

United States  
Securities and Exchange Commission  
Washington, DC 20549

FORM 10-QSB/A-1

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

For the Quarter Ended  
June 30, 2004

Commission File Number  
000-28638

BMB MUNAI, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

87-0520294

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

20A Kazibek Bi Street, Almaty, 480100Kazakhstan

(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  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; 27,863,762 shares outstanding as of August 11, 2004.

Transitional small business disclosure format (check one) Yes  No

BMB MUNAI, INC.  
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Explanatory Note

In response to certain comments raised by the staff of the Securities and Exchange Commission, BMB Munai, Inc., is filing this Amendment No. 1 on Form 10-QSB/A-1 (this "Amendment") to its Quarterly Report on Form 10-QSB for the quarter ended June 30, 2004 originally filed with the Securities and Exchange Commission on August 13, 2004 (the "Original Form 10-QSB"). Revisions have been made to the Consolidated Balance Sheets to reduce "Oil and Gas Properties, Full Cost Method, Less Accumulated Depreciation" by \$5,994,745 and to eliminate the same amount from "Due to the Government of Kazakhstan." Because we are not required to repay this obligation until such time as we are granted production rights this asset and liability have been removed from the Consolidated Balance Sheets. As a result of this change to the financial statements, Note J has been added to and revisions have been made to Notes F & G of the "Notes to the Consolidated Financial Statements," and Item 2, "Management's Discussion and Analysis of Results of Operations" of the Original Form 10-QSB.

We have revised Note A of the "Notes to the Consolidated Financial Statements" to clarify that the corporation was originally incorporated in Utah and to provide additional details about our accounting for inventory and share based compensation.

The language of Item 3, "Controls and Procedures" of the Original Form 10-QSB has been revised in connection with the restatement and to make reference to the definition of such controls and procedures as set forth in Rules 13a-15(d) and 15d-15(e).

For the convenience of the reader, this Amendment forth the text of the Original Form 10-QSB in its entirety. As a result of this Amendment, the certifications pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, filed as exhibits to our 10-QSB have been revised, re-executed and re-filed as of the date of this Form 10-QSB/A-1 and Item 6 hereof has been accordingly amended. We have not updated other information contained in the Original Form 10-QSB in this Amendment. Therefore, you should read this Amendment together with other reports and documents which update and supersede some of the information contained in this Amendment.

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

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

ASSETS	June 30, 2004	March 31, 2004		
	(Unaudited)	(Audited)		
	<C>	<C>		
<b>CURRENT ASSETS</b>				
CASH AND CASH EQUIVALENTS		\$ 304,777	\$ 2,126,355	
MARKETABLE SECURITIES		766,473	2,879,136	
INVENTORIES	592,671	183,884		
PREPAID AND OTHER ASSETS		2,836,275	522,148	
<b>TOTAL CURRENT ASSETS</b>		<b>4,500,196</b>	<b>5,711,523</b>	
<b>LONG TERM ASSETS</b>				
FIXED ASSETS LESS ACCUMULATED DEPRECIATION		315,572	259,653	
OIL AND GAS PROPERTIES, FULL COST METHOD, LESS ACCUMULATED DEPRECIATION			7,412,629	6,495,186
INTANGIBLE ASSETS	5,012	5,411		
RESTRICTED CASH	20,000	20,000		
DEPOSITS	21,172	21,172		
<b>TOTAL LONG TERM ASSETS</b>		<b>7,774,385</b>	<b>6,801,422</b>	
<b>TOTAL ASSETS</b>		<b>\$ 12,274,581</b>	<b>\$ 12,512,945</b>	

LIABILITIES

CURRENT LIABILITIES			
ACCOUNTS PAYABLE	\$ 715,796	\$ 332,487	
DUE TO RESERVOIR CONSULTANTS		278,000	278,000
OTHER CURRENT LIABILITIES	76,687	56,232	
TOTAL CURRENT LIABILITIES	1,070,483	666,719	
LONG-TERM LIABILITIES			
DUE TO RESERVOIR CONSULTANTS		222,000	222,000
LIQUIDATION FUND	20,000	20,000	
TOTAL LONG TERM LIABILITIES	242,000	242,000	
TOTAL LIABILITIES	1,312,483	908,719	
MINORITY INTEREST	42,212	82,134	
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY			
CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL			
Class A Preferred Stock, \$0.10 par value			
Authorized - 1,500,000 shares			
Issued and outstanding - None			
	-	-	
Class B Preferred Stock, \$0.10 par value			
Authorized - 1,000 shares			
Issued and outstanding - None			
	-	-	
Class C Preferred Stock, \$0.10 par value			
Authorized - 1,000 shares			
Issued and outstanding - None			
	-	-	
Common Stock, \$0.001 par value			
Authorized - 50,000,000 shares			
Issued and outstanding - 20429422			
	20,429	20,429	
ADDITIONAL PAID IN CAPITAL	12,115,445	12,115,445	
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE		(1,215,988)	(613,782)
TOTAL SHAREHOLDER'S EQUITY	10,919,886	11,522,092	
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		\$ 12,274,581	\$ 12,512,945

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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

	Period from inception	
	Three month ended	(May 6, 2003) through
	June 30, 2004	June 30, 2004
	<C>	<C>
<S>		
REVENUES		
OIL SALES	\$ 118,949	\$ 118,949
EXPENSES		
OPERATING COSTS		
PRODUCTION COSTS	(24,322)	(24,322)
GENERAL AND ADMINISTRATIVE	(559,386)	(1,341,143)
AMORTIZATION AND DEPRECIATION	(9,125)	(13,883)
TOTAL EXPENSES	(592,833)	(1,379,348)
LOSS FROM OPERATIONS	(473,884)	(1,260,399)
OTHER INCOME (EXPENSE)		
REALIZED GAIN ON MARKETABLE SECURITIES	54,915	74,283
UNREALIZED LOSS ON MARKETABLE SECURITIES	(303,697)	(55,290)
INTEREST INCOME (EXPENSE) NET	2,884	(81,123)
FOREIGN CURRENCY EXCHANGE GAIN	77,654	148,603

TOTAL OTHER INCOME (EXPENSE)	(168,244)	86,473
NET LOSS BEFORE MINORITY INTEREST	(642,128)	(1,173,926)
MINORITY INTEREST	39,922	(42,062)
NET LOSS	\$ (602,206)	\$ (1,215,988)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	20,429,422	16,571,429
LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ (0.03)	\$ (0.07)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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

	Period from inception	
	Three month ended	(May 6, 2003) through
	June 30, 2004	June 30, 2004
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$ (602,206)	\$ (1,215,988)
Adjustment to reconcile net loss to net cash used in operating activities		
Non cash operating expenses (income)		
Depreciation expenses	9,124	13,882
Minority Interest in Operations of Subsidiary	(39,922)	42,062
Change in operating assets and liabilities		
Increase in Marketable Securities	2,112,663	(766,473)
Increase in Inventories	(408,787)	(592,671)
Increase in Prepaid and Other Assets	(2,314,127)	(2,836,275)
Increase in Account Payable and accrued liabilities	403,764	1,070,483
Restricted cash	-	(20,000)
Rent deposits	-	(21,172)
Net cash used in operating activities	(839,491)	(4,326,152)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(64,414)	(328,825)
Acquisition of intangible assets	(230)	(5,641)
Purchase of Oil and Gas Properties	(917,443)	(7,170,629)
Net cash used in investing activities	(982,087)	(7,505,095)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Sale of Common Stock	-	9,936,024
Proceeds from Short-term Financing	-	500,000
Repayment of Short-term financing	-	(500,000)
Proceeds from Issuance of Convertible Debt	-	2,000,000
Proceeds from Exercise of Common Stock Options	-	200,000
Net cash provided by financing activities	-	12,136,024
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,821,578)	304,777
Cash and Cash Equivalents at Beginning of the Period	2,126,355	-
Cash and Cash Equivalents at End of the Period	\$ 304,777	\$ 304,777

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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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 originally incorporated in Utah in July 1981. The Company changed domicile to Delaware in February 1994. Prior to November 26, 2003, the Company existed under the name Inter Union Financial Corporation ("InterUnion").

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. On May 2004, the company began test production at one well. The Company recorded revenue in the amount of \$118,949.

The financial information included herein, except the balance sheet as of March 31, 2004, 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 generally accepted accounting principles have been condensed or omitted in this Form 10-Q 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-K Report

### BASIS OF CONSOLIDATION

The Company's financial statements present the consolidated results of BMB Munai, Inc., and Emir Oil LLP, its 70% 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 the April 1, 2004 through June 30, 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.

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### 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.

### RESTRICTED CASH

Restricted Cash reflected in the long-term assets consists of \$20,000 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 equipment for development activities, tangible drilling materials required for drilling operations, spare parts, diesel fuel, and various materials to be used in oil field operations. Under the full cost method inventory is transferred to oil and gas properties when used in exploration, drilling and development operations in oilfields. 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 amount of \$ 7,082.

### 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 in a process of obtaining a commercial production contract with the Government of Kazakhstan. The Company is legally entitled to receive this commercial production contract and 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.

## OIL AND GAS PROPERTIES

While the Company has just recently started the test production at the Dolinnoe-1 well and has no other present production history, in the future it plans to follow 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.

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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 a 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 expenses as incurred. Renewals and betterments shall be capitalized.

Amortization of intangible assets shall be calculated using straight line method upon estimated useful life ranging from 3 to 4 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.

#### SHARE BASED COMPENSATION

The Company accounts for options granted to non-employees at their fair value in accordance with FAS 123, Accounting for Stock-Based Compensation. Under FAS No. 123, stock-based compensation is determined as the fair value of the equity instruments issued. The measurement date for these issuances is the earlier of

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the date at which a commitment for performance by the recipient to earn the equity instruments is reached or the date at which the recipient's performance is complete. Stock options were granted to the "selling agents" in the private equity placement transactions and have been offset to the proceeds as a cost of capital.

#### 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 March 2004, the FASB issued an exposure draft entitled "Shared-Based Payment, an Amendment of FASB Statement No. 123 and 95." This proposed statement addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. The proposed statement would eliminate the ability to account for share-based compensation transactions using APB Opinion No. 25, "Accounting for Stock Issued to Employees", and generally would require instead that such transactions be accounted for using a fair-value-based method. As proposed, this statement would be effective for the Company on January 1, 2005. The Company is currently unable to determine what effect this statement will have on the Company's financial position or results of operations.

#### NOTE B - GOING CONCERN

The Company's consolidated financial statements have been presented on the basis that the Company continues 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 the 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 and 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. The results of Emir's operations have been included in the consolidated financial statements since that date. Emir had no operations prior to its acquisition by BMB. Emir holds oil and gas exploration license for ADE Block. The aggregate purchase price was \$1,300,000. The entire purchase price has been allocated to oil and gas properties in the accompanying consolidated balance sheet. BMB is in the process of obtaining third party valuations of the oil and gas licenses; thus, the allocation of the purchase price is subject to refinement. The Company, based on its holding of Emir Oil, is required to fund the exploration efforts of Emir Oil. (See Note G.) The Company anticipates henceforth the cost of exploration to be approximately \$30,000,000, which the Company will seek to fund through additional equity financing and the sale of oil produced during well testing.

## NOTE D - FOREIGN ASSETS AND ECONOMIC CONCENTRATION

Marketable securities of \$766,473 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 \$169,682. Restricted Cash reflected in the long-term assets consists of \$20,000 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	\$ 76,898	
Field equipment	118,302	
Field vehicles	58,783	
Office equipment and furniture	74,842	
	-----	
Total	328,825	
Accumulated Depreciation		13,253
	-----	
Net	\$315,572	
	=====	

## NOTE F - LONG TERM LIABILITIES

Long Term Liabilities include:

1. 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.
2. 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 \$20,000 to the Liquidation Fund.

## NOTE G - COMMITMENTS AND CONTINGENCIES

The Government of the Republic of Kazakhstan made historical investments in the ADE Block in total amount of \$5,994,200. When the Company applies for and is granted commercial production rights license for the ADE Block, the Company will be required to begin repaying these historical investments to the Government of the Republic of Kazakhstan. The terms of repayment will be negotiated at the time the Company applies for commercial production rights.

Under the terms of the five-year exploration contract, Emir Oil is required to spend a total of \$21.5 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 \$7 million in 2004 and \$9.3 million in 2005. 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





Options exercised	200,000	0.95%	\$1.00	\$200,000.00	Credifinance
Outstanding shares	20,429,422				
Warrants and Options	607,977	2.89%			
Fully Diluted	21,037,399	100.00%			

#### NOTE I - SUBSEQUENT EVENT

During July 2004, the Company completed a private placement for the total amount of \$14,875,382 (less expenses and brokerage commissions of \$861,978).

#### NOTE J - RESTATEMENT OF FINANCIAL STATEMENTS

In response to comments raised by the staff of the Securities and Exchange Commission, the Company commenced a review of the accounting related to an amount due to the Government of the Republic of Kazakhstan for historical costs incurred by the Government in the exploration and development of the Company's ADE block oil field. Based on the Company's internal review, and after consultation with the Audit Committee of the Company's Board of Directors and independent registered public accounting firm, on July 12, 2005, the Company determined it was necessary to restate its Consolidated Balance Sheets as of June 30, 2004 to correct its accounting for oil and gas properties and a liability due to the Government of the Republic of Kazakhstan.

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The primary effect of the correction discussed above resulted in the Company reducing the long-term asset "Oil and Gas Properties, Full Cost Method, Less Accumulated Depreciation" and the long-term liability "Due to the Government of Kazakhstan" by \$5,994,745 on its Consolidated Balance Sheet.

Following is a summary of the effects of these adjustments on the Company's Consolidated Balance Sheets as of June 30, 2004 and March 31, 2004:

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#### CONSOLIDATED BALANCE SHEETS

	AS PREVIOUSLY REPORTED	ADJUSTMENTS	AS RESTATED
-----			
JUNE 30, 2004:			
-----			
<S>	<C>	<C>	<C>
Oil and Gas Properties, Full Cost Method, Less Accumulated Depreciation	\$13,407,374	\$5,994,745	\$7,412,629
-----			
Total Long Term Assets	\$13,769,130	\$5,994,745	\$7,774,385
-----			
Total Assets	\$18,269,326	\$5,994,745	\$12,274,581
-----			
Due to the Government of Kazakhstan	\$5,994,745	\$5,994,745	\$ -
-----			
Total Long Term Liabilities	\$6,236,745	\$5,994,745	\$ 242,000
-----			
Total Liabilities	\$7,307,228	\$5,994,745	\$1,312,483
-----			
Total Liabilities & Shareholders' Equity	\$18,269,326	\$5,994,745	\$12,274,581
-----			
MARCH 31, 2004:			
Oil and Gas Properties, Full Cost Method, Less Accumulated Depreciation	\$12,489,931	\$5,994,745	\$6,495,186
Total Long Term Assets	\$12,796,167	\$5,994,745	\$6,801,422
Total Assets	\$18,507,690	\$5,994,745	\$12,512,945
-----			
Due to the Government of Kazakhstan	\$5,994,745	\$5,994,745	\$ -
Total Long Term Liabilities	\$6,236,745	\$5,994,745	\$ 242,000
Total Liabilities	\$6,903,464	\$5,994,745	\$ 908,719
Total Liabilities & Shareholders' Equity	\$18,507,690	\$5,994,745	\$12,512,945

This restatement has no effect on net loss or net loss per common share.

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The following discussion is intended to assist you 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/A-1 contain 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 21.

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

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## 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. 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. We are currently completing the necessary paperwork with the government of the Republic of Kazakhstan ("ROK") to register the acquisition.

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 \$10 million and \$20 million in the continued exploration and development of the ADE Block in the next twelve months. We recently completed a private placement in which we sold 3,934,340 shares of our common stock for \$4.00 per share to raise gross proceeds of \$15,737,360. After paying commissions, fees and costs of the offering, we realized net proceeds of \$14,875,382. This money will be primarily used to fund our exploration and development efforts. We also intend to apply proceeds made from the sale of oil we produce during well testing to help fund our exploration and development activities.

## New Wells

Based on the funds raised in the offering, during the next twelve months we intend to spend at least \$12 million to drill new exploratory wells. Initially we will focus our drilling efforts in the Dolinnoe Oil Field, where we hope to drill at least two new exploratory wells. We have begun drilling the Dolinnoe-2 well under our exploration license. The anticipated depth of a new well is approximately 4,000 meters. The drilling site is in the Dolinnoe oil and gas field. We selected the well site based on the results of a 3D seismic study prepared by PGS-GIS Data Processing. The site preparation and drilling rig placement were completed in July, 2004. We have contracted with a Saipem S.p.A., a European oil drilling and service company, to drill and complete the well.

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## Acquisition of Additional Reserves

Depending on available funds, during the next twelve months, we also expect to spend up to five million dollars toward increasing our oil and gas reserves through the identification, investigation and acquisition of additional oil and gas concessions in Kazakhstan.

## Work Over of Existing Wells

In the next twelve months we will continue work over on existing wells

in the ADE Block. The research works on Emir-1 well have begun. We will commence work over of the Aksaz-1 well shortly. We also intend to investigate other wells in the ADE Block that were previously spudded to determine the commercial viability of additional drilling at these sites.

#### Infrastructure Improvements

We plan to continue improving existing infrastructure in the ADE Block. During the quarter, we completed construction of a 10 kilometer long high voltage power line to the Emir field and a one kilometer long high voltage power line to the Dolinnoe field. We also completed construction of 11 kilometers of gravel roads in the Emir and Dolinnoe fields. In August 2004, we plan to begin construction of a pipeline from the Aksaz-1 well to the temporary collection and processing facility at the Emir-1 well. We have begun reconstruction to increase the storage capacity of the ground fuel tanks at the oil and fuel storage facility we are currently using. This should allow us to collect volumes sufficient for exporting. Under the proposed terms of our lease, the cost of reconstruction will be used to offset our lease payments. We plan to acquire a railroad spur located near the Aksaz Field territory, with plans to build a storage facility and pouring station at the terminal to allow for oil transportation via railroad. This should help us create our own transportation route for export and domestic oil sales. We expect to finalize acquisition of the railroad spur early in 2005. Additionally, in the next twelve months we plan to improve power supply to the ADE Block through the construction of additional kilometers of 6 Kilowatt power line running through the ADE Block. We will also continue expanding the road network within the ADE Block.

#### Oil Production and Sale

During the quarter all crude oil sales from test production at the Dolinnoe-1 well were to the Kazakhstan domestic market. Since May 12, 2004, a steady flow rate from 200 up to 500 barrels of crude oil per day has been produced from the Dolinnoe-1 well. The price we receive for oil sales in the domestic market is controlled by the ROK. Subsequently, the price of oil in the Kazakhstan domestic market is currently artificially lower than the going market rate. The average price per barrel of oil we have received for crude oil sold in the Kazakhstan domestic market is approximately \$14 per barrel.

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

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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

As discussed above, we incorporated on May 6, 2003, therefore, we do not have a full prior year fiscal quarter against which to compare. Rather all comparisons to our fiscal quarter ended June 30, 2003, will be for the period from May 6, 2003 through June 30, 2003.

**Revenues.** During the quarter ended June 30, 2004, we realized revenues of \$118,949, compared to \$0 in the period from May 6, 2003, to June 30, 2003. All revenues were from oil sales. 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.

**Expenses.** During the three months ended June 30, 2004, we incurred expenses of \$592,833 compared to expenses of \$25,928 during the period from May 6, 2003, to June 30, 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 June 30, 2003, we incurred general and administrative expenses of \$25,928, compared to \$592,833 in the quarter ended June 30, 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 June 30, 2004, we incurred production costs of \$24,322 and amortization and depreciation expenses of \$9,125, neither of which were incurred in the prior year period. 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 June 30, 2004, we had incurred losses from operations totaling \$473,884 compared to operating losses of \$25,928 for the period from May 6, 2003, through June 30, 2003. These

losses are largely the result of incurring numerous general and administrative 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. 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 period from April 1, 2004 to June 30, 2004, we realized other expenses totaling \$168,244, compared to \$3 for the period from May 6, 2003, to June 30, 2003. The current year other expenses included unrealized loss on marketable securities of \$303,697, offset by realized gain on marketable securities of \$54,915, interest income of \$2,884 and foreign currency exchange gain of \$77,654. During the prior fiscal year, we raised approximately \$12 million through the sale of our securities in private placement transactions. Therefore, during the fiscal quarter ended June 30, 2004, we had funds that were not being used in operations that we invested in marketable securities. Subsequent to the quarter end, we raised an additional \$14.8 million through the sale of our securities in a private placement. We expect to use all

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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. Therefore, initially we anticipate that gains and losses from marketable securities, both realized and unrealized, may increase. As funds are used in operations, and over the next twelve months, we expect that gains and losses from marketable securities, both realized and unrealized, will decrease.

Net Loss. During the three months ended June 30, 2004, we realized a net loss of \$602,206 compared to a net loss of \$25,922 for the period from May 6, 2003 through June 30, 2003. As discussed above this net loss is largely the result of the increased size of our operations at June 30, 2004, compared to June 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 subsequent to the quarter ended June 30, 2004, 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, subsequent to June 30, 2004, we completed a private placement of 3,934,340 shares of our common stock for net proceeds of \$14,875,382. We anticipate these funds, along with those we previously raised, should be sufficient 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 quarter ended June 30, 2004, cash was primarily used to fund exploration and development expenditures. We had a net decrease in cash and cash

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equivalents of approximately \$1.8 million during the quarter ended June 30, 2004 compared to a net increase of cash and cash equivalents of \$670,500 in the period ended June 30, 2003. See below for additional discussion and analysis of cash flow.

<TABLE>  
<CAPTION>

Three months ended    Period from May 6, 2003  
June 30, 2004        through June 30, 2003

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<S>	<C>	<C>	
Net cash used in operating activities		\$ (839,491)	\$ (29,500)
Net cash used in investing activities		\$ (982,087)	\$(1,300,000)
Net cash provided by financing activities		\$ (-0-)	\$ 2,000,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		\$(1,821,578)	\$ 670,500

During the quarter ended June 30, 2004, net cash used in operations was \$839,491, as net loss, minority interest in operations of our subsidiary, increase in inventories and increase in prepaid and other assets was only partially offset by depreciation expenses, increases in marketable securities and increases in accounts payable and accrued liabilities. Net cash used in investing activities was \$982,087, which included acquisitions of fixed and intangible assets as well as additional oil and gas properties. During the quarter, no cash was provided from financing activities. At June 30, 2004, we had cash on hand of \$304,777.

We continually evaluate our capital needs and compare them to our capital resources. Our budgeted capital expenditures for the upcoming 12 months are \$10 million to \$20 million for exploration, development, production and acquisitions. We expect to fund these expenditures primarily from capital raised in the private placement completed subsequent to June 30, 2004.

#### Contractual Obligations and Contingencies

The following table lists our significant commitments at June 30, 2004, excluding current liabilities as listed on our consolidated balance sheet:

<TABLE>  
<CAPTION>

Contractual Obligations	Payments Due By Period				
	Less than Total	1 year	1-3 years	After 4-5 years	5 years
<S>	<C>	<C>	<C>	<C>	<C>
Capital Expenditure Commitment <sup>1</sup>	\$21,300,000	\$7,000,000	\$14,300,000	\$ --	\$ --
Due to the Government of Kazakhstan <sup>2</sup>	5,994,200	--	--	5,994,200	--
Due to Reservoir Consultants	500,000	278,000	222,000	--	--
Liquidation Fund	20,000	--	20,000	--	--
Total	\$27,814,200	\$7,278,000	\$14,542,000	\$ 5,994,200	\$ --

</TABLE>

<sup>1</sup> Under the terms of our Contract with the ROK, we are required to spend a total of at least \$21.5 million dollars in exploration, development and improvements within the ADE Block during the term of the license, including \$7

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million during the 2004 calendar year and \$9.3 million in the 2005 calendar year. If we fail to do so, we may be subject to the loss of our Contract.

<sup>2</sup> 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. 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. Although we can apply for a commercial production contract at any time, we enjoy certain benefits during exploration and development that currently make it more advantageous for us to continue to exploration and development activities at this time. We anticipate we will apply for a commercial production contract sometime during the first half of the 2007 calendar year. Should we decide not to pursue a commercial production contract, we can relinquish the ADE Block to the ROK in satisfaction of this obligation

#### Off-Balance Sheet Financing Arrangements

As of June 30, 2004, we had no off-balance sheet financing

arrangements.

#### Recently Issued Accounting Pronouncements

Accounting Pronouncements - In March 2004, the FASB issued an exposure draft entitled "Shared-Based Payment, an Amendment of FASB Statement No. 123 and 95." This proposed statement addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. The proposed statement would eliminate the ability to account for share-based compensation transactions using APB Opinion No. 25, "Accounting for Stock Issued to Employees", and generally would require instead that such transactions be accounted for using a fair-value-based method. As proposed, this statement would be effective for the Company on January 1, 2005. The Company is currently unable to determine what effect this statement will have on the Company's financial position or results of operations.

#### 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

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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

Our chief executive officer and our chief financial officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15 and Rule 15d-15(e)). Such officers have concluded (based upon their evaluations of these controls and procedures, as more fully discussed in the following paragraphs, as of the end of the period covered by this amended report) that our disclosure controls and procedures are now effective to ensure that information required to be disclosed by us in this report is accumulated and communicated to management, including the Certifying Officers as appropriate, to allow timely decisions regarding required disclosure.

We are restating our consolidated balance sheets as of June 30, 2004 to correct an error in our accounting for a liability we will be required to repay to the Government of the Republic of Kazakhstan in the event we are granted commercial production rights. Previously, we treated this obligation as a long-term liability. As a result of a normal periodic review of our financial statements by the staff of the Securities and Exchange Commission, management determined on July 12, 2005 that the amount due to the Government was not a liability of the Company and should be removed from our consolidated balance sheets. The primary effect of this restatement resulted in the Company reducing its long-term asset "Oil and Gas Properties" by \$5,994,745 and removing the long-term liability "Due to the Government of Kazakhstan" of \$5,994,745 from its consolidated balance sheet. This restatement does not have any impact on net loss or net loss per common share. Please refer to Note J of the accompanying consolidated financial statements for additional information.

In light of our decision to restate our financial statements we carried

out an evaluation in accordance with Exchange Act Rules 13a-15 and 15d-15 and under the supervision and with the participation of management, including our Certifying Officers, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that

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evaluation, our Certifying Officers concluded that, due to the restatement discussed above, our disclosure controls and procedures were not effective as of June 30, 2004. Following the discovery of this error in July 2005, we have implemented new policies requiring our internal accounting staff to receive ongoing training on accounting for oil and gas properties in accordance with generally accepted accounting principles in the United States to prevent recurrence of future errors of this nature and to strengthen our internal control process.

There have been no other changes in our internal controls over financial reporting that occurred during the three month period ended June 30, 2004 that has materially affected, or is reasonably likely to materially affect, our 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 question the merit of all claims alleged by plaintiffs. We have retained the Florida law firm of Shutts & Bowen LLP, to defend it in this matter. We have filed a motion to dismiss the complaint of plaintiffs, Brian Savage, Thomas Sinclair and Sokol Holdings, Inc., on several grounds. The motion is scheduled for hearing in late August 2004. 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 2. Changes in Securities

During the quarter ended June 30, 2004, and subsequent thereto, the following equity securities, which were not registered under the Securities Act of 1933, were issued.

During the month of July 2004, we issued 3,934,340 restricted common shares to ten investors for \$4.00 per share, raising gross proceeds of \$15,373,360 in a private placement. The shares were issued without registration

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under the Securities Act of 1933 in reliance upon exemptions from registration pursuant to Rule 506 of Regulation D and Regulations S of the rules and regulations promulgated by the Securities and Exchange Commission under the Securities Act of 1933.

In connection with the private placement, at the Closing of the private placement on July 31, 2004, we granted placement agent warrants to Aton Securities, Inc., and Credifinance Securities, Ltd., a related company through a common director, in the amounts of 309,454 and 83,890 respectively, to purchase shares of our common stock at \$4.00 per share. These warrants are immediately exercisable and expire on January 31, 2006. The warrants were issued without registration under the Securities Act of 1933 in reliance upon an exemption from registration pursuant Section 4(2) of the Securities and Exchange Commission under the Securities Act of 1933.

In August 2004, we issued 3,500,000 shares of restricted common stock to acquire the 30% interest in Emir Oil, LLP from our minority partner. The shares were issued without registration under the Securities Act of 1933 in



reliance upon an exemption from registration pursuant to Regulations S of the rules and regulations promulgated by the Securities and Exchange Commission under the Securities Act of 1933.

Item 5. Other Information

As discussed above, 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 will become a wholly owned subsidiary of BMB Munai. We are currently completing the necessary paperwork with the government of the Republic of Kazakhstan ("ROK") to finalize the acquisition.

Item 6. Exhibits and Reports on Form 8-K

(A) Reports on Form 8-K

On May 25, 2004, we filed a Current Report on Form 8-K disclosing that we had entered into a Share Purchase and Sale Agreement to acquire the remaining 30% interest in Emir Oil, LLP from Tolmakov Tolesh Kalmukanovitch.

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

Exhibit 31.1            Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2            Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1            Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.2            Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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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.

October 4, 2005            /s/ Boris Cherdabayev  
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Boris Cherdabayev, Chief Executive Officer

October 4, 2005            /s/ Anuar Kulmagambetov  
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Anuar Kulmagambetov, Chief Financial Officer

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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 amendment to the Quarterly Report on Form 10-QSB/A-1 of BMB Munai, Inc. (the "Company");

(2) Based on my knowledge, this amendment to the 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 amended Quarterly Report;

(3) Based on my knowledge, the financial statements, and other financial information included in this amendment to the 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 amended 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-15(f) and 15d-15(f)) 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 amendment to the Quarterly Report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the Company's disclosure controls and procedures 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 amended Quarterly Report based on such evaluation; and
- (d) Disclosed in this amendment to the 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.

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Boris Cherdabayev,  
Principal Executive Officer

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 amendment to the Quarterly Report on Form 10-QSB/A-1 of BMB Munai, Inc. (the "Company");

(2) Based on my knowledge, this amendment to the 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 amended Quarterly Report;

(3) Based on my knowledge, the financial statements, and other financial information included in this amendment to the 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 amended 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-15(f) and 15d-15(f)) 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 amendment to the Quarterly Report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the Company's disclosure controls and procedures 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 amended Quarterly Report based on such evaluation; and
- (d) Disclosed in this amendment to the 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.

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Anuar Kulmagambetov,  
Principal Financial Officer

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 this amendment to Quarterly Report of BMB Munai, Inc., on Form 10-QSB/A-1 for the period ended June 30, 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, certifies, 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: October 4, 2005

/s/ Boris Cherdabayev

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Boris Cherdabayev,  
Principal Executive Officer

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 this amendment to the Quarterly Report of BMB Munai, Inc., on Form 10-QSB/A-1 for the period ended June 30, 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, certifies, 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: October 4, 2005

/s/ Anuar Kulmagambetov

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Anuar Kulmagambetov,  
Principal Financial Officer