



**Zhaikmunai LP**  
**(the "Company")**

## **Q3 2009 - Review & Update**

Douglas - December 3, 2009 - Zhaikmunai LP (LSE:ZKM) ('Zhaikmunai' or 'the Company'), the oil and gas exploration, development and production company, today provides an update on its Kazakh operations for the period from July to 30 September 2009.

### **Revenue**

Sales volumes for the third quarter were 654,977 bbls, up 20% from 545,655 bbls in the third quarter 2008. Of the total 654,977 bbls sales volume 573,922 bbls was export sales and 81,055 bbls was domestic sales.

Revenues for the period from Oil Sales were US\$ 32.7 million (Q3 2008: US\$44.9 million), down 27% compared to the July-September period in 2007.

### **Netback**

The weighted average Brent crude oil price on which Zhaikmunai based its sales for the third quarter of 2009 was US\$71.67 bbl versus US\$100.01 bbl for the same period of 2008.

The discount, accounting for the trader's costs and trader's fee at FCA Uralsk, was US\$14.91 bbl for the third quarter of 2009 (versus US\$17.70 for the same period of 2008).

Accordingly, the average netback for crude oil sales during the third quarter of 2009 was: US\$56.76 (versus US\$82.31 for the third quarter of 2008).

### **Reserves**

During September 2009 Ryder Scott finalised the reserve estimation as of July 1, 2009. Reported 2P reserves are 526 mmboe, close to the 534 mmboe reported as of July 1, 2008. 3P reserves are 1,086 mmboe versus in 1,080 mmboe last year. The product mix between oil&condensate, plant products and gas has also remained materially the same as previously reported. Of the 526 mmboe 41% or 212 mmboe was oil&condensate, 15% or 79 mmboe was plant products and 44% or 235 mmboe was gas.

## **Production**

Production volumes for the third quarter of 2009 increased to 642,026 bbls, up from 530,422 bbls in the equivalent period in the previous year. Average daily production stood at 6,979 barrels per day (up from an average of 5,765 barrels per day in Q3 2008) while the average production rate per well was 465 barrels per day. As at 30 September 2009 there were 15 producing wells, compared to 11 producing wells as at 30 September 2008.

## **Drilling**

During Q3 2009 the company operated 3 drilling rigs. One rig from Saipem and two rigs from UNGG. The Saipem rig has been drilling first horizontal well number 119. One UNGG rig has been employed drilling two horizontal sidetracks in well 20. The second UNGG rig has been employed since late August performing workover operations on well 33. The results of well 119 have been reported on separately via RNS on November 7, 2009.

## **Exploration**

In July the company received approval for an extension of its gas flaring permits for production and exploration wells through June 30, 2010.

## **Gas Treatment Plant**

Work on the Gas Treatment Plant has progressed well during the quarter. Progress at September 30 for design against the project plan is 81%. Progress for procurement and design is similarly at 81%. Progress for civil and erection works is at 18%. The last phase, precommissioning and putting into operation, has not yet started.

## **Other Engineering and Construction**

The engineering and construction departments have been working on projects directly related to the completion of the GTU.

- \* Preparation is ongoing for construction of flowlines to 11 wells that will produce gas condensate.
- \* Works are ongoing at the oil treatment unit to expand the manifold to accommodate the flow lines from the gas condensate wells that will feed the GTU.
- \* The gas pipeline from field site to the Orenburg pipeline is 90% finished.



Kai Uwe Kessel, Chief Executive of Zhaikmunai, commented:

*"After having successfully completed the capital raising and agreed with our Lenders the Amended Facility Agreement, the company is now fully focused on the execution of the capital expenditure programme. Specifically we are now performing all works required for the operation of the gas treatment unit. We are looking forward to the GTU entering service in the coming year and this will be an important milestone in the development of the company."*

#### **Further enquiries**

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#### **About Zhaikmunai**

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

#### **Forward-Looking Statements**

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