United States
Securities and Exchange Commission
Washington, DC 20549

FORM 10-QSB

Quarterly Report Under Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the Quarter Ended December 31, 2004	Commission File Number 000-28638

BMB MUNAI, INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization

30-0233726

(I.R.S. Employer Identification No.)

20A Kazibek Bi Street, Almaty, 480100 Kazakhstan

(Address of principal executive offices)

+7 (3272) 58-85-17/47

(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date: common stock, par value $0.001; 28,513,766 shares outstanding as of February 3, 2005.

Transitional small business disclosure format (check one) Yes [ ] No [X]

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

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BMB MUNAI, INC.
(A Development Stage Entity)
CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2004 (Unaudited)	March 31, 2004
<S>	<C>	<C>
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,063,270	$ 2,126,355
MARKETABLE SECURITIES	776,817	2,879,136
INVENTORIES	3,353,255	183,884
PREPAID AND OTHER ASSETS	4,769,890	522,148
INTEREST RECEIVABLE	17,539	-
LOAN RECEIVABLE	370,987	-
TOTAL CURRENT ASSETS	10,351,758	5,711,523
LONG TERM ASSETS		
FIXED ASSETS LESS ACCUMULATED DEPRECIATION	987,651	259,653
OIL AND GAS PROPERTIES, FULL COST METHOD, LESS ACCUMULATED DEPRECIATION	42,836,248	12,489,931
INTANGIBLE ASSETS	15,670	5,411
RESTRICTED CASH	60,057	20,000
DEPOSITS	23,672	21,172
TOTAL LONG TERM ASSETS	43,923,298	12,796,167
TOTAL ASSETS	$ 54,275,056	$ 18,507,690
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 1,702,006	$ 332,487
DUE TO RESERVOIR CONSULTANTS	278,000	278,000
ACCRUED LIABILITIES	121,335	56,232
TOTAL CURRENT LIABILITIES	2,101,341	666,719
LONG TERM LIABILITIES		
DUE TO RESERVOIR CONSULTANTS	222,000	222,000
DUE TO THE GOVERNMENT OF KAZAKHSTAN	5,994,745	5,994,745
LIQUIDATION FUND	60,057	20,000
TOTAL LONG TERM LIABILITIES	6,276,802	6,236,745
TOTAL LIABILITIES	8,378,143	6,903,464
MINORITY INTEREST	-	82,134
COMMITMENTS AND CONTINGENCIES		

SHAREHOLDERS' EQUITY

CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL		
Preferred Stock, $0.001 par value		
Authorized - 20,000,000 shares		
Issued and outstanding - None	-	-
Common Stock, $0.001 par value		
Authorized - 100,000,000 shares		
Issued and outstanding - 28,513,762	28,514	20,429
ADDITIONAL PAID IN CAPITAL	48,494,266	12,115,445
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(2,625,867)	(613,782)
TOTAL SHAREHOLDERS' EQUITY	45,896,913	11,522,092
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 54,275,056	$ 18,507,690

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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BMB MUNAI, INC.
(A Development Stage Entity)
UNAUDITED CONSOLIDATED STATEMENTS OF THE LOSS

	Three Months Ended December 31, 2004	Three Months Ended December 31, 2003	Nine Months Ended December 31, 2004	Period from inception (May 6, 2003) through December 31, 2003	Period from inception (May 6, 2003) through December 31, 2004
<S>	<C>	<C>	<C>	<C>	<C>
REVENUES					
OIL SALES	$ 55,904	$ -	$ 347,891	$ -	$ 347,891
EXPENSES					
OPERATING COSTS					
PRODUCTION COSTS	(24,370)	-	(85,619)	-	(85,619)
GENERAL AND ADMINISTRATIVE	(1,298,613)	(196,412)	(2,716,894)	(226,508)	(3,498,651)
DEPRECIATION AND AMORTIZATION	(21,917)	(271)	(49,103)	(271)	(53,861)
TOTAL EXPENSES	(1,344,900)	(196,683)	(2,851,616)	(226,779)	(3,638,131)
LOSS FROM OPERATIONS	(1,288,996)	(196,683)	(2,503,725)	(226,779)	(3,290,240)
OTHER INCOME (EXPENSE)					
REALIZED GAINS ON MARKETABLE SECURITIES	46	-	58,944	-	78,312
UNREALIZED GAIN (LOSS) ON MARKETABLE SECURITIES	4,666	197,550	(287,944)	197,550	(39,537)
NET INTEREST INCOME (EXPENSE)	126,331	(29,463)	122,430	(86,702)	38,423
FOREIGN CURRENCY EXCHANGE GAIN	329,339	-	532,025	-	602,974
OTHER INCOME / EXPENSE (NET)	(9,049)	(25,920)	(9,049)	(26,967)	(9,049)
TOTAL OTHER INCOME (EXPENSE)	451,333	142,167	416,406	83,881	671,123
NET LOSS BEFORE INCOME TAXES AND MINORITY INTEREST	(837,663)	(54,516)	(2,087,319)	(142,898)	(2,619,117)
INCOME TAX EXPENSE	6,750	-	6,750	-	6,750
NET LOSS BEFORE MINORITY INTEREST	(844,413)	(54,516)	(2,094,069)	(142,898)	(2,625,867)

MINORITY INTEREST	-	(50,443)	-	(51,175)	-
NET LOSS	$ (844,413)	$ (104,959)	$ (2,094,069)	$ (194,073)	$(2,625,867)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	28,513,761	17,190,833	25,128,792	16,049,400	20,848,144
LOSS PER COMMON SHARE BASIC AND DILUTED	$ (0.03)	$ (0.01)	$ (0.08)	$ (0.01)	$ (0.13)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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BMB MUNAI, INC.
(A Development Stage Entity)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

<S>	Nine Months Ended December 31, 2004 <C>	Period from inception (May 6, 2003) through December 31, 2003 <C>	Period from inception (May 6, 2003) through December 31, 2004 <C>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss	$ (2,094,069)	$ (194,073)	$ (2,625,867)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Depreciation and amortization	49,103	271	53,861
Minority interest in operations of subsidiary	-	51,175	
Changes in operating assets and liabilities			
Increase in inventories	(3,169,371)	(391,452)	(3,353,255)
Increase in prepaid and other assets	(4,265,281)	(70,158)	(4,787,429)
Increase in account payable and accrued liabilities	1,434,622	722,841	2,101,341
Restricted cash	(40,057)	-	(60,057)
Deposits	(2,500)	(21,172)	(23,672)
Net cash provided by (used in) operating activities	(8,087,553)	97,432	(8,695,078)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in short term loan receivable	(370,987)	-	(370,987)
Cash proceeds from sale of marketable securities	2,102,319	-	-
Purchase of marketable securities	-	-	(776,817)
Acquisition of fixed assets	(775,016)	(165,600)	(1,039,427)
Acquisition of intangible assets	(12,344)	-	(17,755)
Purchase of oil and gas properties	(11,231,410)	(5,515,482)	(17,484,596)
Net cash used in investing activities	(10,287,438)	(5,681,082)	(19,689,582)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of common stock	17,311,906	9,936,024	27,247,930
Repayment of short-term financing	-	(500,000)	(500,000)
Procceds from short-term financing	-	500,000	500,000
Proceed from issuanse of convertible debt	-	2,000,000	2,000,000
Proceeds from execise of common stock options	-	200,000	200,000
Net cash provided by financing activities	17,311,906	12,136,024	29,447,930
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,063,085)	6,552,374	1,063,270
Cash at Beginning of the Period	2,126,355	-	-
Cash at End of the Period	$ 1,063,270	$ 6,552,374	$ 1,063,270

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NON-CASH TRANSACTIONS

Acquisition of 30% of Emir Oil LLC by issuance 3,500,0000 common stock	$ 19,075,000

</TABLE>

BMB MUNAI, INC.
(A Development Stage Entity)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A -ORGANIZATION, BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

The Company was incorporated in Delaware on February 7, 1994. Prior to November 26, 2003, the Company existed under the name InterUnion Financial Corporation ("InterUnion"). The Company changed domicile from the State of Delaware to the State of Nevada in December 2004.

On November 26, 2003, InterUnion executed an Agreement and Plan of Merger (the "Agreement") with BMB Holding, Inc ("BMB"), a private Delaware corporation, formed for the purpose of acquiring and developing of oil and gas fields in the Republic of Kazakhstan.

The Company has minimal operations to date and is considered to be in the development stage. The Company began test production at one well in May 2004 and at two wells in December 2004.

The financial information included herein is unaudited. However, such information includes all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for a fair statement of the results of operations for the interim periods. The results of operations for the interim period are not necessarily indicative of the results to be expected for an entire year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in this Form 10-QSB Report pursuant to certain rules and regulations of the Securities and Exchange Commission. These financial statements should be read in conjunction with the financial statements and notes included in our March 31, 2004 Form 10-KSB Report.

BASIS OF CONSOLIDATION

The Company's financial statements present the consolidated results of BMB Munai, Inc., and Emir Oil LLP, its wholly owned subsidiary (hereinafter collectively referred to as the "Company"). All significant inter-company account balances and transactions have been eliminated.

Emir Oil has a fiscal year ending December 31, which is different from Company's fiscal year end. All transactions of Emir Oil from April 1, 2004 through December 31, 2004 are reflected in the Unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements.

CASH EQUIVALENTS

The Company considers all demand deposits and money market accounts purchased with an original maturity of three months or less to be cash equivalents.

MARKETABLE SECURITIES

Marketable securities consist of short term repurchase agreements for securities issued by Kazakhstan banks and Kazakhstan financial institutions. The Company records these marketable securities as trading securities and any change in the fair market value is recorded in earnings. As of December 31, 2004, the Company has marketable securities in amount of $776,817. All marketable securities have been pledged to collateralize payment to Saipem S.p.A., a European oil drilling and service company, for drilling services. The marketable securities are scheduled to be released from the security interest of Saipem S.p.A on February 9, 2005.

PREPAID AND OTHER ASSETS

Prepaid and other assets include a prepayment for tangible drilling materials in amount of $2,658,799 expected to be received in lots, the last lot to be received in February 2005.

LOAN RECEIVABLE

Loan receivable consists of a short-term loan to a Kazakhstan financial institution in the amount of $370,987 under reverse repurchase agreements and repurchase agreements. Deferred gain on the loan is reflected in current liabilities in the amount of $1,460.

RESTRICTED CASH

Restricted cash reflected in long-term assets consists of $60,057 deposited in a Kazakhstan bank and is restricted to meet possible environmental obligations according to the regulations of Kazakhstan (see Note F).

INVENTORY

Inventory represents tangible drilling materials required for drilling operations in the amount of $3,200,827 and spare parts, diesel fuel, and various materials for use in oil field operations. Inventory is valued using the weighted average method and is recorded at the lower of cost or net realizable value. Inventory also consists of crude oil of test production in the amount of $70,668.

LICENSES AND CONTRACTS

Emir Oil is the operator of the Aksaz, Dolinnoe and Emir oil and gas fields in Western Kazakhstan (ADE Block, ADE Fields). The Government of the Republic of Kazakhstan (the "Government") initially issued the license to Zhanaozen Repair and Mechanical Plant on April 30, 1999. On September 23, 2002, the license was assigned to Emir Oil. On June 9, 2000, the contract for exploration of the Aksaz, Dolinnoe and Emir oil and gas fields was entered into between the Agency of the Republic of Kazakhstan on Investments and the Zhanaozen Repair and Mechanical Plant. On September 23, 2002, the contract was assigned to Emir Oil. The Company is legally entitled to receive this commercial production contract and has an exclusive right to negotiate this contract and the Government is obligated to conduct these negotiations under the Law of Petroleum in Kazakhstan. If no terms can be negotiated, the Company has a right to produce and sell oil, including export oil, under the Law of Petroleum for the term of its existing contract through June 9, 2007.

OIL AND GAS PROPERTIES

The Company recently started test production at the Dolinnoe-1, Aksaz-1 and Emir-1 wells and has no other present production history, the Company follows the full cost method of accounting for its costs of acquisition, exploration and development of oil and gas properties.

Under full cost accounting rules, the net capitalized costs of evaluated oil and gas properties shall not exceed an amount equal to the present value of future net cash flows from estimated production of proved oil and gas reserves, based on current economic and operating conditions, including the use of oil and gas prices as of the end of each quarter.

Given the volatility of oil and gas prices, it is reasonably possible that the estimate of discounted future net cash flows from proved oil and gas reserves could change. If oil and gas prices decline, even if only for a short period of time, it is possible that impairments of oil and gas properties could occur. In addition, it is reasonably possible that impairments could occur if costs are incurred in excess of any increases in the cost ceiling, revisions to proved oil and gas reserves occur, or if properties are sold for proceeds less than the discounted present value of the related proved oil and gas reserves.

All geological and geophysical studies, with respect to the ADE Block have been capitalized as part of the oil and gas properties. The Company's oil and gas properties primarily include the value of the license and other capitalized costs under this method of accounting.

Costs of acquiring unproved leases shall be evaluated for impairment until such time as the leases are proved or abandoned. In addition, if the sums of expected undiscounted cash flows are less than net book value, unamortized costs at the field level will be reduced to fair value.

Long-term assets include fixed assets. Fixed assets are valued at the historical cost less accumulated depreciation. Historical cost includes all direct costs associated with the acquisition of the fixed assets.

Depreciation and amortization of producing properties shall be computed using the unit-of-production method based on estimated proved recoverable reserves. Depreciation of other depreciable assets shall be calculated using the straight line method based upon estimated useful life ranging from two to ten years. Maintenance and repairs shall be charged to expense as incurred. Renewals and betterments shall be capitalized.

Amortization of intangible assets with determinable lives shall be calculated using straight line method upon estimated useful life ranging from three to four years.

RISKS AND UNCERTAINTIES

The ability of the Company to realize the carrying value of its assets is dependent on being able to develop, transport and market oil and gas. Currently exports from the Republic of Kazakhstan are primarily dependent on transport routes either via rail, barge or pipeline through Russian territory. Domestic markets in the Republic of Kazakhstan might not permit world market price to be obtained. However, management believes that over the life of the project, transportation options will be improved by further increases in the capacity of the transportation options.

REVENUE RECOGNITION

Revenue from the sale of oil and gas shall be recorded using the accrual method of accounting.

FOREIGN EXCHANGE TRANSACTIONS

The Company's functional currency is the U.S. dollar, thus the financial statements of the Company's foreign subsidiary are measured using the U.S. dollar. Accordingly, transaction gains and losses for foreign subsidiaries shall be recognized in U.S. dollars in consolidated operations in the year of occurrence. There are no current regulatory issues in Kazakhstan dealing with

currency conversions between the local currency in Kazakhstan and the U.S. Dollar that are expected to negatively impact the Company's business, however, the risk of actual currency fluctuations as it relates to the U.S. dollar is present.

INCOME TAXES

The Company accounts for income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the liability method, the effect on previously recorded deferred tax assets and liabilities resulting from a change in tax rates is recognized in earnings in the period in which the change is enacted.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENT

In December 2004, the FASB issued a revision of SFAS No. 123 "Share-Based Payment" (No. 123R). The statement establishes standards for the accounting for transactions in which an entity exchanges its equity investments for goods and services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. The statement does not change the accounting guidance for share-based payments with parties other than employees. The statement requires a public entity to measure the cost of employee service received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exception). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). A public entity will initially measure the cost of employee services received in exchange for an award of a liability instrument based on its current fair value; the fair value of that award will be remeasured subsequently at each reporting date through the settlement date. Changes in fair value during the requisite service period will be recognized as compensation over that period. The grant-date for fair value of employee share options and similar instruments will be estimated using option-pricing models adjusted for the unique characteristics of these instruments. The Company will be required to comply with this pronouncement for periods beginning after December 15, 2005.

NOTE B - GOING CONCERN

The Company's consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company is in the process of building its oil and gas business, which is intended to generate revenue to sustain the operations of the Company. To fully develop the geographical area covered by the oil exploration license held by Emir, the Company needs substantial additional funding. Concurrently, prior to commencing oil production, the Company must also obtain a commercial production contract with the Government of Kazakhstan. The Company is legally entitled to receive this commercial production contract, has an exclusive right to negotiate this contract and the Government of Kazakhstan is obligated to conduct these negotiations under the Law of Petroleum in Kazakhstan. If no terms can be negotiated, the Company has a right to produce and sell oil, including export oil, under the Law of Petroleum for the term of its existing contract through June 9, 2007. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

NOTE C - ACQUISITION

On June 7, 2003, BMB acquired a 70% equity interest in Emir Oil for $1,300,000. On May 24, 2004, the Company agreed to purchase the remaining 30% interest of its minority interest partner in Emir Oil in exchange for 3,500,000 shares of restricted Company common stock. On August 6, 2004, the Company issued the 3,500,000 shares to its minority partner in Emir Oil. The aggregate purchase price was determined to be $19,075,000 using a price of our common shares on OTCBB on August 6, 2004 of $5.45 per share. The entire purchase price has been allocated to oil and gas properties in the accompanying consolidated balance sheet

The results of Emir's operations have been included in the consolidated financial statements since June 7, 2003. Emir had no operations prior to its acquisition by BMB. Emir holds an oil and gas exploration license for the ADE

Block. Based on its ownership of Emir Oil, the Company is required to fund the exploration efforts of Emir Oil. (See Note G.) The Company anticipates henceforth the cost of exploration to be approximately $60,000,000, which the Company will seek to fund through additional equity and/or debt financing and the sale of oil produced during well testing.

NOTE D - FOREIGN ASSETS AND ECONOMIC CONCENTRATION

Marketable securities of $766,817 are held in short term repurchase agreements for securities issued by Kazakhstan banks and Kazakhstan financial institutions. Cash and Cash Equivalents include deposits in Kazakhstan banks in the amount $574,538. Restricted Cash reflected in the long-term assets consists of $60,057 deposited in a Kazakhstan bank and restricted to meet possible environmental obligations according to the regulations of Kazakhstan. The deposits in the banks of Kazakhstan and the securities are subject to country risk of the Republic of Kazakhstan. Furthermore, the primary asset of the Company is Emir Oil; an entity formed under the laws of the Republic Kazakhstan is also subject to country risk in the Republic of Kazakhstan.

NOTE E -FIXED ASSETS

Fixed Assets

Summary of the fixed assets net of accumulated depreciation is provided below:

Field facilities	$ 83,960
Field equipment	506,041
Field vehicles	139,979
Office vehicles	152,203
Office equipment and furniture	157,250
Total	1,039,433
Accumulated Depreciation	51,782
Net	$ 987,651

NOTE F - LONG TERM LIABILITIES

Long Term Liabilities include:

1. Amounts due to the Government of Kazakhstan to reimburse the historical investments by the Government in the properties currently held under the exploration license and contract by Emir Oil. When Emir Oil obtains a commercial production license for the oil fields it currently holds exploration license to, as a condition to receipt of the commercial production license and contract for hydrocarbons by Emir Oil, Emir Oil will be required to negotiate a repayment schedule for the debt owed to the Government of the Republic of Kazakhstan. Should Emir Oil not proceed with acquisition of a production contract and license for any property that property would revert to the Government in settlement of Emir Oil's obligations to the Government.

2. The amount of $222,000 due to reservoir consultants represents a part of a $700,000 contract with PGS Reservoir Consultants payable during 2006. The Company has paid to PGS $200,000 during 2004 and will pay $278,000 in 2005.

3. Liquidation Fund. Under the laws of the Republic of Kazakhstan, the Company is obligated to set aside funds for required environmental remediation. Accordingly, the Company contributed $60,057 to the Liquidation Fund.

NOTE G - COMMITMENTS AND CONTINGENCIES

Under the terms of the five-year exploration contract, Emir Oil is required to spend a total of $27 million in exploration and development activities on the ADE Block. To retain its rights under the exploration contract, the Company must spend a minimum of $9.3 million in 2005 and $6 million in 2006. The failure to make these minimum capital expenditures could result in the loss of the exploration contract.

A lawsuit was filed in Florida naming the Company as one of the defendants. The claim alleges that the Plaintiff should have received compensation and/or a percentage of stock of the Company as a result of the merger between the Company and BMB Holding, Inc. The Company is confident that the matter shall be resolved in the Company's favor. The Company has retained legal counsel to protect its interests. In the opinion of the Company's management and legal counsel, the resolution of this lawsuit will not have a material adverse effect on our financial condition, results of operations or cash flows.

NOTE H - CAPITAL STOCK, ADDITIONAL PAID-IN-CAPITAL

Net Loss per Common Share

Basic earnings per share excludes any dilutive effects of option, warrants and convertible securities and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share are computed similar to basic earnings per share. However, diluted earnings per share reflects the assumed conversion of all potentially dilutive securities.

The following table sets forth the computation of basic and diluted loss per common share:

<TABLE>
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	Three Months Ended December 31, 2004	Three Months Ended December 31, 2003	Nine Months Ended December 31, 2004	Period from inception (May 6, 2003) through December 31, 2003
<S>	<C>	<C>	<C>	<C>
Numerator:				
Net loss and numerator for basic and diluted loss per share	$ (844,413)	$ (104,959)	$(2,094,069)	$ (194,073)
Denominator:				
Denominator for basic and diluted loss per share, weighted average shares	28,513,761	17,190,833	25,128,792	16,049,400
Net Loss per Share, Basic and Diluted	$ (0.03)	$ (0.01)	$ (0.08)	$ (0.01)

</TABLE>

The effect of the stock warrants and stock options is anti-dilutive.

The Financing

During the quarter ended September 30, 2004, the Company sold an aggregate of 4,584,340 shares of Company common shares at $4.00 per share in a private placement offering. The Company raised total proceeds of $18,337,360 and net proceeds (less expenses and brokerage commissions) of $17,311,906. The offering was made only to accredited investors in the United States under Regulation D and pursuant to Regulation S to non U.S. Persons.

The private placement commenced in July and concluded in September 2004. The placement agents engaged to represent the Company in the private placement offering received commissions equal to 5% of the gross proceeds received and warrants equal to 10% of the number of shares they sold on behalf of the Company.

NOTE I - RELATED PARTY TRANSACTIONS

During nine months ended December 31, 2004, the following related party transactions occurred:

During nine months ended December 31, 2004, the Company retained the services of TatArka LLC, and Kazmorgeophysica, CJSC. TatArka was paid $393,791 to obtain 3D seismic data of ADE Block. Kazmorgeophysica was paid $59,875 for rendering other geophysical research services on ADE Block and $153,846 of advance payment. TatArka and Kazmorgeophysica are subsidiaries of a company that shared a common director with our Company.

The Company leases ground fuel tanks and other oil fuel storage facilities and warehouses from Term Oil, LLC., a Kazakhstan company. The lease payment for the nine months ended December 31, 2004, totaled to $166,195. Also, during nine months ended December 31, 2004, Term Oil, LLC was paid $15,381 of lease advance payment for the period from January 1, 2005 through March 31, 2005. One of our shareholders is an owner of Term Oil LLC.

Item 2. Management's Discussion and Analysis or Plan of Operations

The following discussion is intended to assist the reader in understanding our results of operations and our present financial condition. Our Consolidated Financial Statements and the accompanying notes included in this Form 10-QSB contains additional information that should be referred to when reviewing this material.

Statements in this discussion may be forward-looking. These forward-looking statements involve risks and uncertainties, including those discussed below, which could cause actual results to differ from those expressed. Please read Forward-Looking Information on page 22.

We operate in one segment, oil and natural gas exploration, development and production.

Overview

Prior to November 26, 2003, the Company existed under the name InterUnion Financial Corporation ("InterUnion"). The primary business strategy of InterUnion was to acquire majority interests in financial services businesses. On November 26, 2003, InterUnion executed an Agreement and Plan of Merger with BMB Holding, Inc., a private Delaware corporation, formed for the purpose of acquiring and developing oil and gas fields in the Republic of Kazakhstan ("ROK"). Pursuant to the Agreement, BMB Holding merged into InterUnion, with InterUnion being the surviving corporation. For accounting purposes, the transaction was treated as a reverse merger under accounting principles generally accepted in the United States, with BMB Holding and its then 70% owned subsidiary, Emir Oil, treated as the surviving entity. BMB Holding was incorporated on May 6, 2003. Following the merger, we changed our name to BMB Munai, Inc.

On May 24, 2004, we agreed to purchase the 30% interest of our minority partner in Emir Oil. The acquisition was made in exchange for 3,500,000 shares of our common stock. As a result of the acquisition, Emir Oil became a wholly owned subsidiary of BMB Munai. The acquisition of the final 30% interest in Emir Oil was consummated during the quarter.

Since incorporation on May 6, 2003, our primary focus has been the acquisition, exploration, development, exploitation and production of crude oil and natural gas in Kazakhstan. With the acquisition of the exploration and development license and contract of Emir Oil, we are focusing our efforts on the development of the Aksaz, Dolinnoe and Emir Oil and Gas Fields in Kazakhstan (the "ADE Block").

We anticipate spending between $25 million and $30 million in the continued exploration and development of the ADE Block in the next twelve months. In September 2004, we completed a private placement in which we sold 4,584,340 shares of our common stock for $4.00 per share to raise gross proceeds of $18,337,360. After paying commissions, fees and costs of the offering, we realized net proceeds of $17,311,906. This money has and will continue to be used primarily to fund our exploration and development efforts. We also intend to apply proceeds from the sale of oil we produce during well testing to help fund our exploration and development activities. We anticipate the need to raise an additional $40,000,000 to support exploration and development activities before we expect income from oil production to be sufficient to meet our needs for operating capital.

Extension of the License Territory

During the quarter, we received written notification from the Ministry of Energy and Mineral Resources of the ROK that the Ministry had approved and finalized an amendment to the oil and gas exploration license AI No. 1552 and Contract No. 482 for Exploration of Hydrocarbons in Aksaz-Dolinnoe-Emir oil fields held by Emir extending the ADE Block licensed territory by an additional 64,247 acres, (approximately 260 square kilometers.) Reinterpretation of 2D seismic data from the Soviet Union era performed by PGS-GIS, of Almaty, Kazakhstan, showed four oil and gas bearing structures of deeper Triassic formations that have geologic composition similar to the ADE block where discovered.

The amendment grants us the exclusive right to explore the additional territory during the remaining term of the license, which expires in July 2007. Pursuant to the terms of the amendment, we are required to spend a minimum of $5,500,000 exploring and/or developing the extended territory, with a minimum of $3,000,000 in exploration and/or development in 2006 and $2,500,000 in 2007. These commitments are in addition to our commitments under the original license.

New Wells

During the next twelve months we intend to spend at least $20 million to drill new exploratory wells. Initially we will focus our drilling efforts in the Dolinnoe and Askaz oil fields, where we hope to drill at least one new exploratory well, Dolinnoe-3, and drill-in two wells, Aksaz-3 and Aksaz-4. Construction of the Dolinnoe-2 well was completed on January 4, 2005. Preliminary tests indicated the presence of four oil bearing zones. Inside the producing intervals core sampling, geophysical research and formation testing were completed and oil and gas flow was discovered. Preparatory works for more extensive testing are currently under way. It is anticipated that the Dolinnoe-2 well could go into test production in March 2005. Subsequent to quarter end, a drilling rig has been moved to the drilling site of the Dolinnoe-3 well. On January 26, 2005, we commenced drilling of the Dolinnoe-3 well. Presently, the well has been drilled to 1,194 meters.

In January 2004, dismantling of the drilling rig at the Aksaz-3 well, which was abandoned during the Soviet Union period, was completed. This rig

hindered further drilling works at this well site. At the present time similar dismantling works are under way on the Aksaz-4 well. The Aksaz-3 and Aksaz-4 wells were previously incompletely drilled and spudded during the Soviet Union period to determine the commercial viability of additional drilling at these sites. During the 1990s, each of these wells was cased to approximately 3,400 meters. The Company expects the cost to drill these wells the remaining distance to the pay zones will be relatively inexpensive.

Workover of Existing Wells

In the next twelve months we will continue workover of wells existing since the Soviet Union period in the ADE Block. The Dolinnoe-1 well continues steady production of approximately 165 barrels per day. The output of this well is only from the top 7 meters of the pay zone due to equipment that was abandoned in the well. Removal of this geophysical equipment is planned to occur during 2005, which should increase production at the well. In December subsurface workover of the Emir-1 well included the lowering of a deep sucker-rod pump into the well. We are currently carrying out crude oil and gas test production at this well site. Finally, during the quarter, we completed development works at the Aksaz-1 well. As a result, gas and gas condensate flow was discovered at the Aksaz-1 well.

Infrastructure Improvements

We plan to continue improving existing infrastructure in the ADE Block. During the quarter we completed construction of 8.6 km pipeline connecting the Dolinnoe and Aksaz fields. We have also completed construction of a gas collection and pre-sale processing facility in the Aksaz field for natural gas produced at ADE Block, including a well head heater, heat exchanger, oil and gas separator, two pumping units and a 1,260 barrel oil products tank. We also began developing plans to construct a 16 kilometer natural gas pipeline connecting the Aksaz processing facility to an existing gas pipeline that ties into the Aktau gas grid. This will allow us to sell natural gas to customers in Aktau. During the quarter we also completed installation of a rocker machine on the Emir-1 well and laid 300 meters of power line to supply electricity for the rocker machine. In the next twelve months we plan to continue to improve power supply to the ADE Block through the construction of additional 6 kilowatt power lines running through the ADE Block. We will also continue expanding the road network within the ADE Block.

Oil Production and Sale

We have been engaged in test production and selling of crude oil since May, 2004. Due to a lack of oil storage capacity at the storage facility we lease, all of our crude oil sales have been to the Kazakhstan domestic market. The average price per barrel of crude oil in the Kazakhstan domestic market during that time has been approximately $14 per barrel. During the quarter, however, capacity at the storage facility was increased from 945 barrels to 20,000 barrels as the result of reconstruction of two ground fuel tanks. With this increase in oil storage capacity, we are now able to collect sufficient volumes of oil for export and sale to the international market.

Our revenue, profitability and future growth rate will depend substantially on factors beyond our control, such as economic, political and regulatory developments and competition from other sources of energy. Oil and natural gas prices historically have been volatile and may fluctuate widely in the future. Sustained periods of low prices for oil or natural gas, or failure to gain access to markets outside of the ROK, either through governmental requirement or because of a lack of infrastructure to provide such access could materially and adversely affect our financial position, our results of operations, the quantities of oil and natural gas reserves that we can economically produce and our access to capital.

Results of Operations

Three months ended December 31, 2004, compared to the three months ended December 31, 2003

Revenues. During the three months ended December 31, 2004, we realized revenues of $55,904, compared to $0 during the three months ended December 31, 2003. All revenues were from the sell of oil produced in test production. This increase in revenues in the current year is primarily the result of the fact that in the prior year we were just beginning operations and seeking to acquire rights to oil and gas properties. We anticipate revenues will continue to increase in the upcoming fiscal quarters. At the present time, however, it is unclear the rate at which our revenues may increase.

Expenses. During the three months ended December 31, 2004, we incurred total expenses of $1,344,900 compared to expenses of $196,683 during the three months ended December 31, 2003. Again, the increase is primarily the result of the growth of our operations during the past twelve months. For instance, during the three month period ended December 31, 2003, we incurred general and administrative expenses of $196,412, compared to $1,298,613 in the quarter ended December 31, 2004. This increase is largely the result of hiring personnel to operate our business, as well as travel and professional expenses including accounting and legal fees. Also during the quarter ended December 31, 2004, we incurred production costs of $24,370 and amortization and depreciation expenses of $21,917. By comparison, we incurred no production costs and depreciation and amortization costs of $271 in the quarter ended December 31, 2003. We expect that as we execute our planned business activities over the next twelve months our expenses will continue to increase at the same or greater rates.

Loss from Operations. During the three months ended December 31, 2004, we incurred losses from operations totaling $1,288,996 compared to operating losses of $196,683 for the three months ended December 31, 2003. These losses, at least in part, are the result of us incurring significant expenses in connection with the development of our oil fields before we can produce any significant quantities of oil or gas. If we are unable to develop our oil and gas fields to a level where oil and gas production and sales offset the costs of exploration, development and production, we will continue to generate operating losses until such time as we can no longer continue operations. At this time, it is unclear when we will generate sufficient revenue from oil and gas production to offset expenses, if at all.

Other Income. During the three months ended December 31, 2004, we realized other income totaling $451,333 compared to other expenses of $142,167 for the three months ended December 31, 2003. The current year other income included realized gains and unrealized gains on marketable securities of $4,712, net interest of $126,331 and foreign currency exchange gain of $329,339, partially offset by other net expense of $9,049. During the quarter ended December 31, 2003, we realized no gain or loss on marketable securities and had unrealized gain on marketable securities of $197,550, which was partially offset by net interest expense of $29,463 and other net expense of $25,920. During the current fiscal year we have raised approximately $17 million through the sale of our securities in private placement transactions. Therefore, during the fiscal quarter ended December 31, 2004, we had funds that were not being used in operations that we invested in marketable securities. We expect to use all of the funds we have raised to fund our operations. Until such time as they are needed, however, such funds may be used to purchase marketable securities. We anticipate that as funds are used in operations over the next twelve months, gains and losses from marketable securities, both realized and unrealized, will continue to decrease.

Net Loss. During the three months ended December 31, 2004, we realized a net loss of $844,413 compared to a net loss of $104,959 for the three months ended December 31, 2003. As discussed above this net loss is largely the result of the increased size or our operations at December 31, 2004, compared to December 31, 2003. We anticipate that we will continue to realize net losses from operations until such time as revenues generated from oil and gas production and sales and other income offset our expenses. At this time, it is unclear when, or if, that may occur.

Nine months ended December 31, 2004, compared to the period from inception (May 6, 2003) to December 31, 2003.

As discussed above, we incorporated on May 6, 2003, therefore, we do not have a comparable prior period. Rather all comparisons to the period ended December 31, 2003, will be for the period from May 6, 2003 through December 31, 2003.

Revenues. During the nine months ended December 31, 2004, we realized revenues of $347,891, compared to $0 for the period from May 6, 2003, to December 31, 2003. All revenues were from the sell of oil produced in test production. This increase in revenues in the current year is primarily the result of the fact that in the prior year we were just beginning operations and seeking to acquire rights to oil and gas properties. We anticipate revenues will continue to increase in the upcoming fiscal quarters. At the present time, however, it is unclear the rate at which our revenues may increase.

Expenses. During the nine months ended December 31, 2004, we incurred total expenses of $2,851,616 compared to expenses of $226,779 during the period from May 6, 2003, to December 31, 2003. Again, the increase is primarily the result of the growth of our operations during the past twelve months. For instance, during the period from May 6, 2003 to December 31, 2003, we incurred

general and administrative expenses of $226,508, compared to $2,716,894 during the nine months ended December 31, 2004. This increase is largely the result of hiring personnel to operate our business, as well as travel and professional expenses including accounting and legal fees. Also during the quarter ended December 31, 2004, we incurred production costs of $85,619 and amortization and depreciation expenses of $49,103 by comparison, we incurred no production costs and $271 in depreciation and amortization during the period from May 6, 2003 through December 31, 2003. We expect that as we continue to execute our planned business activities over the next twelve months our expenses will continue to increase at the same or greater rates.

Loss from Operations. During the nine months ended December 31, 2004, we incurred losses from operations totaling $2,503,725 compared to operating losses of $226,779 for the period from May 6, 2003, through December 31, 2003. These losses were largely the result of incurring expenses in connection with the development of our oil fields before they produce any oil or gas. If we are unable to develop our oil and gas fields to a level where oil and gas production and sales offset the costs of exploration, development and production, we will continue to generate operating losses until such time as we can no longer continue operations. At this time, it is unclear when we will generate sufficient revenue from oil and gas production to offset expenses, if at all.

Other Expense. During the nine month period ended December 31 2004, we realized total other income of $416,406, compared to $83,881 for the period from May 6, 2003, to December 31, 2003. The current period other expenses included a realized gain on marketable securities of $58,944, net interest income of $122,430 and foreign currency exchange gain of $532,025, offset in part by unrealized loss on marketable securities of $287,944. By comparison, during the period from May 6, 2003, to December 31, 2003, we realized no gains on marketable securities and had unrealized gain on marketable securities of $197,550, which was partially offset by net interest expense of $86,702 and other net expense of $26,967.

Net Loss. During the nine months ended December 31, 2004, we realized a net loss of $2,094,069 compared to a net loss of $194,073 for the period from May 6, 2003 through December 31, 2003. As discussed above this net loss is largely the result of the increased size or our operations at December 31, 2004, compared to December 30, 2003. We anticipate that we will continue to realize net losses from operations until such time as revenues generated from oil and gas production and sales and other income offset our expenses. At this time, it is unclear when, or if, that may occur

Liquidity and Capital Resources

Since inception on May 6, 2003, our capital resources have primarily consisted of funds raised through the sale of our common stock and debt convertible to our common stock. We anticipate our capital resources in the upcoming twelve months will likewise consist largely of funds raised in financing activities completed during the quarter ended September 30, 2004, additional debt and/or equity financing which the Company will seek, and to some level, revenues from oil sales.

Note B of the Notes to the Financial Statements discloses several factors that raise substantial doubt about our ability to continue as a going concern. Among those noted is the fact that we will need significant additional funding to develop the geographical area covered by our exploration and development license. As discussed herein, we have completed the private placement of 4,584,340 shares of our common stock raising net proceeds of $17,311,906. Most of these funds have now been used. We anticipate the need to raise an additional $25,000,000 to $30,000,000 to meet our exploration, development, production and operational needs for the next twelve months.

Another factor that raises concern about our ability to continue as a going concern is the requirement that we must obtain a commercial production contract from the ROK prior to commencing commercial oil production. While we are legally entitled to receive this commercial production contract and have the exclusive right to negotiate such with the ROK, and the ROK is required to conduct the negotiations under the Law of Petroleum in Kazakhstan, there is no guarantee that we will be awarded a production contract. If we cannot obtain a production contract, we will only be able to produce and sell oil under the Law of Petroleum for the term of the existing contract, which expires June 9, 2007.

Cash Flows

During the nine months ended December 31, 2004, cash was primarily used to fund exploration and development related activities. We had a net decrease in cash and cash equivalents of $1,063,085 during the nine months ended December 31, 2004, compared to a net increase of cash and cash equivalents of $6,552,374 in the period from May 6, 2003 to December 31, 2003. See below for additional discussion and analysis of cash flow.

<TABLE>
<CAPTION>

<S>	Nine months ended December 31, 2004 <C>	Period from inception (May 6, 2003) through December 31, 2003 <C>
Net cash provided (used) in operating activities	$ (8,087,553)	$ 97,432
Net cash used in investing activities	$(10,287,438)	$(5,681,082)
Net cash provided by financing activities	$ 17,311,906	$12,136,024

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 1,063,085	$ 6,552,374

</TABLE>

During the nine months ended December 31, 2004, net cash used in operations was $8,087,553, compared to net cash provided from operations of $97,432 during the period from May 6, 2003 to December 31, 2003. This significant increase in net cash used in operation was the result of our aggressive exploration and development strategy, as net loss, increase in inventories, increase in prepaid and other assets, restricted cash and deposits was only partially offset by increases in accounts payable and accrued liabilities. Net cash used in investing activities was $10,287,438, compared to $5,681,082 for the period from inception to December 31, 2003. The increase in

net cash used in investing activities included investment in a short term loan receivable, acquisitions of fixed and intangible assets, as well as acquisition of additional oil and gas properties, partially offset by cash proceeds from the sale of marketable securities. During the nine months ended December 31, 2004, $17,311,906 was provided from the private placement of our common stock. At December 31, 2004, we had cash on hand of $1,063,270, compared to cash on hand at December 31, 2003, of $6,552,374, again this decrease in cash on hand is the result of our aggressive efforts to explore and develop the ADE Block. As a result we have incurred significant costs and expenses, which have not been offset by significant revenues.

We continually evaluate our capital needs and compare them to our capital resources. Our budgeted capital expenditures for the upcoming twelve months are $20 million to $25 million for exploration, development, production and acquisitions. As discussed above, we have already spent most of the funds raised in the private placement we completed during the quarter ended September 30, 2004. Therefore, we will need to seek additional funds either in the equity or debt markets to fund the remainder of our budgeted capital expenditures and to continue our operations. If we are unsuccessful in obtaining significant additional capital, we may be forced to significantly curtail our exploration and development activities or even to terminate operations until such time as appropriate funds can be raised.

Contractual Obligations and Contingencies

The following table lists our significant commitments at December 31, 2004, excluding current liabilities as listed on our consolidated balance sheet:
<TABLE>
<CAPTION>

	Payments Due By Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
<S>	<C>	<C>	<C>	<C>	<C>
Capital Expenditure Commitment(1)	$27,000,000	$9,300,000	$8,500,000	$ --	$ --
Due to the Government of Kazakhstan(2)	5,994,745	--	--	5,994,745	--
Due to Reservoir Consultants	500,000	278,000	222,000	--	--
Liquidation Fund	20,000	--	20,000	--	--
Total	$33,514,745	$9,578,000	$8,742,000	$5,994,745	$ --

</TABLE>

(1) Under the terms of our Contract with the ROK, we are required to spend a total of at least $27 million dollars in exploration, development and improvements within the ADE Block, as extended during the term of the license, including $9.3 million in the 2005 calendar year, $6 million in the 2006 calendar year and $2.5 million in the 2007 calendar year. If we fail to do so, we may be subject to the loss of our Contract.

(2) In connection with our acquisition of the License and Contract, we will be required to repay the ROK for exploration and development expenditures incurred by it prior to the time we acquired the License and Contract. The repayment terms of this obligation will not be determined until such time as we

are granted a commercial production contract. Prior to commencing commercial oil production, we must obtain a commercial production contract from the ROK. While we are legally entitled to receive this commercial production contract and have

the exclusive right to negotiate such with the ROK, and the ROK is required to conduct the negotiations under the Law of Petroleum in Kazakhstan, there is no guarantee that we will be awarded a production contract. Moreover, at this time it is unclear when might apply for a production contract or when it might be issued, if at all. Therefore, we have made our best estimate as to when we anticipate becoming subject to this repayment obligation.

Off-Balance Sheet Financing Arrangements

As of December 31, 2004, we had no off-balance sheet financing arrangements.

Recently Issued Accounting Pronouncement

In December 2004, the FASB issued a revision of SFAS No. 123 "Share-Based Payment" (No. 123R). The statement establishes standards for the accounting for transactions in which an entity exchanges its equity investments for goods and services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. The statement does not change the accounting guidance for share-based payments with parties other than employees. The statement requires a public entity to measure the cost of employee service received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exception). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). A public entity will initially measure the cost of employee services received in exchange for an award of a liability instrument based on its current fair value; the fair value of that award will be remeasured subsequently at each reporting date through the settlement date. Changes in fair value during the requisite service period will be recognized as compensation over that period. The grant-date for fair value of employee share options and similar instruments will be estimated using option-pricing models adjusted for the unique characteristics of these instruments. The Company will be required to comply with this pronouncement for periods beginning after December 15, 2005.

Effects of Inflation and Pricing

The oil and natural gas industry is very cyclical and the demand for goods and services of oil field companies, suppliers and others associated with the industry puts extreme pressure on the economic stability and pricing structure within the industry. Typically, as prices for oil and natural gas increase, so do all associated costs. Material changes in prices impact the current revenue stream, estimates of future reserves, borrowing base calculations of bank loans and value of properties in purchase and sale transactions. Material changes in prices can impact the value of oil and natural gas companies and their ability to raise capital, borrow money and retain personnel. While we do not currently expect business costs to materially increase, continued high prices for oil and natural gas could result in increases in the cost of material, services and personnel.

Forward Looking Information and Cautionary Statement

The statements regarding future financial and operating performance and results, market prices, future hedging activities, and other statements that are not historical facts contained in this report are forward-looking statements. The words "expect," "project," "estimate," "believe," "anticipate," "intend," "budget," "plan," "forecast," "predict," "may," "should," "could," "will" and similar expressions are also intended to identify forward-looking statements. Such statements involve risks and uncertainties, including, but not limited to, market factors, market prices (including regional basis differentials) of natural gas and oil, results for future drilling and marketing activity, future production and costs and other factors detailed herein and in our other Securities and Exchange Commission filings. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated.

Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures. The Company's Chief Executive Officers and Chief Financial Officer have conducted an evaluation of the Company's disclosure controls and procedures (as defined in Rule 13A-15(e) under the Securities Exchange Act of 1934 ("Exchange Act") as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on their evaluation, the Company's Chief Executive Officers and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in its Exchange Act reports is recorded, processed, summarized and reported within the applicable periods specified by the SEC's rules and forms.

(b) Changes in Internal Controls and Procedures. During the period covered by this quarterly report, there were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15) or 15d-15 under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In December 2003, a complaint was filed in the 15th Judicial Court in and for Palm Beach County, Florida, naming, among others, BMB Munai, Inc., Alexandre Agaian and Georges Benarroch, Company directors, as defendants. The plaintiffs, Brian Savage, Thomas Sinclair and Sokol Holdings, Inc., allege claims of breach of contract, unjust enrichment, breach of fiduciary duty, conversion and violation of a Florida trade secret statute in connection with a business plan for the development Aksaz, Dolinnoe and Emir oil and gas fields owned by Emir Oil, LLC. The plaintiffs seek unspecified compensatory and exemplary damages.

We will vigorously defend ourselves in this action and strongly questions the merit of all claims alleged by plaintiffs. During the quarter, we retained the law firm of Gunster, Yoakley & Stewart, P.A., located in Fort Lauderdale, Florida to represent us in connection with certain motions we filed with the court to dismiss the complaint of plaintiffs, Brian Savage, Thomas Sinclair and Sokol Holdings, Inc., on jurisdictional grounds. The motion was scheduled for hearing in late August 2004, however, that hearing has been stayed to allow the parties to conduct jurisdictional discovery. The hearing has not yet been rescheduled. There were no other significant changes in this matter during the quarter.

In the opinion of management, the resolution of this lawsuit will not have a material adverse effect on our financial condition, results of operations or cash flows.

Other than the foregoing, to the knowledge of management, there is no other material litigation or governmental agency proceeding pending or threatened against the Company or our management.

Item 4. Submission of Matters to a Vote of Security Holders

On October 8, 2004, the Company held its annual meeting of stockholders. The total number of shares entitled to be voted at the meeting was 28,263,766. At the meeting the shareholders were asked to vote on the following matters:

1) To amend the Certificate of Incorporation of the Company to accomplish several purposes. First, to increase the authorized common stock of the Company from 50,000,000 shares to 100,000,000 shares. Second to eliminate the currently authorized 1,500,000 shares of Series A preferred stock, 1,000 shares of Series B preferred stock and 1,000 shares of Series C preferred stock of the Company and replace it with 20,000,000 shares of preferred stock, the rights preferences and privileges of which will be designated by the Board of Directors prior

to issuance of such shares. Third to update the Company's Certificate of Incorporation to be more consistent with and take greater advantage of the General Corporation Law of the State of Delaware and the Company's Bylaws. 20,462,040 shares voted in favor of this proposal, no shares voted against or abstained from voting on this proposal.

2) To elect six individuals to the board of directors of the Company on staggered terms, with certain directors being elected for one year (Class I Directors), two year (Class II Directors), and three year (Class III Directors) terms and to retain a seventh directorship vacant until such time as an individual who is both independent and may qualify as a "financial expert" to serve on the Company's audit committee can be appointed by the Board of Directors. This seventh directorship to be classified as a Class I Director. Each of the individuals nominated and elected as a director at the meeting was a director of the Company prior to the meeting. The following individual were elected to the Board of Directors of the Company:

	For	Abstain
Class I Directors:		
Georges Benarroch	20,462,040	-0-
Valery Tolkachev	20,462,040	-0-
Class II Directors:		
Alexandre Agaian	20,462,040	-0-
Mirgali Kunayev	20,462,040	-0-
Class III Directors:		
Bakhytbek Baiseitov	20,462,040	-0-
Boris Cherdabayev	20,462,040	-0-

3) To approve the BMB Munai, Inc., 2004 Stock Incentive Plan. 20,462,040 shares voted in favor of this proposal, no shares voted against or abstained from voting on this proposal.

4) To ratify the actions of our directors for the last fiscal year, and for the period from the fiscal year end through the date of the special shareholder meeting. 20,462,040 shares voted in favor of this proposal, no shares voted against or abstained from voting on this proposal.

Following the vote on these matters, the annual meeting was adjourned until October 11, 2004. The meeting was reconvened on October 11, 2004, to discuss and vote upon the proposal to change the domicile of the Company from the State of Delaware to the State of Nevada for the purpose of decreasing our franchise tax obligations. 20,462,040 shares voted in favor of this proposal, no shares voted against or abstained from voting on this proposal.

Item 6. Exhibits

(A) Exhibits. The following exhibits are included as part of this report:

Exhibit 3.1(1)	Articles of Incorporation of BMB Munai, Inc. (a Nevada corporation)
Exhibit 3.2(1)	By-Laws of BMB Munai, Inc. (as amended through January 13, 2005)
Exhibit 10.1(2)	Extension of Emir Oil License
Exhibit 31.1(2)	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2(2)	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.3(2)	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1(2)	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2(2)	Certification of Principal Executive Officer pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002.

Exhibit 32.3(2) Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Previously filed as an exhibit to the Current Report of Form 8-K filed by the Company on January 18, 2005, and incorporated herein by this reference.

(2) Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this to be signed on its behalf by the undersigned thereunto duly authorized.

BMB MUNAI, INC.

February 11, 2005 /s/ Alexandre Agaian

Alexandre Agaian,
Co-Chief Executive Officer

February 11, 2005 /s/ Boris Cherdabayev

Boris Cherdabayev,
Co-Chief Executive Officer

February 11, 2005 /s/ Anuar Kulmagambetov

Anuar Kulmagambetov,
Chief Financial Officer

Registration # 1602 as of December 07, 2004

AMENDMENT # 3
TO THE CONTRACT # 482 as of 06.09.2000
For exploration of hydrocarbon resources in the area
"Aksaz-Dolinnaya-Emir"
in Tubkaragan district of Mangistau oblast

between

Ministry of Energy and Mineral Resources
of the Republic of Kazakhstan
(Competent body),

and

Emir Oil, Limited Liability Partnership
(Contractor)

Astana, 2004

The present Amendment # 3 to the Contract # 482 as of 06.09.2000 for exploration of hydrocarbon resources in the area "Aksaz-Dolinnaya-Emir" in Tubkaragan district of Mangistau oblast in accordance with the License AI #1552 as of 04.30.1999 concluded on December 7, 2004, between the Ministry of Energy and Mineral Resources, hereinafter referred to as COMPETENET BODY, and Emir Oil, Limited Liability Partnership, hereinafter referred to as CONTRACTOR:

Preamble:

In connection with:

- - Emir Oil, LLP submitting a request for extension of the Contract territory in the area Aksaz-Dolinnaya-Emir, located in Tubkaragan district of the Mangistau oblast;

- - Expert Commission of the MEMR RK for review of subsoil users' applications for amendments of conditions of Licenses and Contracts (extract from the Minutes # 12 of the Expert Commission meeting as of July 1, 2004) decided to agree with extension of the Contract territory in south-east direction within the contours of horizon V" based on results of 3D seismic, within coordinates provided in the Geologic allotment.

The Competent body and Contractor agreed to include the following changes and amendments:

1. Add a second paragraph with the following wording "Total area of the Contract territory is determined in accordance with the adjusted geologic allotment in the volume of 464.17 sq. km" to point 4.1 of Section 4;

2. Point 7.1.1 of Section 7 "Working Program" shall read as follows: "Minimal volume of works in monetary terms during Exploration Period shall be equal to: $ 32,000,000 (thirty two million) US Dollars including expansion of the Contract territory";

3. 6th and 7th lines in the table, point 7.1.1 of Section 7 "Working Program" shall read as follows:

   6. 6th year 6,000,000

7. 7th year 4,500,000

4. In section 16, the following wording "Amendment to the Agreement on purchase of information # 375 as of 11.03.04 shall be a concurrent part of the Contract # 482 as of 06.09.2000" shall be added point 16.2.4.4 "Historical Cost Recovery"

5. Adjusted geologic allotment - Attachment # 1 shall be considered a concurrent part of Amendment # 3 to the Contract # 482;

6. Additional Working Program - Attachment # 2 shall be considered constituent part of the Contract Working Program.

Text of the present Amendment is drafted in the State and Russian languages in 3 copies. In case of occurrence of differences between the state and Russian languages, Russian language version shall have a priority meaning.

The Present Amendment shall be effective from the moment of signing by the Parties and shall constitute a concurrent part of the Contract.

The present Amendment has been signed on December 7, 2004, in Astana, Republic of Kazakhstan, by the authorized representatives of the Parties in accordance with their authorities.

Competent Body of the Government of the Republic of Kazakhstan:
Ministry of Energy and Mineral Resources

Signature:
Title: First Vice-Minister
Name: Izmukhambetov B.S.

Contractor:
Emir Oil, Limited Liability Partnership

Signature:
Title: Director
Name: Tolmakov T.K.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Alexandre Agaian, certify that:

(1) I have reviewed this quarterly report on Form 10-QSB of BMB Munai, Inc., (the "Company");

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

(4) The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:

(a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Evaluated the effectiveness of the Company's disclosure controls and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

(c) Disclosed in this quarterly report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting; and

(5) The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons fulfilling the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Date: February 11, 2005 By: /s/ Alexandre Agaian

Alexandre Agaian,
Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Boris Cherdabayev, certify that:

(1) I have reviewed this quarterly report on Form 10-QSB of BMB Munai, Inc., (the "Company");

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

(4) The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:

(a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Evaluated the effectiveness of the Company's disclosure controls and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

(c) Disclosed in this quarterly report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting; and

(5) The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons fulfilling the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Date: February 11, 2005 By: /s/ Boris Cherdabayev

Boris Cherdabayev,
Principal Executive Officer

EXHIBIT 31.3

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Anuar Kulmagambetov, certify that:

(1) I have reviewed this quarterly report on Form 10-QSB of BMB Munai, Inc. (the "Company");

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

(3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

(4) The Company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and have:

(a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Evaluated the effectiveness of the Company's disclosure controls and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

(c) Disclosed in this quarterly report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting; and

(5) The Company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons fulfilling the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Date: February 11, 2005 By: /s/ Anuar Kulmagambetov

Anuar Kulmagambetov
Principal Financial Officer

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL
EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BMB Munai, Inc., on Form 10-QSB for the period ended December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Alexandre Agaian, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 11, 2005 /s/ Alexandre Agaian

Alexandre Agaian
Principal Executive Officer

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL
EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BMB Munai, Inc., on Form 10-QSB for the period ended December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Boris Cherdabayev, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 11, 2005

/s/ Boris Cherdabayev

Boris Cherdabayev
Principal Executive Officer

EXHIBIT 32.3

CERTIFICATION OF PRINCIPAL
FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BMB Munai, Inc,, on Form 10-QSB for the period ended December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Anuar Kulmagambetov, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 11, 2005 /s/ Anuar Kulmagambetov

Anuar Kulmagambetov
Principal Financial Officer