735	71,701	0	352,451	10,509	5,052	336,890
2014	217,656	66,280	74,565	0	358,501	10,324	5,241	342,936
2015	236,285	72,473	81,532	0	390,290	11,147	5,727	373,416
2016	185,185	64,353	72,397	0	321,935	8,222	5,003	308,710
2017	124,509	51,858	58,340	0	234,707	5,283	3,991	225,433
2018	84,042	41,613	46,814	0	172,469	3,363	3,147	165,959
2019	57,419	33,493	37,679	0	128,591	2,187	2,494	123,910
2020	39,457	26,731	30,072	0	96,260	1,400	1,991	92,869
2021	27,310	21,238	23,894	0	72,442	891	1,581	69,970
Sub-Total	2,025,487	636,142	715,658	0	3,377,287	93,088	49,428	3,234,771
Remainder	58,095	59,190	66,588	0	183,873	1,737	4,408	177,728
Total Future	2,083,582	695,332	782,246	0	3,561,160	94,825	53,836	3,412,499

Period	DEDUCTIONS - \$M					FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted @ 10.00 %	
						Annual	Cumulative		
2007	0	0	67,083	0	67,083	-67,083	-67,083	-65,705	
2008	0	0	103,700	0	103,700	-103,700	-170,783	-93,483	
2009	5,204	0	86,380	18,917	110,501	29,628	-141,155	22,740	
2010	11,335	0	65,593	32,028	108,956	128,566	-12,589	95,328	
2011	19,631	0	62,829	53,507	135,967	259,962	247,373	173,039	
2012	23,971	0	2,099	56,829	82,899	338,199	585,572	206,250	
2013	20,844	0	20,755	45,343	86,942	249,948	835,520	137,470	
2014	22,976	0	20,650	46,097	89,723	253,213	1,088,733	125,995	
2015	23,403	0	30,027	50,180	103,610	269,806	1,358,539	121,558	
2016	21,564	0	3,928	41,317	66,809	241,901	1,600,440	99,055	
2017	19,651	0	0	30,041	49,692	175,741	1,776,181	65,129	
2018	14,852	0	0	22,018	36,870	129,089	1,905,270	43,300	
2019	11,622	0	4,363	16,376	32,361	91,549	1,996,819	27,804	
2020	10,438	0	0	12,232	22,670	70,199	2,067,018	19,293	
2021	7,377	0	0	9,187	16,564	53,406	2,120,424	13,285	
Sub-Total	212,868	0	467,407	434,072	1,114,347	2,120,424		991,058	
Remainder	35,075	0	29,056	23,231	87,362	90,366	2,210,790	20,473	
Total Future	247,943	0	496,463	457,303	1,201,709	2,210,790		1,011,531	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

BISKI & AFONINSKI SUMMARY

TOTAL PROVED RESERVES					TOTAL PROVED				
INITIAL FINAL REMARKS	EXPENSE INTEREST	REVENUE INTERESTS			PRODUCT PRICES			DISCOUNTED	
		Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00% -	431,054
								12.00% -	384,525
								15.00% -	324,762
								20.00% -	246,187
								25.00% -	187,068
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
2007		0	0	0	0	0	0	0.00	0.00
2008		0	0	0	0	0	0	0.00	0.00
2009	2	2,210,424	730,075	15,837	2,058,637	679,942	11,578	50.00	1.98
2010	2	3,168,484	1,201,140	26,055	2,762,303	1,047,161	17,831	50.00	1.98
2011	4	3,109,821	1,300,120	28,202	2,664,270	1,113,848	18,968	50.00	1.98
2012	4	2,778,958	1,301,826	28,239	2,331,313	1,092,124	18,597	50.00	1.98
2013	4	1,839,445	1,041,462	22,592	1,503,678	851,356	14,497	50.00	1.98
2014	4	1,225,975	833,169	18,073	1,016,714	690,956	11,765	50.00	1.98
2015	4	823,605	666,536	14,458	699,650	566,220	9,642	50.00	1.98
2016	4	558,295	533,227	11,567	481,435	459,819	7,829	50.00	1.98
2017	4	382,257	426,584	9,254	331,605	370,058	6,302	50.00	1.98
2018	4	264,605	341,265	7,402	229,899	296,503	5,049	50.00	1.98
2019	4	185,314	273,014	5,922	161,841	238,432	4,060	50.00	1.98
2020	4	131,375	218,410	4,738	115,324	191,725	3,265	50.00	1.98
2021	4	94,299	174,728	3,790	82,820	153,460	2,613	50.00	1.98
Sub-Total		16,772,857	9,041,556	196,129	14,439,489	7,751,604	131,996	50.00	1.98
Remainder		205,874	468,906	10,171	181,892	414,331	7,056	50.00	1.98
Total Future		16,978,731	9,510,462	206,300	14,621,381	8,165,935	139,052	50.00	1.98
Cumulative Ultimate		0	0	0					
		16,978,731	9,510,462	206,300					
COMPANY FUTURE GROSS REVENUE (FGR) - \$M						ROYALTY		FGR AFTER PRODUCTION TAXES-\$M	
Period	From Oil/Cond.	From Plant Products	From Gas	Other	Total	Oil/Cond. - \$M	Gas/P.P. - \$		
2007	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0
2009	102,932	20,398	22,948	0	146,278	4,603	1,546	140,129	
2010	138,115	31,415	35,342	0	204,872	6,249	2,392	196,231	
2011	133,214	33,416	37,592	0	204,222	5,993	2,606	195,623	
2012	116,565	32,763	36,859	0	186,187	5,354	2,519	178,314	
2013	75,184	25,541	28,733	0	129,458	3,304	1,902	124,252	
2014	50,836	20,729	23,320	0	94,885	2,053	1,544	91,288	
2015	34,982	16,986	19,110	0	71,078	1,270	1,265	68,543	
2016	24,072	13,795	15,518	0	53,385	765	1,027	51,593	
2017	16,580	11,101	12,490	0	40,171	512	827	38,832	
2018	11,495	8,896	10,007	0	30,398	345	662	29,391	
2019	8,092	7,153	8,047	0	23,292	234	533	22,525	
2020	5,766	5,751	6,471	0	17,988	159	428	17,401	
2021	4,142	4,604	5,179	0	13,925	108	343	13,474	
Sub-Total	721,975	232,548	261,616	0	1,216,139	30,949	17,594	1,167,596	
Remainder	9,094	12,430	13,983	0	35,507	237	925	34,345	
Total Future	731,069	244,978	275,599	0	1,251,646	31,186	18,519	1,201,941	
DEDUCTIONS - \$M						FUTURE NET INCOME BEFORE INCOME TAXES-\$M			
Period	Operating Costs	Other Taxes	Development Costs	Transportation	Total	Undiscounted		Discounted	
						Annual	Cumulative	@ 10.00	%
2007	0	0	32,478	0	32,478	-32,478	-32,478	-31,811	
2008	0	0	45,109	0	45,109	-45,109	-77,587	-40,664	
2009	5,204	0	44,335	18,917	68,456	71,673	-5,914	57,048	
2010	9,648	0	24,627	26,449	60,724	135,507	129,593	100,948	
2011	10,033	0	20,836	26,330	57,199	138,424	268,017	92,593	
2012	10,105	0	1,308	23,968	35,381	142,933	410,950	87,162	
2013	7,884	0	309	16,620	24,813	99,439	510,389	54,884	
2014	6,293	0	345	12,148	18,786	72,502	582,891	36,222	
2015	4,445	0	206	9,077	13,728	54,815	637,706	24,787	
2016	3,615	0	1,298	6,801	11,714	39,879	677,585	16,327	
2017	3,394	0	0	5,105	8,499	30,333	707,918	11,238	
2018	2,636	0	0	3,855	6,491	22,900	730,818	7,680	
2019	2,117	0	1,442	2,949	6,508	16,017	746,835	4,865	
2020	1,959	0	0	2,273	4,232	13,169	760,004	3,618	
2021	1,422	0	0	1,758	3,180	10,294	770,298	2,560	
Sub-Total	68,755	0	172,293	156,250	397,298	770,298		427,457	
Remainder	6,783	0	9,603	4,470	20,856	13,489	783,787	3,597	
Total Future	75,538	0	181,896	160,720	418,154	783,787		431,054	

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.



ZHAIKMUNAI LLP
ESTIMATED FUTURE RESERVES AND INCOME
ATTRIBUTABLE TO TERMS OF THE PRODUCTION SHARING AGREEMENT
BETWEEN THE REPUBLIC OF KAZAKHSTAN AND ZHAIKMUNAI LLP
AS OF JULY 1, 2007

BISKI & AFONINSKI SUMMARY

TOTAL PROBABLE RESERVES					TOTAL PROBABLE				
INITIAL FINAL REMARKS	REVENUE INTERESTS				PRODUCT PRICES			DISCOUNTED	
	EXPENSE INTEREST	Oil/ Condensate	Plant Products	Gas	Oil/Cond. \$/bbl.	Plt. Prod. \$/bbl.	Gas \$/MCF	FUTURE NET INCOME - \$M	
								COMPOUNDED	MONTHLY
								10.00%	-
								12.00%	-
								15.00%	-
								20.00%	-
								25.00%	-

THESE DATA ARE PART OF A RYDER SCOTT REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

REGISTERED OFFICE OF THE ISSUER

Zhaikmunai L.P.
Clinch's House
Lord Street, Douglas,
Isle of Man IM99 1RZ

LEAD MANAGER

ING Bank N.V., London Branch
60 London Wall
London EC2M 5TQ
United Kingdom

CO-LEAD MANAGERS

Mirabaud Securities
21 St James's Square
London SW1Y 4JP
United Kingdom

UniCredit CAIB UK Ltd.
80 Cheapside
London EC3V 6EE
United Kingdom

LEGAL ADVISERS TO THE ISSUER

As to English & US Law

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

As to Manx Law

Mann & Partners
New Court Chambers
23-25 Bucks Road
Douglas
Isle of Man IM99 2EN

As to Kazakh Law

White & Case LLC
117/6 Dostyk Avenue
Almaty 050059
Kazakhstan

LEGAL ADVISERS TO THE LEAD MANAGER

As to English & US Law

**Skadden, Arps, Slate,
Meagher & Flom
(UK) LLP**
40 Bank Street
Canary Wharf
London E14 5DS
United Kingdom

As to Manx Law

Cains
15-19 Athol Street
Douglas
Isle of Man IM1 1LB

As to Kazakh Law

**Denton Wilde Sapte
Kazakhstan Limited**
96 Baitursynov Street
Almaty 050022
Kazakhstan

INDEPENDENT ACCOUNTANTS

Ernst & Young LLP
240 G, Furmenov St.
Almaty 050059
Kazakhstan

DEPOSITARY

Bank of New York
101 Barclay Square
New York, NY 10286
United States of America

