30th June 2008

Results for the year ended 31st December 2007

The Zhaikmunai Group is an independent oil and gas enterprise having its principal operating company in northwestern Kazakhstan engaging in the exploration, production and sale of crude oil and gas condensate.

--- From Explortion to Production ---

2007 was the year in which Zhaikmunai successfully moved from the exploration phase to the production phase. Commercial production started in March as the partnership was granted a production permit relating to the northern part of the Tournasian reservoir.

Financial highlights

- Execution of an aggressive investment program. Cash flow from investing activities US$ 173,1 million (2006: US$ 92,8 million);
- Refinancing of existing debt facility at lower interest rate;
- Almost doubling revenue to US$ 108.5 million (2006: US$ 58.5 million), on the back of higher commodity prices (average Brent price 2007: 72,43 $/bbl versus 2006: 67.83 $/bbl);
- Net Income US$ 37,7 million, up from US$ 12,9 million in 2006.

Operational highlights

- Production for the year up to 1,8 mbbls (2006: 1,1 mbbls);
- 2P reserves increased from 304 mboe in 2006 to 397 mboe in 2007;
- Successful execution of the 2007 drilling program (drilling 9 wells);
- Signing of EPC contract for a Gas Treatment Unit (contract value $ 182 million).

Strategic highlights

- Successful completion in Q1 of 2008 of all CP's for the new $ 550 million debt facility that was signed in December of 2007;
- Successful IPO in April of 2008 listing GDR's on the London Stock Exchange raising $ 100 million equity for the Partnership from new investors.

Mr. K.U. Kessel, Chief Executive Commenting on the results, said

"The company worked diligently in preparation of the production phase. The focus of 2007 has been on

1) finalizing the exploration of the Field, and on
2) contracting out all required infra structure - and processing projects as identified in the business plan.

With the signing of the new loan agreement in December of 2007 the company has for the first time tabbed international financial markets. With this new financing in place the partnership is confident its goals of significantly increasing production while finishing the infra structure-, transportation- and processing projects taken on will be realized both in 2008 and beyond."

Enquiries to:

Analysts/Investors

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These materials contain forward-looking statements regarding Zhaikmunai, our corporate plans, future financial condition, future results of operations, future business plans and strategies. All such forward-looking statements are based on our management's assumptions and beliefs in the light of information available to them at this time. These forward-looking statements are, by their nature, subject to significant risks and uncertainties and actual results, performance and achievements may be materially different from those expressed in such statements. Factors that may cause actual results, performance or achievements to differ from expectations include, but are not limited to, regulatory changes, future levels of industry product supply, demand and pricing, weather and weather related impacts, wars and acts of terrorism, development and use of technology, acts of competitors and other changes to business conditions. Zhaikmunai undertakes no obligation to revise any such forward-looking statements to reflect any changes in Zhaikmunai's expectations with regard thereto or any change in circumstances or events after the date hereof.

Chairman and Chief Executive's Review

Financial Results

The general circumstances in 2007 have been favorable for Zhaikmunai. With the company being allowed to export 100% of its production it has had maximum benefit of the higher international oil prices. Notwithstanding the sharply rising costs of all materials and services there has been a positive net effect of the higher commodity prices.

For the financing of its capex programme the company has, during the year, further drawn upon the loan facility with Bank TuranAlem. In September Kazakh banks, due to macro economic circumstances, have started to incur higher borrowing rates. Zhaikmunai was consequently also confronted with a higher interest rate on its debt (rising from 12 to 15%).

The December the company was fortunate to conclude a new loan agreement with BNP Paribas to effectively refinance its debt at a lower interest rate. Finally, in April of 2008 the partnership realized an IPO on the Londons Stock Exchange thus securing further financing.

Operational Overview

In 2007 the partnership has seen the transition from the exploration phase to the production phase. To this effect all departments have made significant contributions.

In Geology the Ryder Scott reserve audit has confirmed the large progress that has been made in increasing the reserves over the past years.
In Drilling the execution of the drilling programme proved that drilling is already performed at the rate in conformance with the planning of the coming years.
Field Engineering advanced a multitude projects (in field roads, power lines, oil pipeline, etc.) as well as worked very hard towards the signing of the contract for the gas treatment plant.
Accounting & Finance continued work on further implementation / optimization of the SAP information system thus preparing the system for the multiple products to be sold as from the second half of 2009.
In short, Zhaikmunai has made good progress.

Board and Management

The business and affairs of Zhaikmunai LP is managed by a general partner. The general partner, in turn is managed by a board of directors and officers. On 16 November 2007 the following individuals have been appointed to the board of the General Partner:

	Executive Director	Non Executive Director	Audit Committee	Remuneration Committee
Frank Monstrey	X			X
Kai-Uwe Kessel	X			
Steve McGowan		X	X	
Eike von der Linden		X	X	X
Piet Everaert		X		

Annual General Meeting

The Company will be holding its Annual General Meeting at its offices on the Isle of Man, Clinch's House, Lord Street, Douglas AB10 1SU on Thursday 24th July 2008 at 2.00pm and 2007 Annual Accounts, Notice of Meeting and Form of Proxy will be available to all partners first week of July 2008.

The podcast of the 2007 results presentation will be available at 0900 (UK time) on Friday 24 July 2008. This will be available at the Zhaikmunai website: www.zhaikmunai.com.

Outlook

The Ryder Scott Reserve Report has served as the basis to determine all necessary capacities of the processing equipment and transportation & storage infrastructure to be completed. All necessary investment projects have thus been indentified, scaled, tendered and contracted out. The total of the calculated capital expenditures is comfortably covered by the financing BNP Paribas loan and the IPO proceeds. Hence, the board is confident that the accomplishment in 2007 will serve as a solid basis for reaching the goals formulated to be obtained in 2008 and beyond.

Frank Monstrey
Chairman, 30 June 2008

Kai-Uwe Kessel
CEO, 30 June 2008

Operational Review

Geology

The Field is a multi-formation structure. It has tested hydrocarbons at significant rates from:
1) the Lower Permian horizons (at approximately 2,700m to 2,900m);
2) Lower Carboniferous Tournasian (at approximately 4,200m);
3) Devonian Givetian horizons (at approximately 5,000m);
4) Devonian Biski and Afoninisky formations (at approximately 5,000m).

Independent petroleum consultant Ryder Scott has audited the Zhaikmunai reserves as at July 1 2007. The table below provides for a summary of the audited results:

Gross Reserves	Units	Proven	Probable	2P	Possible	3P
Oil/Condensate	mbbl	56,3	104,8	161,1	149,5	310,6
Gas	mboe	59,9	118,8	178,6	156,0	334,6
LPG	mbbl	20,5	36,9	57,4	53,2	110,6
Total	Mboe	136,7	260,5	397,2	358,7	755,8

A work programme has been prepared for futher appraisal. The partnership believes a portion of the possible reserves, estimated to be up to 358,7 mboe as at 1 July 2007, could be transferred into higher reserve categories as a result of the scheduled appraisal activities.
An estimate by Ryder Scott of remaining resources, not yet drilled and thus outside of what's in the above table, amounts to 143,5 mboe.

Drilling

Throughout 2007 the partnership employed 4 heavy drilling rigs. Two western rigs were operated by Saipem and two local rigs were operated by UNGG. Zhaikmunai drilled five production wells and four

exploration wells in 2007. Zhaikmunai will continue with the 4 drilling rigs presently on the Field and these are planned to drill a total of 10 wells in 2008.

Facilities

In august of 2007 the partnership signed its single largest contract. Zhaikmunai entered into an agreement with KSS for the construction of a gas treatment plant that wll process associated gas and gas condensate. 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. Zhaikmunai in turn hired SGS for project management. The first unit is expected to become operational by May of 2009 and is designed to have a capacity to treat 200 million cubic meters of associated gas per year.

Production

By December 2007 Zhaikmunai had 8 producing wells. Production in 2007 amounted to 1,8 mbbls. (Test-) production in 2006 amounted to 1,1 mbbls.
Up to the moment that the first train of the gas treatment unit is commissioned Zhaikmunai solely produces oil, the associated gas is flared. Zhaikmunai obtained a license from MEMR to flare gas until 31 December 2008. It intends to acquire a permit also for 2009, up to the moment that the gas treatment facility will be operational.

Transportation

To date the oil is trucked from the Field to the city of Uralsk where the oil is loaded in railcars for transportation to off takers inside or outside of Kazakhstan. Back in 2006 the partnership awarded a contract to KSS for:

1) the construction of an 120 km oil pipeline from the Field to the city of Uralsk, as well as for
2) the construction of a compressor station at Field site, and a
3) Rail Terminal near Uralsk.

This project is now well underway and is expected to be commissioned in Q3 of 2008. At that point in time the Partnership will save on trucking as, going forward, the oil is transported from the Field to the Rail terminal by pipeline.

Sales and Marketing

Zhaikmunai 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. Pursuant to the PSA, Zhaikmunai is permitted to export 100% of its oil and gas production. The Group 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 for rail fees, transportation costs, quality differentials and trader fees incurred in order to deliver the crude oil from Uralsk to its ultimate destination at a refinery in Finland. The table below shows the Netback figures for 2007 and 2006 respectively.

	2007	2006
Average Brent crude ol price on which Zhaikmunai based its sales ($/bbl)	72.43	67.83
Weighted Average Discount to Brent ($/bbl)	13.72	12.43
Average Netback ($/bbl)	58.71	55.40

Sale of other products (dry gas, propane and butane) will start in the course of 2009, as soon as the first part of the gas treatment unit, that is under contract, is taken delivery of.

Environment

In 2007 the company has started a building project in the city of Uralsk in order to, when finished, relocate the approximately 300 inhabitants of the village of Rozhkovo.The village is currently situated within the exploration zone of the Field. In order for the Group to successfully pursue its drilling and exploration activities in the License area, the Group has sought to relocate the residents of the village to new housing in the city of Uralsk. 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. The programme is expected to be completed by the end of 2008.Its cost is estimated at $ 5 million.

During 2007 Zhaikmunai has had an environmental study done by AMEC Earth & Environmental UK Ltd. The report dated September 2007 considers the status of the Field and the level of environmental compliance of Zhaikmunai’s operations of a high standard.

Employees

The table below sets out the number of people (full-time equivalents) employed by the Group as of 31 December for the years indicated:

Location	2007	2006
Chinarevskoye Field	330	310
Uralsk	120	120
Total	450	430

Financial Review

Basis of Presentation

Zhaikmunai LP became the controlling entity of the Group on 28 March 2008. As Zhaikmunai LP did not, at 31 December 2007, have control of the Group, Zhaikmunai LP is not able to prepare, in accordance with IFRS, consolidated financial statements for 2007. Alternatively the Combined Financial Information has been prepared on an equal basis as the Combined Financial Information was prepared for the purpose of the Partnership Prospectus.
The Combined Financial Information and combines the results of operations and financial position of Claydon, Jubilata and their subsidiaries which include Zhaikmunai LLP, being all members of the Group other than Zhaikmunai LP, by applying the principles underlying the consolidation procedures of IAS 27 for each of the years ended 31 December 2007 and 31 December 2006
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.

Income statement

Sales of crude oil have risen to $ 108,5 million, up from $ 58,6 million in 2006 (+99%). Production of crude has risen to 1,8 mbbls up from 1,1 mbbls in 2006 (+73%). At year-end the company was producing about 6.000 bbl/day.

The cost of sales have risen to $ 37,4 million, up from $ 26,1 million in 2006 (+43%). The biggest line item in cost of sales are the well workover costs. These costs amounted to $ 7,1 million in 2007 versus $ 1,7 million in 2006. The second biggest line item in cost of sales is depreciation. Depreciation has actually gone down to $ 6,1 million from $ 14,6 million in 2006. The lower depreciation charges follow the higher audited reserve estimate. The depletion rate for oil and gas working assets was calculated to be 6,76% for 2007 down from 19,69% for 2006.

General and administrative expenses have risen to $ 10,2 million, up from $ 6,9 million in 2006 (+48%). The largest absolute increase in General and administrative expenses is in Payroll and related taxes. Payroll and related taxes is at $ 2,2 million up from $ 1,3 million in 2006 (+11%).

Selling and oil transportation expenses have risen to $ 6,8 million, up from $ 4,0 million in 2006 (+68%).

Finance costs have risen 6,8 million, up from $ 2,2 million in 2006. The higher costs are due to higher interest expense on borrowings (211%) because of both the higher loan amount (2007: $ 249,5 million versus 2006: $ 98,9 million) as well as a higher interest rate.

A Foreign exchange gain has been realized of $ 6,1 million, up from $ 0,5 million in 2006. The average KTZ/USD exchange rate for 2007 was 122,55 versus a KZT/USD exchange rate of 126,09 for 2006.

Income tax, at a rate of 30%, is at $ 15,6 million, up from $ 6,9 million in 2006. Contrary to prior years when income tax was deferred the company has started paying income tax in 2007 following the start of commercial production from the Tournasian reservoir. Consequently the cash flow figure for income tax paid is at $ 6,5 million up from $ 0,009 million in 2006.

Net income for the year is at $ 37,8 million, up from $ 12,9 million in 2006 (+377%).

Balance sheet

Non-current Assets are at $ 360 million (2006: $ 150 million). Out of Non-current Assets, Property, plant and equipment amounts to $ 289 million (2006: $ 135.8 million). A breakdown of Property, plant and equipment is shown in the following table (x $ 1.000):

	2007	2006
Oil and gas properties		
Working assets	98,691	55,409
Construction in Progress	184,124	76,243
Total oil and gas properties	282,815	131,652
Non oil and gas properties		
Buildings	2,387	1,960
Machinery & Equipment	2,209	530
Vehicles	1,015	940
Others	1,107	804
Total non oil and gas properties	6,718	4,198
Total	289,533	135,850

Advances for equipment and construction works largely consist of an advance to KSS stemming from the GTU contract.

Current Assets amount to $ 34,3 million (2006: 17,2 million). The single largest item under current assets is prepayments and other current assets at $ 14,9 million (2006: 5,8 million). Within prepayments and other current assets, VAT receivable amounts to $ 11,561 (2006: $ 4,894).

Equity: All income from prior years has been added to Retained Earnings. The partnership does not pay dividend. All generated income is put to use for developing the Field.

The balance of Non-Current Liabilities, at $237,8 million, is up from $ 118,9 million. The increasing balance is largely attributable to the increase in long term borrowings to $ 203,982 from $ 93,799 in 2006.

In December of 2007 the partnership signed a new financing agreement underwritten by a international consortium of banks led by BNP Paribas.

The balance of Current Liabilities, at $ 88,3 million, represents a more then 4 fold increase from the balance at 31 december 2006 of $20,1 million. Of the $ 88,3 million more than half ($ 45,5 million) represents the current portion of two loans. Of the $ 88,3 million trade payables amount to $ 35,7 million.

Cash flow statement

Cash flow from operating activities increased to $ 48,2 million up from $ 37,4 million in 2006. The changes in working capital are largely driven by prepayments and other current assets reflecting the multitude of investment projects going on.

Cash flow from investing activities at $ 173,1 million is an historic high for the partnership, up from $ 92,8 million in 2006 (86%).

Cash flow from financing activities at $ 129,2 million compares to $ 54,8 million in 2006 (135%). Proceeds from borrowings at $ 151,4 million have financed the investment program (2006: $ 72.5 million).

In summary, the last full year in the exploration phase (and the first year of commercial production) was characterized by an largely accelerated investment program financed by a senior loan in turn supported by strong operating cash flow.

Jan-Ru Muller
CFO, 30 June 2008

Glossary of Terms

The following are the main terms and abbreviations used in this announcement:

$	United States dollars
2D/3D	two dimensional/three dimensional
1P	proven
2P	proven plus probable
3P	proven plus probable plus possible
Board	the board of directors of Zhaikmunai LP
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
bopd	barrels of oil per day
bscf	billion standard cubic feet of gas
CP	condition precedent
EOR	enhanced oil recovery
EPC	engineering procurement contract
FCA	free carrier (incoterm)
FDP	field development plan
FIELD	Chinarevskoye oil and gas condensate field
Group	the Partnership and its subsidiaries
GTU	Gas Treatment Unit
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
IPO	initial public offering
KSS	KazStroyService
License	license issued by the bovernment on 26 May 1997
MEMR	ministry of energy and mines
mbbls	million barrels of oil

mboe	million barrels of oil equivalent
mscfd	million standard cubic feet of gas per day
OUT	Oil Treatment Unit
Partnership	Zhaikmunai L.P.
Prospectus	Zhaikmunai L.P. Prospectus of 28 March 2008
PSA	production sharing agreement
UNGG	AO Uralskneftegazgeologia

Jubilata Investments Limited, Claydon Industrial Limited and their subsidiaries Condensate Holdings LLP and Zhaikmunai LLP

Combined Financial Statements
December 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and shareholders of Zhaikmunai LP:

We have audited the accompanying special purpose combined financial statements of Claydon Industrial Limited and Jubilata Investments Limited and their subsidiaries Condensate Holdings LLP and Zhaikmunai LLP. (together the "Combined Group"), which comprise the combined balance sheet as at 31 December 2007, and the combined income statement, combined statement of changes in equity and combined statement of cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes ("special-purpose combined financial statements").

Management's Responsibility for the Special-purpose Combined Financial Statements

Management is responsible for the preparation and presentation of the special-purpose combined financial statements in accordance with the basis of preparation described in Note 2. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of special purpose combined financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the special-purpose combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special-purpose combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose combined financial statements.

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

Opinion

In our opinion, the special-purpose combined financial statements for the year ended 31 December 2007 have been prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

[Date of Auditor's report]

COMBINED BALANCE SHEET
As at December 31, 2007

In thousands of US Dollars

	Note	2007	2006
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	289,533	135,850
Advances for equipment and construction works		70,475	14,231
		360,008	**150,081**
Current Assets			
Inventories		2,496	3,014
Trade receivables	5	9,530	5,580
Prepayments and other current assets	6	14,973	5,787
Cash and cash equivalents	7	7,344	2,832
		34,343	17,213
TOTAL ASSETS		**394,351**	**167,294**
EQUITY AND LIABILITIES			
Share capital and Reserves			
Share capital	8	50	50
Retained earnings and translation reserve		68,190	28,142
		68,240	**28,192**
Non-Current Liabilities			
Long term borrowings	9	203,982	93,799
Abandonment and site restoration liabilities	10	1,299	1,214
Due to Government of Kazakhstan	11	6,317	8,094
Deferred tax liability	18	26,191	15,867
		237,789	**118,974**
Current Liabilities			
Trade payables	12	35,768	12,890
Current portion of long term borrowings	9	45,521	5,099
Current portion of Due to Government of Kazakhstan	11	2,062	-
Other current liabilities	13	4,971	2,139
		88,322	**20,128**
TOTAL EQUITY AND LIABILITIES		**394,351**	**167,294**

The accounting policies and explanatory notes on pages 5 through 25 are an integral part of these financial statements.

General Director of Jubilata Investments Limited ______________________

General Director of Claydon Industrial Limited ______________________

COMBINED INCOME STATEMENT
For the year ended December 31, 2007

In thousands of US Dollars

	Note	2007	2006
Sales of crude oil		108,490	58,565
Cost of sales	14	(37,401)	(26,080)
Gross Profit		**71,089**	**32,485**
General and administrative expenses	16	(10,183)	(6,891)
Selling and oil transportation expenses	15	(6,793)	(4,042)
Finance costs	17	(6,841)	(2,194)
Foreign exchange gain		6,151	586
Profit before income tax		**53,423**	**19,944**
Income tax expense	18	(15,650)	(6,973)
NET INCOME		**37,773**	**12,971**

The accounting policies and explanatory notes on pages 5 through 25 are an integral part of these financial statements.

General Director of Jubilata Investments Limited ______________________

General Director of Claydon Industrial Limited ______________________

COMBINED STATEMENT OF CASH FLOWS
For the year ended December 31, 2007

In thousands of US Dollars

	Note	2007	2006
Cash flow from operating activities:			
Profit before income tax		53,423	19,944
Adjustments for:			
Depreciation and amortization	14	6,126	14,590
Interest expense on borrowings	17	6,454	1,279
Unwinding of discount on due to Government of Kazakhstan	11	964	762
Revision of contractual obligation to Government of Kazakhstan	11	(679)	–
Unrealized foreign exchange (gain), net		(6,561)	(404)
Unwinding of discount on abandonment and site restoration liability	10	102	153
Write off of property, plant and equipment	4	686	-
Operating profit before working capital changes		**60,515**	**36,324**
Changes in working capital:			
Decrease/(Increase) in inventories		739	(1,601)
Increase in trade receivables		(3,641)	(3,316)
Increase in prepayments and other current assets		(8,658)	(4,706)
Increase in trade payables		3,049	9,545
Increase in other current liabilities		2,634	1,188
Cash generated from operations		**54,638**	**37,434**
Income tax paid		(6,399)	(9)
Net cash flows from operating activities		**48,239**	**37,425**
Cash flow from investing activities:			
Purchases of property, plant and equipment		(173,105)	(92,851)
Net cash used in investing activities		**(173,105)**	**(92,851)**
Cash flow from financing activities:			
Repayment of borrowings		(3,966)	(11,295)
Interest paid		(18,312)	(6,365)
Proceeds from borrowings		151,444	72,500
Net cash provided by financing activities		**129,166**	**54,840**
Effects of exchange rate changes on cash and cash equivalents		**212**	**182**
Net increase / (decrease) in cash and cash equivalents		4,300	(586)
Cash and cash equivalents at the beginning of the year		**2,832**	**3,236**
Cash and cash equivalents at the end of the year	7	**7,344**	**2,832**

The accounting policies and explanatory notes on pages 5 through 25 are an integral part of these financial statements.

General Director of Jubilata Investments Limited ____________________

General Director of Claydon Industrial Limited ____________________

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COMBINED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2007

	Share capital	Retained earnings	Translation reserve	Total
As at December 31, 2005	**50**	**13,467**	**1,005**	**14,522**
Translation difference	–	–	699	699
Net Income	–	12,971	–	12,971
As at December 31, 2006	**50**	**26,438**	**1,704**	**28,192**
Translation difference	–	–	2,275	2,275
Net Income	–	37,773	–	37,773
As at December 31, 2007	**50**	**64,221**	**3,980**	**68,240**

The accounting policies and explanatory notes on pages 5 through 25 are an integral part of these combined financial statements.

General Director of Jubilata Investments Limited ______________________

General Director of Claydon Industrial Limited ______________________

NOTES TO THE COMBINED FINANCIAL INFORMATION
For the year ended December 31, 2007

1. GENERAL

This combined financial information represents the combination of the 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 indirectly 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 combined financial information has been prepared because the entity, which was used in the public offering, Zhaikmunai Limited Partnership ("Zhaikmunai LP"), a partnership formed in Isle of Man, acquired 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 on March 28, 2008. This special purpose combined financial information has been prepared on the basis that Claydon and Jubilata were under the ultimate indirect 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 combined financial information was authorised for issue by Montrond Incorporated and Bluebrook on June 10, 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. In accordance with the supplement dated June 5, 2008 Tournaisian North reservoir entered into production period as at January 1, 2008.

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.

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.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

2. BASIS OF PREPARATION

The basis of preparation and accounting policies used in preparing the combined financial information for the year ended December 31, 2007 are set out below. These accounting policies have been consistently applied in all material respects to the periods presented.

This combined financial information has been prepared in accordance with this basis of preparation and in conformity with International Financial Reporting Standards ("IFRSs") except as described below. As discussed in Note 1, the parent entity, Zhaikmunai LP acquired beneficial interest in Claydon and Jubilata as at March 28, 2008. 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

IFRSs do not provide for the preparation of combined financial information. 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 is prepared on a basis that combines the results and assets and liabilities of Claydon and Jublilata and the companies which they, in aggregate, control by applying the principles underlying the consolidation procedures of IAS 27 for the year ended December 31, 2007. The underlying financial statements of Claydon and Jubilata have been prepared using the principles of IFRSs. Internal transactions between Claydon, Jubilata and their subsidiaries have been eliminated on combination.

This combined financial information is presented in US dollars and have been prepared on a historical cost basis, except for financial instruments.

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.

Adopted accounting standards and interpretations

The following new standards, amendments to standards and interpretations are mandatory for the financial year ended December 31, 2007:

IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Partnership's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

2. BASIS OF PREPARATION (continued)

Adopted accounting standards and interpretations (continued)

While there has been no effect on the financial position or results, comparative information has been revised where needed.

IAS 1 Amended – Presentation of Financial Statements

This standard requires the Partnership to make new disclosures to enable users of the financial statements to evaluate the Combined Entity's objectives, policies, and processes for managing capital. These new disclosures are shown in Note 21.

IAS 23 Amended – Borrowing costs

This standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The amendment of standard has no effect on the financial position or performance of the Combined Entity as the Combined Entity already capitalized borrowing costs on qualifying assets (*Note 4*).

IFRIC 8 Scope of IFRS 2

This interpretation requires IFRS 2 to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. As there were no equity instruments issued as part of consideration, the interpretation had no impact on the financial position of the Combined Entity.

IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Combined Entity has no embedded derivatives, the interpretation had no impact on the financial position or performance of the Combined Entity.

IFRIC 10 Interim Financial Reporting and Impairment

IFRIC Interpretation 10 as of 1 January 2007 requires that an entity must not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Combined Entity has neither impairment losses previously recognized nor goodwill, the interpretation had no impact on the financial position or performance of the Combined Entity.

New accounting developments

The following IFRS and IFRIC interpretations are not yet in effect as at December 31, 2007:

- IFRS 2 "Share-based Payments – Vesting Conditions and Cancellations";
- IFRS 3 Business Combinations – amendment
- IFRS 8 Operating Segments
- IAS 27 Consolidated and Separate Financial Statements – amendment
- IAS 32 Amendment "Financial Instruments: Presentation"
- 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 will have no significant impact on the Partnership's results of operations and financial position in the period of initial application.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

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.

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 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.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Reserves

Proved oil and gas reserves are estimated quantities of commercially viable hydrocarbons which existing geological, geophysical and engineering data show to be recoverable in future years from known reservoirs.

The Partnership uses the reserve estimates provided by an independent appraiser to assess the oil and gas reserves of its oil and gas fields. These reserve quantities are used for calculating the unit of production depreciation rate as it reflects the expected pattern of consumption of future economic benefits by the entity.

Impairment of non-financial assets

The 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 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.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

	Years
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.

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 or impaired, as well as through amortization of the borrowings using the effective interest method.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Combined Entity 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 Combined Entity 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 Combined Entity tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

Financial Instruments

Derecognition of financial assets

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.

Derecognition of financial liabilities

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.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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 and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Trade and Other Payables

Trade and other payables are carried 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 Partnership 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.

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.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

4. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the year ended December 31, 2007 was as follows:

	Oil and gas properties			**Non oil and gas properties**					
In thousand of US dollars	**Working assets**	**CIP**	**Total oil and gas properties**	**Buildings**	**Machinery & Equipment**	**Vehicles**	**Others**	**Total non oil gas properties**	**Total**
Balance at December 31, 2005, net of accumulated depreciation	37,120	21,999	59,119	731	425	397	232	1,785	60,904
Additions	1,297	82,355	83,652	1,289	219	616	469	2,593	86,245
Write off	–	–	–	–	(17)	–	(60)	(77)	(77)
Transfers	28,713	(28,918)	(205)	–	–	–	205	205	–
Transferred to inventory	–	–	–	–	–	–	(6)	(6)	(6)
Depreciation charge	(13,639)	–	(13,639)	(90)	(130)	(127)	(80)	(427)	(14,066)
Depreciation of write offs	–	–	–	–	10		36	46	46
Translation difference	1,918	807	2,725	30	23	18	8	79	2,804
Balance at December 31, 2006, net of accumulated depreciation	55,409	76,243	131,652	1,960	530	904	804	4,198	135,850
Additions	185	148,589	148,774	285	**555**	230	478	1,548	150,322
Transfers	44,553	(46,250)	(1,697)	278	1,401	–	18	1,697	–
Write off	–	(679)	(679)	–	–	(2)	(5)	(7)	(686)
Depreciation charge	(5,197)	–	(5,197)	(247)	(351)	(161)	(235)	(994)	(6,191
Translation difference	3,741	6,221	9,962	111	74	44	47	**276**	**10,238**
Balance at December 31, 2007, net of accumulated depreciation	**98,691**	**184,124**	**282,815**	**2,387**	**2,209**	**1,015**	**1,107**	**6,718**	**289,533**
At cost at December 31, 2006	95,502	76,243	171,745	2,215	908	1,229	980	5,332	177,077
Accumulated depreciation	(40,093)	–	(40,093)	(255)	(378)	(325)	(176)	(1,134)	(41,227)
Balance at December 31, 2006, net of accumulated depreciation	55,409	76,243	131,652	1,960	530	904	804	4,198	135,850
At cost at December 31, 2007	146,324	184,124	330,448	2,912	2,974	1,507	1,514	8,907	339,355
Accumulated depreciation	(47,633)	–	(47,633)	(525)	(765)	(492)	(407)	(2,189)	(49,822)
Balance at December 31, 2007, net of accumulated depreciation	**98,691**	**184,124**	**282,815**	**2,387**	**2,209**	**1,015**	**1,107**	**6,718**	**289,533**

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

4. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

The Combined Entity 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 6.76% and 19.69% in 2007 and 2006 respectively. The unamortized costs of proved oil and gas properties include all capitalized costs net of accumulated amortization.

The Partnership engaged independent petroleum engineers to perform a reserves evaluation as at July 1, 2007. Depreciation has been calculated using the unit of production method based on these reserves estimates.

As at December 31, 2006 machinery and equipment amounting to US Dollars 420 thousand were pledged in accordance with the loan agreement with Blavin Holdings Limited dated October 30, 2003 (*Note 9*), and oil and gas assets under construction amounting to US Dollars 56,790 thousand were pledged in accordance with the loan agreement with Bank Turan Alem dated July 7, 2005 (*Note 9*).

A depreciation charge of US Dollars 6,191 thousand has been charged to depreciation and amortization expense for 2007 less US Dollars 65 thousand of represent the effect of capitalization of depreciation as part of crude oil inventory (2006: US Dollars 14,590 thousand and US Dollars 524 thousand, respectively).

The Partnership incurred borrowing costs of US Dollars 19,414 thousand and US Dollars 7,138 thousand for the years ended December 31, 2007 and 2006, at the average interest rates of 13% and 10.96% per annum, respectively. For the same periods, the Partnership capitalized borrowing costs totalling US Dollars 12,960 thousand and US Dollars 4,221 thousand.

5. TRADE RECEIVABLES

As at December 31, trade receivables were denominated in US Dollars and are less than 30 days.

6. PREPAYMENTS AND OTHER CURRENT RECEIVABLES

As at December 31, prepayments and other receivables comprised the following:

In thousands of US Dollars	**2007**	2006
Advances paid	**3,144**	806
VAT receivable	**11,561**	4,894
Other	**268**	87
	14,973	5,787

Advances paid consist primarily of prepayments made to service providers.

7. CASH AND CASH EQUIVALENTS

In thousands of US Dollars	**2007**	2006
Current accounts in US Dollars	**6,002**	1,887
Current accounts in Tenge	**1,334**	930
Cash on hand in Tenge	**8**	15
	7,344	2,832

No interest is earned on current accounts.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

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, 2007 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 at December 31:

In thousands of US Dollars		**2007**			2006	
	Current	**Non-current**	**Total**	Current	Non-current	Total
Credit line due to Bank Turan Alem	**38,793**	**203,982**	**242,775**	1,462	88,200	89,662
Loan due to Blavin Holdings Limited	**6,728**	–	**6,728**	3,637	5,599	9,236
	45,521	**203,982**	**249,503**	5,099	93,799	98,898

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 4,445 thousand from May 12, 2008 with final maturity on October 6, 2012. The total credit facility available under the Credit Line was US Dollars 246 million as at December 31, 2007. Interest on the credit line is set at 15% 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, by future cash inflows into the Partnership's bank accounts, with the Bank, up to US Dollars 50,000 thousand and by property, plant and equipment pledged by the Partnership of US Dollars 56,790 thousand.

9. BORROWINGS (continued)

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 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 of US Dollars 727 thousand during the period from January 1, 2004 to December 31, 2007 and US Dollars 1,682 thousand during the period from January 1, 2008 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 at December 31, 2007 machinery and equipment amounting to US Dollars 420 thousand were pledged in accordance with the loan agreement with Albatross Holding Ltd.

10. ABANDONMENT AND SITE RESTORATION LIABILITIES

The summary of changes in abandonment and site restoration liabilities during the years ended December 31 follow:

In thousands of US Dollars	**2007**	2006
Abandonment and site restoration liability as at January 1,	**1,214**	622
Unwinding of discount	**102**	153
Additional provision	**410**	310
Change in estimates	**(427)**	129
	1,299	1,214

The long-term inflation and discount rates used to determine the abandonment and site restoration liabilities at December 31, 2007 were 5.0% and 13% respectively (2006: 5.0% and 10.96%).

The Partnership increased the discount rate from 10.96% per annum to 13 % per annum due to the fact that in September 2007 Bank Turan Alem increased the annual interest rate on the Credit Line from 12 % to 15%, which affected the Partnership's incremental borrowing rate.

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.

Initially, reimbursement of this liability was scheduled to begin from May, 2008, from the end of phase two of the exploration period as described in *Note 1* "Licence terms". However, due to early commencement of commercial production from the first horizon, the Government of Kazakhstan reassessed the payment schedule making the Partnership liable for 2007 production. The reassessment resulted in requirement of the Partnership to make a first payment of US Dollars 1,031 thousand in March 2008 and with further reimbursement by equal quarterly instalments of US Dollars 257 thousand until May 26, 2031. The liability was discounted at 13%.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

11. DUE TO GOVERNMENT OF KAZAKHSTAN (continued)

The total amount of liability due to Government as stipulated by the Contract is US Dollars 25,000 thousand. The balances as at December 31, and changes in the amount due to Government of Kazakhstan for the year were as follows:

In thousands of US Dollars	**2007**	2006
Due to Government of Kazakhstan as at January 1,	**8,094**	7,332
Unwinding of discount	**964**	762
Revision of contractual obligation	**(679)**	–
	8,379	8,094
Less: Current Portion of Due to Government of Kazakhstan	**(2,062)**	–
Due to Government of Kazakhstan	**6,317**	8,094

12. TRADE PAYABLES

In thousands of US Dollars	**2007**	2006
Tenge denominated trade payables	**19,065**	8,503
US dollar denominated trade payables	**16,462**	4,152
Trade payables denominated in other currencies	**241**	235
	35,768	12,890

13. OTHER CURRENT LIABILITIES

In thousands of US Dollars	**2007**	2006
Taxes payable, other than corporate income tax	**2,892**	1,103
Training accrual	**1,687**	378
Due to employees	**270**	81
Other	**122**	577
	4,971	2,139

14. COST OF SALES

In thousands of US Dollars	**2007**	2006
Well workover costs	**7,103**	1,703
Depreciation and amortization	**6,126**	14,590
Royalties	**5,265**	2,085
Repair, maintenance and other services	**4,453**	2,235
Payroll and related taxes	**3,048**	1,669
Materials and supplies	**2,800**	1,097
Rent and operation of oil separation units	**2,678**	687
Management fees (*Note 19*)	**1,957**	697
Other transportation services	**1,243**	62
Government profit share	**994**	510
Environmental levies	**913**	582
Other	**821**	163
	37,401	26,080

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

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.

16. GENERAL AND ADMINISTRATIVE EXPENSES

In thousands of US Dollars	**2007**	2006
Management fees (*Note 19)*	**2,009**	1,811
Payroll and related taxes	**2,187**	1,281
Training	**1,698**	881
Bank charges	**1,298**	583
Professional services	**713**	112
Sponsorship	**314**	299
Communication	**298**	186
Social program	**255**	250
Insurance fees	**211**	–
Materials and supplies	**197**	112
Lease payments	**187**	175
Business trip	**155**	167
Other taxes	**4**	542
Other	**657**	492
	10,183	6,891

17. FINANCE COSTS, NET

In thousands of US Dollars	**2007**	2006
Interest expense on borrowings	**6,454**	1,279
Unwinding of discount on amounts Due to Government of Kazakhstan(*Note 11*)	**964**	762
Revision of contractual obligation to Government of Kazakhstan (*Note 11*)	**(679)**	–
Unwinding of discount on Abandonment and Site Restoration Liability (*Note 10*)	**102**	153
	6,841	2,194

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

18. INCOME TAX EXPENSES

The provision for income taxes consisted of the following:

In thousands of US Dollars	**2007**	2006
Income tax expenses comprise:		
- current income tax expense	**6,382**	9
- deferred income tax expense	**9,268**	6,964
Total income tax expense	**15,650**	6,973

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:

In thousands of Tenge	**2007**	2006
Profit before income tax	**53,454**	19,944
Statutory tax rate	**30%**	30%
Expected tax provision	**16,036**	5,983
Non-deductible interest expense on borrowings	**2,565**	700
Adjustments in respect of current income tax of previous year	**(2,128)**	–
Foreign exchange gain	**(1,875)**	**(103)**
Unwinding of discount on Abandonment and Site Restoration Liability and Due to Government	**83**	275
Withholding tax	–	167
Other	**969**	(49)
Income tax expense reported in the accompanying consolidated financial statements	**15,650**	6,973

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 and the amounts reported in the financial statements and are comprised of the following at December 31:

In thousands of US Dollars	**2007**	2006
Deferred tax asset:		
Accruals	610	114
	610	114
Deferred tax liability:		
Property, plant and equipment	(26,585)	(15,959)
Crude oil inventory	(216)	(22)
Net deferred tax liability	**(26,191)**	(15,867)

In 2007, in accordance with the Licence terms, the Group commenced commercial production from the first horizon for income tax reporting purposes. Therefore, the Group 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.

As at December 31, the movements in the deferred tax liability were as follows:

	2007	2006
Balance at January 1,	**(15,867)**	(8,489)
Current year charge / (benefit) to translation reserve	**(1,056)**	(414)
Current year charge to statement of income	**(9,268)**	(6,964)
Balance at December 31,	**(26,191)**	(15,867)

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

19. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements transactions with related parties mainly comprise transactions between the Combined Entity and the participants and/or their subsidiaries or associated companies.

Balances with related parties at the balance sheet dates and transactions with related parties for the respective years follow.

Accounts receivable from related parties at December 31 consisted of the following:

In thousands of US Dollars	**2007**	2006
Trade receivables and advances		
Frans Van Der Schoot B.V.	**1,500**	–
Total	**1,500**	–

Accounts payable to related parties as at December 31 consisted of the following:

In thousands of US Dollars	**2007**	2006
Trade payables		
Amersham Oil LLP	**81**	–
Probel Capital Management B.V.	**190**	–
Total	**271**	–

During the year ended 31 December 2007 the Combined Entity had the following transactions with related parties:

In thousands of US Dollars	**2007**	2006
Operating Expenses and General and Administrative Expenses incurred		
Amersham Oil LLP	**965**	–
Frans Van Der Schoot B.V.	**904**	–
Probel Capital Management B.V.	**2,144**	–
Tensor Asset Management B.V.	–	2,508
Total	**4,013**	2,508

Management fees are payable in accordance with the Technical Assistance Agreements signed between the Partnership, Amersham Oil LLP, Probel Capital Management BV and Frans Van Der Schoot B.V. and relate to the rendering of geological, geophysical, drilling, scientific, technical and other consultancy services.

Annual remuneration of four key managers amounted to US Dollars 199 thousand for 2007 (2006: four, US Dollars 143 thousand). Other key management personnel were employed and paid by Amersham Oil LLP, Frans Van Der Schoot B.V. and Probel Capital Management and whose remuneration forms part of the operating and general and administrative expenses above.

All related parties are companies indirectly controlled by Frank Monstrey.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

20. CONTINGENT, COMMITMENTS AND OPERATING RISKS

Description of Environment

The Kazakhstani economy, while deemed to be of market status beginning in 2002, continues to display certain traits consistent with that of a market economy in transition. These characteristics have in the past included higher than normal historical inflation, lack of liquidity in capital markets, and the existence of currency controls, which caused the national currency to be illiquid outside of Kazakhstan. The continued success and stability of the Kazakhstani economy will be significantly impacted by the government's continued actions with regard to supervisory, legal, and economic reforms.

Meanwhile, the Partnership's operations and financial position will continue to be affected by Kazakhstan political developments including the application of existing and future legislation and tax regulations. The likelihood of such occurrences and their effect on the Partnership could have a significant impact on the Partnership's ability to continue operations. As at December 31, 2007, the Partnership does not believe that any material matters exist relating to developing markets and the evolving fiscal and regulatory environment in Kazakhstan, including current pending or future governmental claims and demands, which would require adjustment to this combined financial information.

Capital Commitments

As at December 31, 2007 the Partnership had contractual capital commitments in amount of US Dollars 186,148 thousand (2006: US Dollars 28,500 thousand).

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 Dollars 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.

Contingent Liabilities

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 Partnership.

The Partnership 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.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

20. CONTINGENT, COMMITMENTS AND OPERATING RISKS (continued)

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of Kazakhstan multiplied by 2.5. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at December 31, 2007. As at December 31, 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, except as provided for or otherwise disclosed in this combined financial information.

Abandonment and site restoration (decommissioning)

As Kazakh laws and regulations concerning site restoration and cleanup evolve, the Partnership may incur future costs, the amount of which is currently indeterminable. Such costs, when known, will be provided for as new information, legislation and estimates evolve.

Environmental

The Partnership may also be subject to loss contingencies relating to regional environmental claims that may arise from the past operations of the related fields in which it operates. As Kazakh laws and regulations evolve concerning environmental assessments and site restoration, the Partnership may incur future costs, the amount of which is currently indeterminable due to such factors as the ultimate determination of responsible parties associated with these costs and the Government's assessment of respective parties' ability to pay for the costs related to environmental reclamation. However, depending on any unfavourable claims or penalties assessed by the Kazakh regulatory agencies, it is possible that the Partnership's future results of operations or cash flow could be materially affected in a particular period.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Partnership's principal financial liabilities comprise bank loans, payables to Government of Kazakhstan, trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the development of the Chinarevskoye oil and gas condensate field and its operations. The Partnership financial assets consist of trade and other receivables, cash and cash equivalents.

The main risks arising from the Partnership's financial instruments are interest rate risk, foreign exchange risk, liquidity risk, commodity price risk and credit risk. The Partnership's management reviews and agrees policies for managing each of these risks which are summarized below.

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 not exposed to interest rate risk as rates of interest on its borrowings are fixed for the whole term of such borrowings.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign Currency 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's mitigates the effect of its structural currency exposure by borrowing in US Dollars and denominating sales in US Dollars.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Combined Entity's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ decrease in USD to Tenge exchange rate	Effect on profit before tax
2007		
US dollar	+ 5%	(6,934)
US dollar	- 5%	6,934
2006		
US dollar	+ 5%	(5,220)
US dollar	- 5%	5,220

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.

The table below summarizes the maturity profile of the Partnership's financial liabilities at December 31, 2007 based on contractual undiscounted payments:

Year ended December 31, 2007	On demand	Less than 3 months	3-12 months	1-5 years	more than 5 years	Total
Borrowings	–	3,061	42,460	203,982	–	249,503
Trade payables	30,459	–	5,309	–	–	35,768
Other current liabilities	4,971	–	–	–	–	4,971
Due to Government of Kazakhstan		1,289	773	4,124	18,814	25,000
	35,430	**4,350**	**48,542**	**208,106**	**18,814**	**315,242**

Year ended December 31, 2006	On demand	Less than 3 months	3-12 months	1-5 years	more than 5 years	Total
Borrowings	–	2,371	2,728	78,569	15,230	98,898
Trade payables	12,890	–	–	–	–	12,890
Other current liabilities	2,139	–	–	–	–	2,139
Due to Government of Kazakhstan	–	–	–	3,804	21,196	25,000
	15,029	**2,371**	**2,728**	**82,373**	**36,426**	**138,927**

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Commodity Price Risk

The Partnership is exposed to the effect of fluctuations in price of crude oil, which is quoted in US dollars on the international markets. The Partnership prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of crude oil prices in the future.

The Partnership does not hedge its exposure to the risk of fluctuations in the price of crude oil.

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 Bank Turan Alem, which has a credit rating of BB (negative) on long-term US dollar deposits from Standard and Poor's rating agency for the year ended 31 December, 2007 (2006: BB (positive)). The Partnership does not guarantee obligations of other parties.

The Partnership sales oil and makes advance payments only to recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Partnership's exposure to bad debts and recoverability of prepayments made is not significant and thus risk of credit default is low.

Fair values of financial instruments

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable willing parties according to arm's length conditions, other than in a forced or liquidation sale. As no readily available market exists for a large part of the 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, 2007.

22. SUBSEQUENT EVENTS

Facility agreement with BNP Paribas

The Partnership has entered into a US$ 550,000,000 senior secured 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. 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%.

NOTES TO THE COMBINED FINANCIAL INFORMATION (continued)
For the year ended December 31, 2007

22. SUBSEQUENT EVENTS (continued)

Facility agreement with BNP Paribas

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 Partnership collected revenue (in excess of US$25 million). The Partnership is also entitled to voluntarily prepay the amounts outstanding. The Partnership will be required to give customary representations and warranties, repeated periodically, and certain covenants.

The Partnership 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, as assessed by BNP Paribas, 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.

As at date of these financial statements the Partnership has drawn down US Dollars 321,291 thousand on the facility.

Initial Public Offering

As discussed in Note 1, pursuant to the Initial Public Offering on March 28, 2008, part of the proceeds raised were used to fulfil the conditions in the BNP Paribas facility agreement as discussed above.

Gas Treatment Facility

As a result of various meetings with vendors during the first quarter of 2008, on April 10, 2008 an addendum to the contract with KSS was concluded. This resulted in the value of the contract, originally signed in August of 2007, increasing by US Dollars 45 million to a total of US Dollars 227 million.

The expanded scope of work includes an additional gas-condensate separation unit with a capacity of 23.000 bbl/day of free condensate as well as a complete sour condensate stabilization unit equally with a capacity of 23.000 bbl/day, that will produce approximately 20.000 bbl/day of stabilized condensate.