



# Q1 2013 Results

**ZHAIKMUNAII**

*21 May 2013*

## Q1 2013 – Reaching full capacity

### Q1 2013 results show Zhaikmunai's achievement of production goals

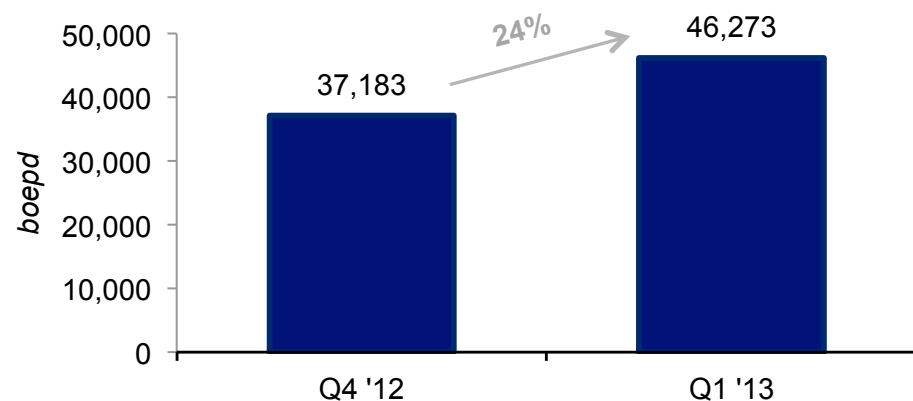
- 1 Substantial increase in production – 24% increase since Q4 '12
- 2 Expansion of drilling program – 6 rigs in operations
- 3 Maintenance of superior margins – 67% EBITDA margins in Q1 reflecting operational leverage
- 4 Continued cash flow growth – \$98m in operating cash flows
- 5 Strong cash position – Increase in cash position of 14% to \$287m
- 6 Expansion of reserve base – MOU signed transfer of subsoil rights for new fields

Another quarter of delivery and laying the foundations for further growth

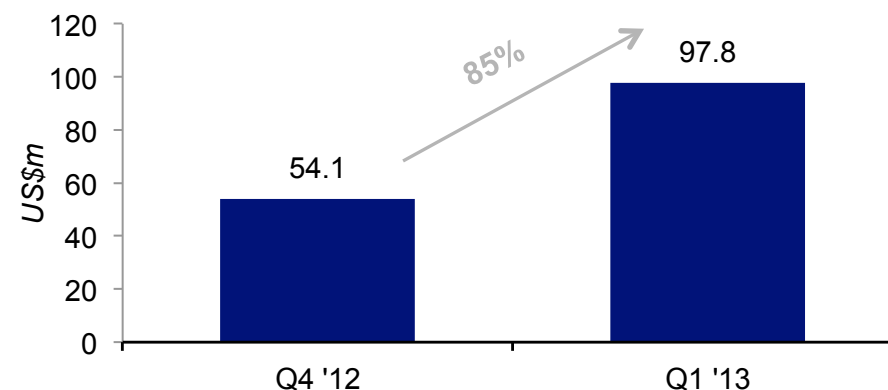


# Progress – Snapshot<sup>(1)</sup>

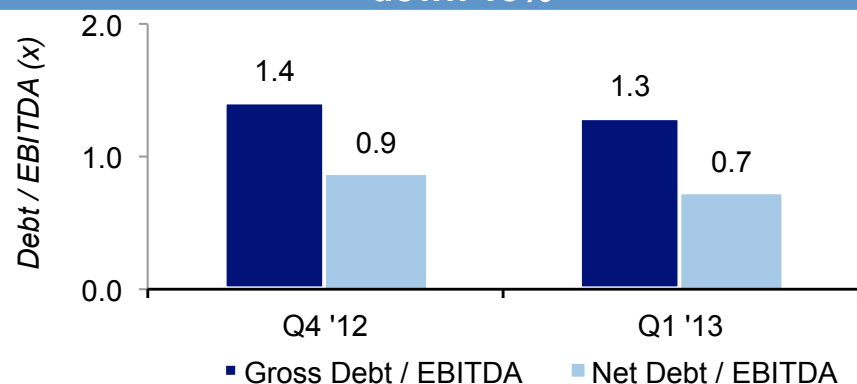
## Production – +24%



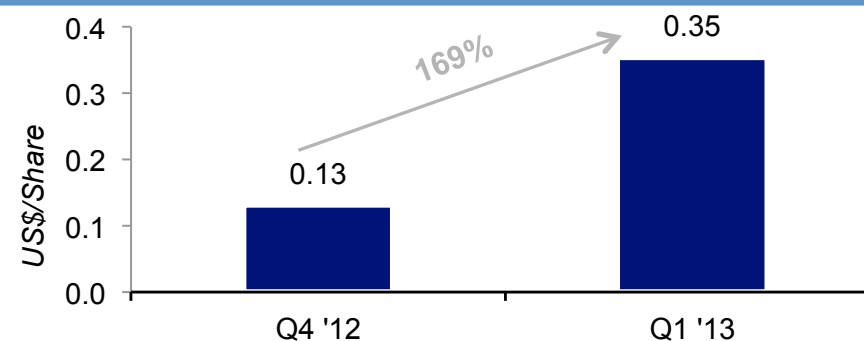
## Net Operating Cash flows<sup>(2)</sup> – + 85%



## Enhanced Credit Metrics – Net debt / EBITDA down 15%



## Earnings per share



**Scale production & cash flow growth delivered enhancing capital structure and delivering shareholder value**

(1) Q4 results include adjustments for the full year (e.g., royalties, income taxes, etc.)

(2) Calculated as Profit before income tax, and adjusted for D&A, accrual of share option expenses, finance costs, interest income, loss on disposal of PPE, reversal of tax provision, FX gain, changes in working capital, income tax paid and payments under ESOP





## Q1 2013 Financial Results



## Financial Overview – Q1 2013 vs. Q4 2012

US\$m (unless otherwise stated)	Q1 2013	Q4 2012	Change (%)
<b>Revenue</b>	<b>229</b>	214	7%
Operating Profit	117	90	31%
<b>EBITDA<sup>(1)</sup></b>	<b>153</b>	117	30%
Profit after Tax	66	25	170%
Earnings per share (US\$) <sup>(2)</sup>	0.35	0.13	170%
Dividend per share (US\$)	-	-	n/a
Capital Expenditure <sup>(3)</sup>	42	102	XX%
<b>Net cash flows from operating activities</b>	<b>98</b>	54	85%
Gross debt	653	653	0%
Cash & cash equivalents <sup>(4)</sup>	287	251	13%
Net debt	365	401	(9%)
<b>Net debt / EBITDA (x)</b>	<b>0.73</b>	0.85	(17%)

**Substantial growth in profitability and cashflow combined with a capital structure that facilitates a balanced approach to investing in growth and shareholder return**

(1) Calculated as profit before tax + road maintenance expenses + finance costs + foreign exchange loss/(gain) + ESOP expense + depreciation – interest income + other expenses

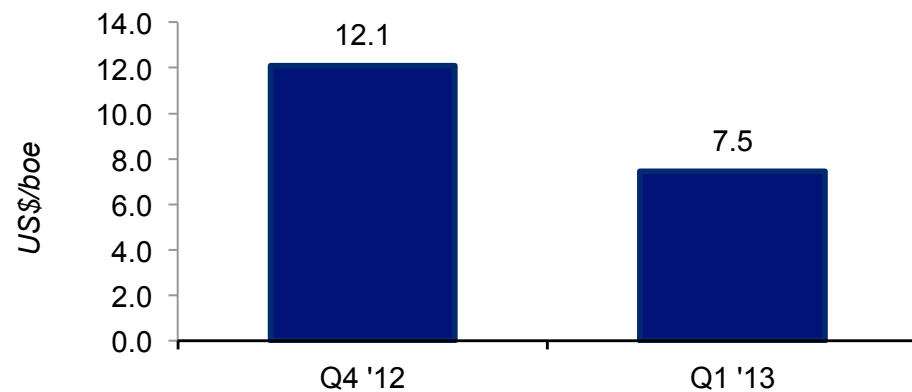
(2) Based on and 188m GDRs

(3) Cash capital expenditures, excluding VAT

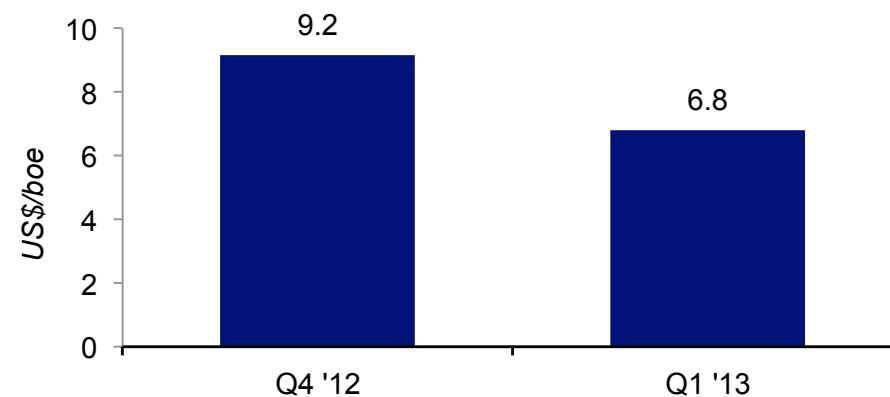
(4) Including restricted cash and short term deposits

# Key performance indicators

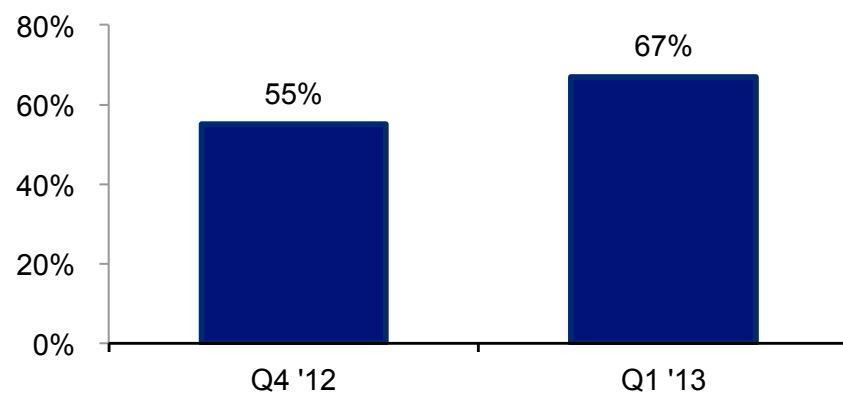
Opex/boe<sup>(1)</sup>



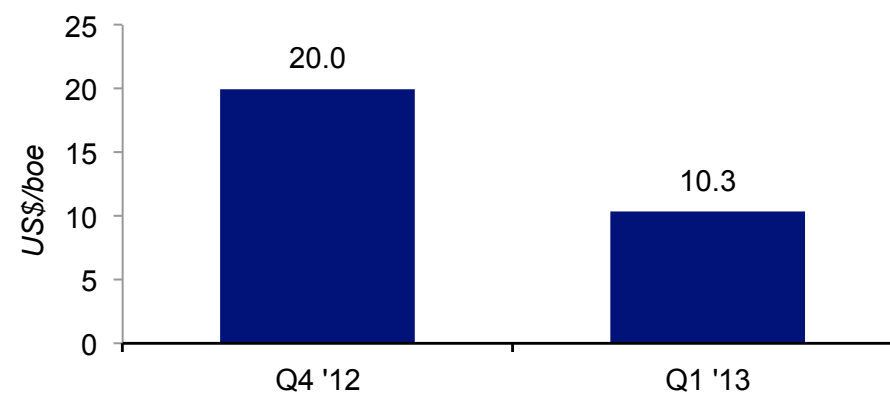
Transport costs/boe



EBITDA margin



Tax/boe<sup>(2)</sup>



Improved operating metrics

(1) Opex excludes depreciation, ESOP expenses, transport expenses, road maintenance expenses and PSA expenses.  
(2) Tax includes royalties, government share and income tax expenses

# Strong Balance Sheet and Enhanced Credit Metrics

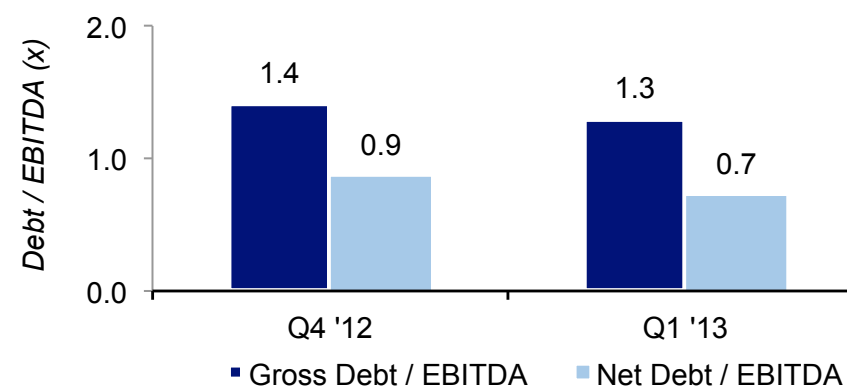
## Highlights

- Lowered Net Debt/EBITDA by 15%
- Improved EBITDA Margins
- Increased cash position by 14% to \$287m

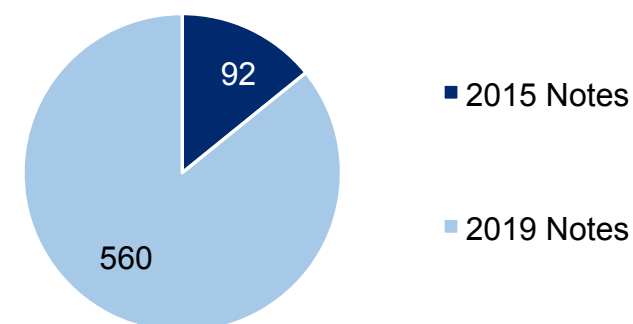
## Net Debt – US\$401m

US\$m	
<b>Total debt, including:</b>	<b>652.5</b>
2015 Notes	92.5
2019 Notes	560.0
<b>Cash &amp; cash equivalents<sup>(1)</sup></b>	<b>287.3</b>
<b>Net Debt</b>	<b>365.2</b>

## Credit Metrics – Net debt / EBITDA < 1.0 x



## Maturity Profile – 85% > 5 years



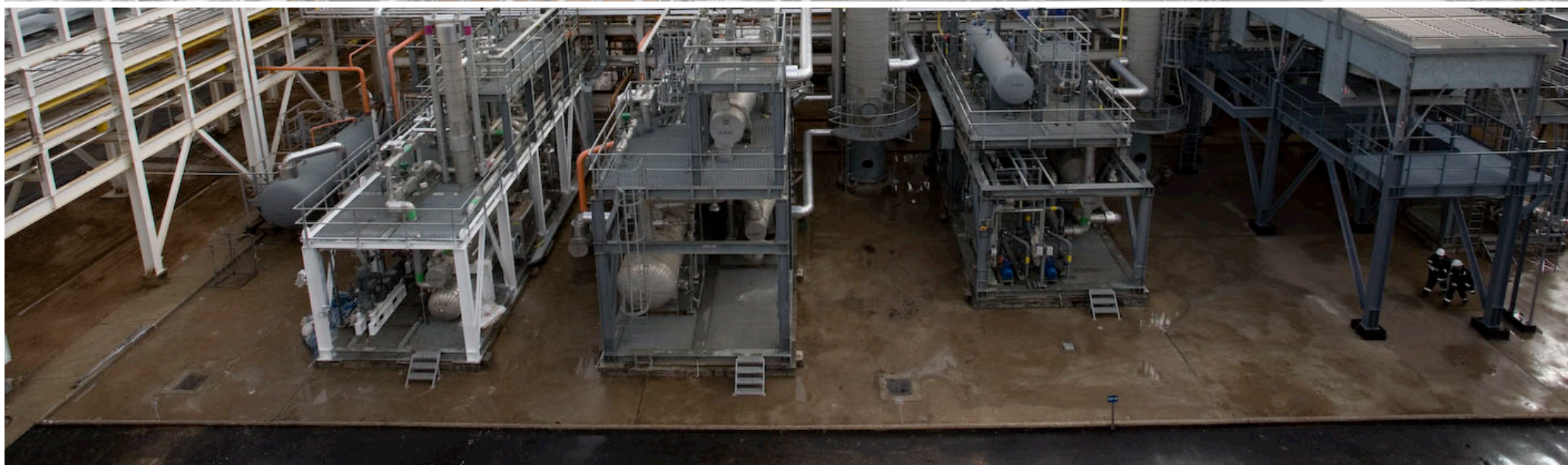
Robust capital structure ensures significant financial flexibility is retained

(1) Including restricted cash and short term deposits





## Supporting Materials





# Consolidated Statement of Financial Position

<i>In thousands of US Dollars</i>	<b>March 31, 2013 (unaudited)</b>	<b>December 31, 2012 (audited)</b>
<b>ASSETS</b>		
Exploration and evaluation assets	15,937	-
Property, plant and equipment	1,240,817	1,222,665
Restricted Cash	3,766	3,652
Advances for equipment and construction works	13,038	25,278
<b>Non-Current Assets</b>	<b>1,273,558</b>	<b>1,251,595</b>
Inventories	23,615	24,964
Trade receivables	67,876	54,004
Prepayments and other current assets	23,626	24,369
Short-term investments	50,000	50,000
Cash and cash equivalents	233,535	197,730
<b>Current Assets</b>	<b>398,652</b>	<b>351,067</b>
<b>TOTAL ASSETS</b>	<b>1,672,210</b>	<b>1,602,662</b>
<b>EQUITY AND LIABILITIES</b>		
Partnership capital	371,147	371,147
Additional paid-in capital	6,095	6,095
Retained earnings and translation reserve	383,767	317,862
<b>Partnership Capital and Reserves</b>	<b>761,009</b>	<b>695,104</b>
Long term borrowings	617,041	615,742
Abandonment and site restoration liabilities	10,823	11,064
Due to Government of Kazakhstan	6,021	6,122
Employee share option plan	9,605	9,788
Deferred tax liabilities	144,068	148,932
<b>Non-Current Liabilities</b>	<b>787,558</b>	<b>791,648</b>
Current portion of long term borrowings	19,556	7,152
Trade payables	47,260	58,390
Advances received	1,011	60
Income tax payable	22,623	11,762
Current portion of Due to Government	1,031	1,031
Other current liabilities	32,162	37,515
<b>Current Liabilities</b>	<b>123,643</b>	<b>115,910</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,672,210</b>	<b>1,602,662</b>

Source: IFRS Financial Statements.

# Consolidated Statement of Comprehensive Income

Three months ended March 31

<i>In thousands of US Dollars</i>	<b>2013 (unaudited)</b>	2012 (unaudited)
<b>Revenue</b>		
Revenue from export sales	<b>196,712</b>	139,287
Revenue from domestic sales	<b>31,814</b>	24,108
	<b>228,526</b>	163,395
Cost of sales	<b>-72,402</b>	-44,393
<b>Gross Profit</b>	<b>156,124</b>	119,002
General and administrative expenses	<b>-11,101</b>	-11,146
Selling and transportation expenses	<b>-28,330</b>	-21,475
Finance cost	<b>-11,571</b>	-9,897
FX (loss) / gain	<b>9</b>	146
Interest income	<b>258</b>	97
Other expenses	<b>-2,839</b>	-771
Other income	<b>1,005</b>	-
<b>Profit before income tax</b>	<b>103,555</b>	75,956
Income tax expense	<b>-37,650</b>	-27,515
<b>Profit for the period</b>	<b>65,905</b>	48,441

Source: IFRS Financial Statements.

# Consolidated Statement of Cash Flows

<i>In thousands of US Dollars</i>	<b>Three month ended March 31,</b>	
	<b>2013</b> <b>(unaudited)</b>	<b>2012</b> <b>(unaudited)</b>
<b>Cash flow from operating activities:</b>		
Profit before income tax	<b>103,555</b>	75,956
Adjustments for:		
Depreciation and amortisation	<b>36,031</b>	21,923
Finance costs	<b>11,571</b>	9,897
Interest income	<b>-258</b>	-97
FX (gain)/loss	<b>4</b>	-103
Accrual of share option expenses	<b>-183</b>	2,564
Accrued liabilities	<b>-</b>	2,966
<b>Operating profit before working capital changes</b>	<b>150,720</b>	113,106
Changes in working capital:	-21,310	-30,032
<b>Cash generated from operations</b>	<b>129,410</b>	83,074
Income tax paid	<b>-31,653</b>	-1,825
Share option expense	<b>-</b>	-2,593
<b>Net cash flow from operating</b>	<b>97,757</b>	78,656
<b>Cash flow from investing activities:</b>		
Interest received	<b>258</b>	97
Purchases of PP&E	<b>-60,748</b>	-65,194
<b>Net cash used in investing</b>	<b>-60,490</b>	-65,097
<b>Cash flow from financing activities:</b>		
Finance costs paid	<b>-</b>	-2,026
Transfer to/(from) restricted cash	<b>-114</b>	-113
Interest and related costs paid	<b>-1,347</b>	-
Treasury shares sold	<b>-</b>	4,334
<b>Net cash provided by financing</b>	<b>-1,461</b>	-2,195
<b>Net increase in cash</b>	<b>35,806</b>	15,754
Cash, BOP	<b>197,730</b>	125,393
<b>Cash, EOP</b>	<b>233,535</b>	141,147

Source: IFRS Financial Statements.



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