

MINUTES
Annual General Meeting
KazMunaiGas Exploration Production JSC

Annual General Meeting of Shareholders (the Meeting) of KazMunaiGas Exploration Production JSC (the Company) located at: 2, Tauelsizdik str., Astana 010000, Republic of Kazakhstan was held on 28 May 2008 at 12.00 noon at: 1st floor, Sary-Arka 3 conference hall, Radisson SAS Hotel, 4/Sary-Arka Str., Astana, Kazakhstan.

Askar Balzhanov, Company CEO, announced that the Meeting was opened and gave floor to the chairman of the counting commission **Aygul Mukanova**.

The Chairman of the counting commission announced that in accordance with the list of the Company's shareholders provided by the Company Registrar, Security Center JSC, as of April 18, 2008 the total amount of the Company's outstanding shares is 74,357,042 shares including 4,136,107 preferred shares and 70,220,935 ordinary shares. The number of ordinary shares held by the owners, information on which is not available in Central Securities Depository, is 20,194,937 shares. In compliance with subparagraph 4, Article 1 of the Joint Stock Companies Law of Kazakhstan, voting shares shall not include shares repurchased by company and shares nominally held and belonging to beneficial shareholder whose identity is not recorded in the Central Securities Depository. It was announced that the Meeting has registered 4 shareholders present holding 86.33 per cent out of the total number of voting shares:

- 1 JSC National Company KazMunayGas represented by its authorized person Kenzhebek Niyazovich Ibrashev, Vice-President for Exploration & Production of JSC NC KMG (Power of Attorney #1-76 was issued on May 27, 2008), holding 43,087,006 ordinary shares (86.04 per cent out of total number of the Company shares);
- 2 The Bank of New York represented by its authorized person Almas Bolatovich Yeschanov (Power of Attorney dated May 22, 2008) holding 82,300 ordinary shares (0.16 per cent out of total number of the Company shares).
- 3 Kazkommerts Securities JSC represented by its authorized person Kalamkas Sabitovna Amanbayeva (Power of Attorney No.411 dated May 22, 2008) holding 1,968 ordinary shares (0.004 per cent out of total number of the Company shares).
- 4 Pension Savings Fund, Halyk Bank of Kazakhstan represented by its authorized person Dinara Rafikovna Kalybayeva, General Manager, Customer Service, Astana Branch holding 65,246 ordinary shares (0.13 per cent out of total number of the Company shares).

Total: Four shareholders holding 86.33 % (JSC NC KazMunayGas – 85.04%, Bank of New York – 0.16%, Kazkommerts Securities - 0.004%, Pension Savings Fund, Halyk Bank of Kazakhstan - 0.13%) out of the total number of the Company voting shares.

The quorum of the shareholders meeting was present.

A. Balzhanov proposed to elect Mr. Kenzhebek Ibrashev, Vice-President for Exploration & Production of JSC NC KMG as the chairman of the Meeting.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR 43,236,520 votes;

AGAINST no votes;
ABSTAIN no votes;

It was unanimously resolved: to elect Kenzhebek Ibrashev, Vice-President for Exploration & Production of JSC NC KMG, as the chairman of the Meeting of the Company.

A. Balzhanov advised that pursuant to p.10.39 of the Company Charter the Company Secretary shall act as the Secretary of the Meeting of the Company. Therefore, it was proposed electing Ayazhan Jaxybai as the Secretary of the Meeting.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR 43,236,520 votes;
AGAINST no votes;
ABSTAIN no votes;

It was unanimously resolved: to elect Ayazhan Jaxybai, the Company Secretary, as the Secretary of the Meeting.

A. Balzhanov advised that pursuant to article 46.2 of the Joint Stock Companies Law of Kazakhstan (hereinafter “the Law”) in the event a member of the counting commission is absent, additional election of a member of the counting commission is allowed during the meeting. In view of the aforesaid, the member of the current counting commission, Timur Almabekovich Nurushev, being absent, it was suggested electing Dzhambul Savitovich Alimov as a member of the counting commission during the Company’s Meeting.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR 43,236,520 votes;
AGAINST no votes;
ABSTAIN no votes;

It was unanimously resolved: to elect Dzhambul Savitovich Alimov as a member of the counting commission for the Company’s Meeting.

Then the Chairman of the Company’s Meeting advised the shareholders on the voting procedure and form at the Company’s Meeting. According to the law, shareholders holding voting shares may vote on all items on the agenda of the Meeting. It was proposed to use open voting for all the agenda items.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR 43,236,520 votes;
AGAINST no votes;
ABSTAIN no votes;

It was unanimously resolved: to use open voting on any agenda item at the Meeting.

The Chairman of the Meeting of the Company gave the floor to Ayazhan Jaxybai, the Company Secretary, to comment on determining the time limit for the Meeting. A. Jaxybai suggested providing up to 10 minutes to all the speakers, up to 5 minutes to the discussants, up to 7 minutes to the counting commission for

vote counting. Since no other suggestions were made on the issue, the issue was put to a vote. Voted 43,236,520 votes.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

It was unanimously resolved: to approve the following time limit for the Meeting of the Company: up to 10 minutes to all the speakers, up to 5 minutes to the discussants, up to 7 minutes to the counting commission.

A. Jaxybai, the Company Secretary spoke. Dear shareholders and shareholder representatives! The Board of Directors decided to call annual general meeting (Minutes No. 7 dated 3 April 2008). Information on calling the meeting was published in *Yegemen Kazakstan* and *Kazakhstanskaya Pravda* newspapers issued 11 April 2008.

The following agenda was proposed:

1. Approval of annual 2007 consolidated financial statements of the Company
2. Approval of the procedure for the Company's net income distribution and dividend rate per ordinary and preferred share of the Company following the results of 2007.
3. Approval of the Company's 2007 Annual Report
4. Information on KazMunaiGas E&P JSC shareholders' applications as to the activities of the Company and its officers and the results of their review.
5. Information on the remuneration package for the members of the Board of Directors and Management Board of KMG EP in 2007.
6. Report on the activities of the Company's Board of Directors and the Management Board for 2007
7. Composition of the Company's counting commission.
8. Early termination of powers of the Company's Board of Directors member.
9. Appointment of new member of the Company's Board of Directors.

Kenzhebek Ibrashev, as a representative of the Company's major shareholder, proposed to withdraw items 8 and 9 from the agenda on early termination of powers of E. Zhangaurov, the Company's Board of Directors member and appointment of U. Bayzhanov, new member of the Company's Board of Directors respectively. Such proposed was made in view of changes made in the organization structure of NC KMG.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,154,220 votes;
AGAINST	no votes;
ABSTAIN	82,300 votes;

It was unanimously resolved: to approve the following agenda:

1. Approval of annual 2007 consolidated financial statements of the Company
2. Approval of the procedure for the Company's net income distribution and dividend rate per ordinary and preferred share of the Company following the results of 2007.
3. Approval of the Company's 2007 Annual Report
4. Information on KazMunaiGas E&P JSC shareholders' applications as to the activities of the Company and its officers and the results of their review.
5. Information on the remuneration package for the members of the Board of Directors and Management Board of KMG EP in 2007.

6. Report on the activities of the Company's Board of Directors and the Management Board for 2007
7. Composition of the Company's counting commission.

Zhanneta Bekezhanova, Chief Financial Officer (Deputy CEO for Economics and Finance), spoke on the **first item** on the agenda. Dear shareholders and shareholder representatives! Pursuant to subparagraph 11.1.10 of the Company Charter, the approval of the Company's annual financial statements falls within exclusive competence of the AGM. The Company's 2007 consolidated financial statements audited by the external auditor of the Company Ernst and Young is hereby submitted for your approval. The 2007 annual consolidated financial statements and external auditor's report are posted on the Company's web-site: www.kmgep.kz.

Based on the 2007 Company's results there are following key figures presented in the financial statements:

- Revenues - KZT486,974,879 thousand.
- Operating expenses – KZT210,834,485 thousand
- Operating income – KZT276,140,394 thousand
- Financial income – KZT14,060,114 thousand
- Share in income of associated companies and joint ventures – KZT17,429,850 thousand
- Income before tax - KZT307,630,358 thousand
- Shareholders net income – KZT157,119,081 thousand

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

Resolution:

To approve the attached annual 2007 consolidated financial statements.

Zhanneta Bekezhanova, Chief Financial Officer (Deputy CEO for Economics and Finance), spoke on the **second item** on the agenda. Dear shareholders and shareholder representatives! In accordance with Article 44.3.3 of the Joint Stock Companies Law of Kazakhstan (hereinafter “the Joint Stock Companies Law”) and paragraph 10.28.3 of the Company Charter the materials relating to agenda of annual general meeting shall include recommendations of the Board of Directors as to the procedure for the Company's net profit distribution for the fiscal year to date and the dividend rate per ordinary and preferred share.

Pursuant to paragraph 8.8 of the Company's Charter the dividend rate attributed to a preferred share amounts to at least KZT25, and subject to Article 24.1 of the Joint Stock Companies Law shall not be less than dividend rate attributed to an ordinary share for the same period.

Pursuant to paragraph 8.1 of the Company Charter, the record date of shareholders having dividend rights may not be fixed before 10 calendar days after the date of dividend payment decision. The dividend payment commencement date shall be set on the day no sooner than 30 calendar days after the record date.

In view of the aforesaid and proposal made by the Board of Directors on (minutes No.8 dated April 8, 2008), the AGM is recommended to approve the following procedure for the Company's net profit distribution and the dividend rate per ordinary and preferred share following the Company's results for the year 2007:

- 1) the 2007 dividend rate per preferred share of the Company is KZT563.00 (including tax amount payable in the manner prescribed by the legislation of the Republic of Kazakhstan);

2) the 2007 dividend rate per ordinary share of the Company is KZT563.00 (including tax amount payable in the manner prescribed by the legislation of the Republic of Kazakhstan);

3) the procedure for the Company's net profit distribution for the reported financial year in the amount of KZT157 119 081 000 attributable to shareholders of the Company in compliance with audited consolidated financial statement at the end of 2007:

- the amount for the dividend payments is to be multiplication of the 2007 dividend rate per ordinary and per preferred share by the number of corresponding outstanding shares as of the record date of shareholders authorized to receive dividends;

- the remaining amount is to be at the Company's disposal;

4) the date and time for the record of shareholders entitled to dividends is June 9, 2008, 12.00 midnight;

5) the commencing date for dividend payments is July 28, 2008;

6) procedure and mode of dividend payment against the list of shareholders entitled to dividends will be effected by w/t to shareholders' bank accounts.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR 43,236,520 votes;

AGAINST no votes;

ABSTAIN no votes;

Resolution:

1. To approve the following procedure for distribution of the net profit of JSC KazMunaiGas EP, located at: 2, Tauelsizdik str., Astana 010000, Kazakhstan with the requisits as follows: JSC KazMunaiGas EP, TRN 620100210124, IIC 027467201, BIC 195301603, JSC Khalyk Bank of Kazakhstan, Astana regional branch, and the dividend rate per ordinary and preferred share of the Company following the 2007 results:

1) the 2007 dividend rate per preferred share of the Company is KZT563.00 (including tax amount payable in the manner prescribed by the legislation of the Republic of Kazakhstan);

2) the 2007 dividend rate per ordinary share of the Company is KZT563.00 (including tax amount payable in the manner prescribed by the legislation of the Republic of Kazakhstan);

3) the procedure for the Company's net profit distribution for the reported financial year in the amount of KZT157 119 081 000 attributable to shareholders of the Company in compliance with audited consolidated financial statement at the end of 2007:

- the amount for the dividend payments is to be multiplication of the 2007 dividend rate per ordinary and per preferred share by the number of corresponding outstanding shares as of the record date of shareholders authorized to receive dividends;

- the remaining amount is to be at the Company's disposal;

4) the date and time for the record of shareholders entitled to dividends is June 9, 2008, 12.00 midnight;

5) the commencing date for dividend payments is July 28, 2008;

6) procedure and mode of dividend payment against the list of shareholders entitled to dividends will be effected by w/t to shareholders' bank accounts.

2. That A.Balzhanov, CEO (Chairman of the Management Board) is to take necessary measures for implementing this resolution subject to the legislation of the Republic of Kazakhstan.

A. Balzhanov, Company CEO, spoke on the **third item** on the agenda. Dear shareholders and shareholder representatives! Pursuant to subclause 10.29 General Meeting of the Shareholders and subclause 12.2.41 Board of Directors of the Company Charter, and in order for the Company to comply with UKLA's Disclosure and Transparency Rules requirements and adhere to the corporate governance standards recommended by the Company's Code on Corporate Governance, the Management Board prepares the Company's Annual Report, the Board of Directors preliminarily approves and submits such reports for consideration of general meeting of shareholders.

The draft 2007 Annual Report for the purposes of validation and following submission for the Annual General Meeting of the Shareholders announced to be held on May 29, 2008 is hereby brought to your attention. The main sections of the 2007 Annual Report include:

- The Company's key financial and operating performance indicators in the year 2007;
- The Company's Profile;
- Statement of the Board's Chairman;
- Statement of CEO;
- New assets acquisition;
- Reserves and exploration details
- Core business description;
- Social programs and personnel development;
- Environmental management;
- Board of Directors composition and background profile of each Director;
- Corporate Governance;
- Review of financial standing and financial and economic performance in 2007;
- The Company's consolidated financial statements for the year ended 31 December 2007.

The Company's 2007 Annual Report is available on the Company web site: www.kmgep.kz.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

Resolution:

To approve the Company's 2007 Annual Report.

A. Jaxybai, the Company Secretary, spoke on the **fourth item** on the agenda. Dear shareholders and shareholder representatives! Pursuant to clause 2 of article 35 of the Joint-Stock Companies Law of Kazakhstan and clause 10.3, section 10 of the Company Charter, the annual general meeting of shareholders considers shareholders' applications as to the activities of the Company and its officers and the results of their review.

The following applications addressed to the Company came in 2007:

1. Regarding provision of materials on the agenda of general meeting of shareholders.

- Application from Pension Savings Fund, Halyk Bank, Kazakhstan dated 6 March 2007 on materials on extraordinary general meeting agenda held on 12 April 2007.

- Application No.21 from Yntymak JSC dated 12 March 2007 on materials on extraordinary general meeting agenda of 12 April 2007.

In response to these applications, the Company sent letters containing materials of extraordinary general meeting agenda. The materials contain complete information for making grounded decisions on any agenda issues (letter dated 19 March 2007 # 01-13/1441 and 01-14/1443 respectively).

- Application No. 22-11/214/1248 from Retirement Savings Plan of Halyk Bank of Kazakhstan JSC dated 6 March 2007 on materials on extraordinary general meeting agenda dated 18 May 2007.

In response to this application, the Company sent Letter 01-13/2365 dated 3 May 2007 containing materials of extraordinary general meeting agenda. The materials contain complete information for making grounded decisions on any agenda issues

- Application from Mrs. A. McCoy, Analyst, Institutional Shareholder Services (ISS) (UK) (of 15 and 19 October 2007) on materials on extraordinary general meeting agenda of 30 October 2007 to provide further explanation to the Company's shareholders as their clients

The response on this application was considered by the Company and sent to the addressee with complete explanation on the agenda (Letter dated 22 October 2007).

2. Concerning providing the General Meeting Agenda

- Application No. 22-11/267/1637 from Pension Savings Fund, Halyk Bank, Kazakhstan dated 6 March 2007 on providing a copy of the annual general meeting agenda held on 18 May 2007.

In response, the Company sent the copy of the agenda (Letter dated 30 May 2007 # 01-14/2760).

3. Concerning a shareholder's proposal to an issue on the agenda of a general meeting.

Pension Savings Fund, Halyk Bank, Kazakhstan made request No. 22-11/82/69 dated 30 October, 2007 on considering in the general meeting the Fund's proposal to consider possibility of setting in the Company's Corporate Governance Code and Dividend Policy equal rights for shareholders and depositary receipt holders, and provide for a procedure of paying dividends to shareholders and depositary receipt holders to avoid that Company unreasonably withholds depositary receipt income tax, which are held by Kazakh residents.

In response, the Company sent the Letter dated 19 November 2007 #01-03/5572 with appropriate explanations for these proposals, in particular concerning the rights of Company's GDR holders and procedures for paying dividends to such holders.

4. Concerning payment of dividends to the Company's shareholders.

In relation to the 20 December 2006 claim from T. Dzhumambetov, Company's shareholder, on collecting dividend debt and forfeit for unlawful use of someone else's money, the Almaty District Civil Court, Astana, made the decision in March 28, 2007 to deny the claim.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

Resolution: To take note of the information provided.

U. Karabalin, Chairman of the Board of Directors, spoke on the **fifth item** on the agenda. Dear shareholders and shareholder representatives! The Board of Directors of the Company comprises eight people, including three independent non-executive directors.

The following changes occurred in the Board of Directors membership during 2007:

- as per resolution of the general meeting of shareholders of the Company dated October 30, 2007, the powers of E. Ogai, a member of the Board of Directors of KazMunaiGas Exploration Production JSC

were terminated before the end of the term of office, and Kenzhebek Ibrashev was appointed as a new member of the Board of Directors of the Company.

- as per resolution of general meeting of shareholders dated January 28, 2008, it was resolved that the term of office of the member of the Board of Directors, A. Syrgabekova, be terminated before the end of the term of office, and that Zhannat Satubaldina be appointed as a new member of the Company's Board of Directors.

In 2007 only three independent non-executive members of the Board of Directors were compensated for their work in the Board of Directors out of eight members of the Board of Directors. In 2007 the total compensation for independent members of the Board of Directors was KZT84,304 thousand. They are: KZT28,123 thousand to Christopher Mackenzie; KZT29,477 thousand to Paul Manduca; KZT26,704 thousand to Edward Walshe.

The compensation for independent members of the Board of Directors consists of annual fee, fee for participation in meetings of the Board of Directors in person and general meeting of shareholders of the Company, fee for participation the meetings of the Board of Directors of the Company by conference call or video communication, fee for participation in meetings of independent members of the Board of Directors of the Company, fee for chairing the Audit Committee of the Board of Directors of the Company, the Remuneration Committee, and the Strategic Planning Committee of the Board of Directors of the Company.

As of 31/12/2007, the Management Board of the Company comprises seven members:

Subject to the Company's Order No.26-JI dated February 1, 2008, the employment of A. Aubakirov, a member of the Management Board, was terminated as agreed by the parties.

In 2007 all the members of the Management Board were paid compensation consisting of salary, health insurance, quarterly bonuses, 2006 annual bonus and other bonuses related to the Company's performance for 2006 (premia for Special Tasks in 2006). The total amount of remuneration of the members of the Management Board in 2007 was KZT355,224 thousand (USD671 thousand). Individual compensation for the Management Board members, including salary, bonuses: Askar Balzhanov: KZT82,221 thousand; Vladimir Miroshnikov: KZT69,336 thousand; Zhanneta Bekezhanova: KZT67,104 thousand; Askar Aubakirov: KZT22,940 thousand; Kairolla Erezhepov: KZT17,912 thousand; Murat Kurbanbayev: KZT54,262 thousand; Bagitkali Biseken: KZT18,594 thousand; M. Izbasov: KZT22,854 thousand (earlier terminated the powers of the member of the Company's Management Board by the resolution No.1 of the Company's Board of Directors dated January 26, 2007).

Moreover, the members of the Board of Directors and the Management Board were awarded with GDR options according to the Option Plan. Detailed information is given in the AGM resolutions.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

Resolution: To take note of the information provided.

U. Karabalin, Chairman of the Board of Directors, spoke on the **sixth item** on the agenda. Dear shareholders and shareholder representatives! Pursuant to article 9 Assessment of the Board Activities of the By-laws on the Board of Directors of the Company, when providing annual report and consolidated financial statements of the Company, the Board of Directors shall submit report on the activities of the Company's Board

of Directors and the Management Board to the annual shareholders' general meeting, including complete information on the issues to be resolved by the Board of Directors and Management Board.

The Board of Directors held 23 meetings in 2007, including 7 meeting by voting in person, 1 meeting by voting in person through a conference call and 15 meetings by absent voting.

Within its competence, the Board of Directors reviewed management, operational planning and control, and development strategy of the Company. The Board of Directors approved the transaction on acquisition of 50% stake in Kazgermunai and 50%, transactions related to the acquisition of 50% stake in CITIC Canada Energy Limited, and approved establishing the Company's subsidiary Engineering Center. The Board of Directors formed a Strategic Planning Committee, and approved the Strategic Planning Committee Regulation.

In view of amendments in the legislation of the Republic of Kazakhstan, the Board of Directors approved the new Charter, the Company's Corporate Governance Code and the By-Laws on the Board of Directors and the Procedure for Valuation of Shares of KazMunaiGas Exploration Production Joint Stock Company at repurchase by the Company.

Within its competence, the Board of Directors approved the By-laws on Information Policy, By-laws on Budgeting, By-laws on Housing Loan Scheme for Employees of the Company, Company's Securities Transactions Policy, Amendments in the Company's Option Plan, and Rules on Business Trip.

In addition, the Board of Directors reviewed a number of the Company's related party transactions; participation in other organizations; amendments to some internal documents; number of the members of the Internal Audit and the term of office of the Internal Audit and its director. In 2007, at formal meetings, the Board of Directors was provided with information from the CEO on such issues as preliminary financial and operating results, General Accounting and Tax and Tax Planning Department, Drilling and Workover Department, Geology and Development Department, Human Resources and Social Development Department and Information Policy Department. The corporate broker submitted to the Board of Directors information on the securities market, and disclosure requirements.

The Board of Directors' Audit Committee, Remuneration Committee, Nominations Committee and Strategic Planning Committee performed their activities according to the Regulations thereon.

In 2007, the Audit Committee held 7 meetings and reviewed such issues as the Internal Audit and its director; approval of the consolidated interim financial statement; selection of the Company's auditor; amendments to the Accounting Policy related to the assets purchased; internal controls improvement project; approval of the Audit Policy; and approval of KPI for internal auditing. The Audit Committee was also provided with information such as the activities on the comments the Ernst and Young indicated in its letter on material shortcomings; disclosure requirements; and problematic issues in Kazgermunai management.

The Remuneration Committee held 7 meetings and reviewed issues such as 2007 options; remuneration strategy and system; key performance indicators (KPI) for the Management Board's members; consideration and approval of the Option Plan Regulation; bonuses to the Company's workers based on the 2007 results; and increase in the top management remuneration.

The Nominations Committee held 2 meetings and considered appointments of the new members of the Board of Directors.

The Strategic Planning Committee was established in September 12, 2007. The members are A. Balzhanov and K. Ibrashev and E. Walshe, Independent Director, the Chairman. 1 formal meeting was held in 2007 where presentation was made on the Company's 2008-2012 development opportunities.

The Management Board, an executive body, manages the Company's current activities. In 2007, the Management Board, on the regular basis and as was necessary, had 36 meetings, of which 4 meetings by present voting and 32 meetings by absent voting. During 2007, the Management Board considered the most important issues concerning regulation of the Company's operational activities, as well as rules and standards regulating and determining the internal business processes, including the budgeting and business planning regulation for 2008 and 2008-2012, annual public goods/words/services procurement, and approval of procedures regulating the Company's internal activities according to IMS standards, etc. As well, according to the Charter, some issues attributed to the exclusive competence of the Board of Directors are subject to preliminary approval by the Company's Management Board. The Management Board approved the annual production program, budget, business plan for 2008-2012 and a number of strategic deals such as buying 50% interest in JV Kazgermunai LLP, buying 50% of shares of CITIC Canada Energy Limited, and establishment of

Engineering Center, Company's subsidiary. According to the approved budget based on the Management Board's decisions, sponsorship was provided (to poor families, athletic facilities, social funds, children and pensioners to recreate in health camps, etc.).

According to the subparagraph 9.2., Section 9 of the By-laws on the Board of Directors, Assessment of the Board Activities, to improve corporate management and the activities of the Board of Directors, a comprehensive evaluation of the Board of Directors was accomplished in 2007. An external independent consultant, CJSC Corporate Development Centre of Independent Directors' Association, was hired for the evaluation. As a whole, positive evaluation was given in relation to the Board of Directors' structural and functional performance, documentation quality, interaction with the Company's top management, and communications inside of the Board of Directors.

Further development of the Board of Directors was acknowledged to include intensifying the Board of Directors' committees; increasing the role and responsibility of the Board of Directors in making strategic decisions; planning succession of the top management team; regular analysis and comparison of the results of the Board of Directors with the practice of similar companies.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

Resolution: To take note of the information provided.

A. Jaxybai, the Company Secretary, spoke on the **seventh item** on the agenda. Dear shareholders and shareholder representatives! Pursuant to Article 36.1.4 of the Joint Stock Companies Law and Section 11.1.7 of the Company Charter, the setting of membership and term of office of the counting commission, election of its members and early termination of their powers fall within exclusive competence of the Board of Directors.

In view of termination by the Company of employment of Timur Nurushev, member of the current counting commission, it is proposed to terminate his powers before the end of term of office and elect a new member of the Company's counting commission Dzhambul Alimov, Secretary of the Management Board.

At the same time, subject to the resolution of the Company's General Meeting (dated 3 October, 2005) the term of office of the current counting commission was set for 3 years starting from October 3, 2005. Taking into account that the term of office of the existing counting commission expires on October 3, 2008 it is suggested to extend the term of office of the current members of the counting commission from October 3, 2008 to October 3, 2011.

The issue was put to a vote. Voted **43,236,520** votes.

Votes:

FOR	43,236,520 votes;
AGAINST	no votes;
ABSTAIN	no votes;

Resolution:

1. To terminate powers of Timur Nurushev, member of the current counting commission and appoint a new member of the counting commission Dzhambul Alimov for the term of office not exceeding term of office of the Company's current counting commission.

2. To extend the term of office of the current counting commission of the Company from October 3, 2008 to October 3 2011.

There being no further matters to discuss, the Chairman thanked the shareholders and brought the meeting to a close.

Chairman

K. Ibrashev

Secretary

A. Jaxybai

Members of the Counting Commission:

A. Mukanova

G. Ayaganova

D. Alimov

**Shareholder holding over 10 per cent
of ordinary shares**

K. Ibrashev